

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

Our File #533

Two sets of Rules

RULES REVIEW CHECKLIST

DATE RULES RECEIVED 8-16-79 Temporary Rule _____

Resubmitted and Received 8-31-79 - 10-15-79

DUE DATE 9-5-79 - 9-10-79 - 10-25-79

a. Returned to Agency w/o filing w/Secy of State 8-31-79 10/23/79 Eco. Int. 9-6-79

b. Approved 9/10 10/19 Date Sent Back to Agency _____

Campaign Fin. Eco. Int. ✓ = campaign fin. rules + = eco. interest rule

1. Rules as Adopted ✓ +
2. Rules as Proposed ✓ +
3. Certificate of Board's Authorizing Resolution, where applicable ✓ +
4. Order for Hearing ✓ +
5. Notice of Hearing ✓ +
   (i) Sufficiency ✓ +
6. Secretary of State's List ✓ +
7. Certificate of Acquisition of Secretary of State's List ✓ +
8. Affidavit of Mailing ✓ +
   (i) At least 30 days prior to hearing ✓ +
9. Statement of Need and Evidence ✓ +
10. Hearing Examiner's Report ✓ +
11. Agency's Findings of Fact ✓ +
12. Certificate of Board's Resolution Adopting Rules, where applicable ✓ +
13. Order Adopting ✓ +
14. Report of Chief Hearing Examiner ✓ +
    (i) Finding of No Substantial Change ✓ +
    (ii) Permission to Incorporate by Reference, where applicable N.A. N.A.
15. Certificate of Compliance with Rulemaking Procedures ✓ +
16. Copy of Notice of Intent to Solicit Outside Opinion, where applicable ✓ +?
17. Petition by Public, where applicable N.A. N.A.

Copy of Paddock Brief sent + withdrawn 9-4-79

DF

ETHICAL PRACTICES BOARD

ADOPTED

RULES RELATING TO ECONOMIC INTEREST DISCLOSURE

CHAPTER TWO: 9MCAR §§ 1.0100-1.0111

September 28, 1979

§1.0100 ACTING PUBLIC OFFICIAL.

An individual who is employed or appointed as an acting public official is required to file a Statement of Economic Interest.

§1.0101 BUSINESS WITH WHICH THE INDIVIDUAL IS ASSOCIATED. A public official who holds a joint interest in a security, or in a partnership, shall disclose ownership in the security or the partnership if his or her proportionate share of the holding is valued at $2,500 or more.

§1.0102 COMPENSATION. "Compensation" includes every kind of compensation for labor or personal services from private or public employment. It does not include alimony or child support payments.

§1.0103 COMPENSATION IN ANY MONTH.

A. For the purpose of an original Statement of Economic Interest, "compensation in any month" includes only compensation received in the calendar month immediately preceding the date of appointment as a public official or filing as a candidate.

B. For the purpose of supplementary Statements of Economic Interest to be filed, "compensation in any month" includes compensation and honorariums received in any month between the end of the period covered in the preceding Statement of Economic Interest and the end of the current period.

C. For the purpose of calculating the amount of compensation received from any single source in a single month, such amount shall include the total amount received from such source during the month, whether or not the amount covers compensation for more than one month.

§1.0104 DATE OF APPOINTMENT. "Date of Appointment" means the effective date of the appointment to a position.

§1.0105 LATE FILING FEES.

A. The Board shall send a delinquency notice by certified mail to a public official or candidate within ten business days after a filing date. If a

certified letter is returned by the post office to the Board as refused, then the letter shall be deemed to have been received by the addressee on the date refused. The late filing fee will then commence accumulating on the eighth day after refusal. A certified letter returned to the Board as undelivered or refused shall be forwarded by first class mail to the public official or candidate. The late filing fee for an undelivered notice will commence on the eighth day after the notice is deposited in first class mail.

B. A late filing fee will be charged through the business day preceding the day of filing of a late statement.

C. A late filing fee shall not be assessed for Saturday, Sunday or legal holidays.

D. The Board shall grant a waiver of a late filing fee if satisfied that the statement or report was not filed on time due to sickness, injury, or other compelling reason upon receipt of a written request for a waiver.

§1.0106 HONORARIUM. "Honorarium" includes anything of value received for services for which there is no obligation to make payment; for example, a speech, an article, or similar service. Honorariums are not reported on original statements.

§1.0107 OCCUPATION AND PRINCIPAL PLACE OF BUSINESS. For statement of occupation, the individual shall state his or her principal occupation; i.e. the occupation at which he or she spends most of his or her working hours or which provides his or her major source of compensation. "Principal place of business" means the name of the entity providing the individual's principal occupation.

§1.0108 REAL PROPERTY.

A. For the purpose of determining the value of an individual's interest in real property, the value of the property shall be the market value shown on the property tax statement.

B. For the purpose of an original Statement of Economic Interest, the individual shall disclose only those real properties owned on the date of

appointment as a public official or filing as a candidate.

C. For the purpose of a supplementary Statement of Economic Interest, the individual shall disclose any real property owned at any time between the end of the period covered by the preceding Statement of Economic Interest and through the last day of the month preceding the current filing or the last day of employment, if no longer a public official.

§1.0109 SECURITIES.

A. "Securities" includes any stock, share, bond, warrant, option, pledge, note, mortgage, debenture, lease, or commercial paper in any corporation, partnership, trust, or other association. "Securities" does not include deposits in a savings account or shares in a pension fund.

B. A "Holder of Securities" or an individual who "Holds Securities" is an individual having an ownership interest in any security as defined herein, or who is the trustee or beneficiary of a trust.

C. For the purpose of an original Statement of Economic Interest, "Securities" includes only securities held on the date of appointment as a public official or filing as a candidate.

D. For the purpose of a supplementary Statement of Economic Interest, "Securities" includes any security held at any time between the end of the period covered by the preceding Statement of Economic Interest and through the last day of the month preceding the current filing or the last day of employment, if no longer a public official.

E. For the purpose of indicating the address of the entity in which a security is held, the registered office or principal place of business shall be stated, except that if a security is listed on one of the national security exchanges, and the address of the entity is not known, the name of the exchange shall suffice.

§1.0110 SOURCES OF COMPENSATION. "Sources of Compensation" means the name of the

corporation, partnership or other entity from which the individual receives compensation. A self-employed individual is required to list only a description of the occupation in which the individual is self-employed (e.g. farming, practice of law, etc.) and is not required to list the names of corporations, partnerships, or other entities which pay compensation to the public official or candidate in his or her capacity as a self-employed individual.

§1.0111 TIME FOR FILING.

A. A Statement of Economic Interest is considered filed if delivered to the Ethical Practices Board by 4:30 p.m. of the prescribed filing date or post-marked by the filing date.

B. An individual shall not be required to file more than one Statement of Economic Interest in any year; except that a public official who has filed a Statement of Economic Interest within the calendar year as a public official, must file a supplementary statement within 14 days after filing an affidavit of candidacy or submitting a petition to appear on the ballot.

C. A public official or candidate, who previously filed a Statement of Economic Interest and who is required to file a new Statement of Economic Interest following a period when no statement was required, shall file an original statement.

D. An individual must file a Statement of Economic Interest for the period for which he served as a public official even though no longer a public official.

A Statement of Need explaining why the Board feels the proposed rules are necessary and a Statement of Evidence outlining the testimony they will introduce will be filed with the Hearing Examiner at least 25 days prior to the hearing and will be available for public inspection.

All interested or affected persons will have an opportunity to participate. Statements made orally and written materials may be submitted at the hearing. In addition, written materials may be submitted by mail to Hearing Examiner Peter C. Erickson, Room 300, 1745 University Avenue, St. Paul, MN 55104, either before the hearing, or within (5) five working days following the close of the hearing, or up to 20 days if ordered by the Hearing Examiner.

Please be advised that pursuant to Minn. Stat. § 10A.01, subd. 11 (1978) 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 must register with the State Ethical Practices Board as a lobbyist within five days of the commencement of such activity by the individual. The statute provides certain exceptions. Questions should be directed to the State Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, phone (612) 296-5615.

Notice: Any person may request notification of the date on which the Hearing Examiner's Report will be available, after which date the agency may not take any final action on the rules for a period of five working days. Any person may request notification of the date on which the hearing record has been submitted (or resubmitted) to the Attorney General by the agency. If you desire to be so notified, you may so indicate at the hearing. After the hearing, you may request notification by sending a written request to the Hearing Examiner (in the case of the Hearing Examiner's Report) or to the agency (in the case of the agency's submission or resubmission to the Attorney General).

Notice is hereby given that 25 days prior to the hearing, a Statement of Need and Reasonableness will be available for review at the agency and at the Office of Hearing Examiners. This Statement of Need and Reasonableness will include a summary of all of the evidence which will be presented by the agency at the hearing justifying both the need for and the reasonableness of the proposed rule/rules. Copies of the Statement of Need and Reasonableness may be obtained from the Office of Hearing Examiners at a minimal charge.

April 5, 1979

Vernon Jensen
Vice Chairperson

Rules as Proposed

The following permanent rule (EPB 100) concerning economic interest disclosure is struck in its entirety.

Temporary rules are in effect at the present time and may be secured from the Ethical Practices Board.

~~**EPB 100 Statements of economic interest.**~~

~~(a) Form for filing. Every public official or candidate for elective office required to file a Statement of Economic Interest shall set forth the required information on a form prescribed by the Board.~~

~~(b) Time for filing by candidates. Every candidate for statewide or legislative office, excluding candidates for supreme court justice or district court judge, shall file a Statement of Economic Interest within 14 days after filing an affidavit of candidacy or petition to appear on the ballot, provided that August 7, 1974, shall be the earliest date upon which any Statement of Economic Interest must be filed.~~

~~(c) Time for filing by public officials.~~

~~(1) Each public official in office on April 13, 1974, or any individual who accepts employment as a public official between April 13, 1974, and June 8, 1974, inclusive, and who is still in office on August 7, 1974, shall file a Statement of Economic Interest with the Board on or before August 7, 1974. Each individual who accepts employment as a public official after June 8, 1974, shall file a Statement of Economic Interest within 60 days after accepting employment, and if the advice and consent of the senate is required, prior to submission of his name to the senate. No individual shall be required to file more than one Statement of Economic Interest in any year. An individual who holds more than one public office for which a Statement of Economic Interest is required, shall include a listing of all such offices held.~~

~~(2) In 1975 and subsequent years, each public official who has previously filed a Statement of Economic Interest shall file a supplementary Statement of Economic Interest on or before April 15 of each year.~~

~~(3) In 1975 and subsequent years, a public official who has filed a Statement of Economic Interest and who thereafter files as a candidate for statewide or legislative office shall file an amendment to the statement within 14 days after filing an affidavit of candidacy or submitting a petition to appear on the ballot.~~

J. "Standardized Outdoor Display Signs" means off-premise outdoor display advertising commonly known as billboards;

K. "Temporary or seasonal display lighting" means display lighting that, on at least 300 consecutive days in any 12-month period, is not illuminated.

6 MCAR § 2.2110 Permissible hours of outdoor display lighting operation.

A. Standardized outdoor display signs may not be artificially illuminated during daytime hours.

B. Standardized outdoor display signs may not be artificially illuminated during the period between midnight and 6:00 a.m. or one half hour after sunrise, whichever is earlier, except for the hours during that period when the establishment(s) being advertised is (are) open for business.

C. Outdoor display lighting that is used to illuminate an historic landmark as defined in Minn. Stat. ch. 138 or § 4.077 may be operated between one half hour before sunset and 10 p.m.

D. All other outdoor display lighting except security lighting may be operated from one half hour before sunset until one hour after the close of a business day and from the beginning of a business day until one half hour after sunrise.

E. Security lighting may not be operated during daytime hours.

6 MCAR § 2.2115 Permissible efficiency.

A. No person shall install or use outdoor display lighting in which the light source produces light at an initial efficiency, including ballast, of less than 40 lumens per watt.

B. Exceptions.

1. Rule 6 MCAR § 2.2115 A. shall not apply to luminous sign tubing.

2. Rule 6 MCAR § 2115 A. shall not apply to any establishment whose total outdoor display lighting system has a demand of 1500 watts or less.

6 MCAR § 2.2120 Permissible quantity.

A. Beginning July 1, 1980, the provisions of Rule 6 MCAR § 2102 B. and C. notwithstanding, no person shall operate security lighting that exceeds .05 watts per square foot or .2 foot-candles for the area lighted for security purposes.

B. No person shall operate any other outdoor display lighting that exceeds the recommended minimum standards set forth in the "IES Lighting Handbook" published by the Illuminating Engineering Society by more than 20 percent.

C. Rule 6 MCAR § 2.2120 A. shall not apply to an establishment whose total security lighting system has a demand of 1500 watts or less.

Ethical Practices Board

Proposed Rules Governing Economic Interest Disclosure

Notice of Hearing

Notice is hereby given that a public hearing pursuant to Minn. Stat. § 15.0412 (1978) and Minn. Laws 10A in the above entitled matter will be held in Room 22, State Office Building, St. Paul, MN 55155, on Thursday, May 24, 1979, beginning at 9:30 a.m., and continuing until all persons have had an opportunity to be heard.

Statutory authority to promulgate the proposed rules is vested in the Ethical Practices Board by Minn. Stat. § 10A.02, subd. 13 (1978).

The Ethical Practices Board proposes to amend permanent rules EPB 100 and temporary rules 9 MCAR §§ 1.0100-1.0111 concerning economic interest disclosure by candidates and public officials, as well as to include clarifications from advisory opinions. In 1978, an amendment to Chapter 10A.02, subd. 12 limited the effectiveness of advisory opinions.

Chapter 463, Section 108 of Minnesota Session Laws (1978) granted authority to the Board to issue temporary rules until permanent rules are adopted pursuant to Minn. Stat. ch. 15 or until October 1, 1979, whichever occurs first.

Free copies of the proposed rules are available and can be obtained from the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, or by calling 296-5148. Additional copies will be available at the hearing. Temporary rules in effect at present may also be obtained.

KEY: RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language. PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material."

(d) Occupation and Principal Place of Business. For statement of occupation, the individual shall state his principal occupation, i.e. the occupation at which he spends most of his working hours or which provides his major source of compensation. "Principal place of business" means the name of the entity providing the individual's principal occupation.

(e) Business with which the Individual is Associated. Each individual who files a Statement of Economic Interest shall state the name of each business with which he is associated and the nature of that association. For purposes of these rules, an individual is associated with a business in the following cases: (i) when he receives compensation, other than for actual and reasonable expenses, in excess of $50 in any month as a director, officer, owner, member, partner, employer or employee; or (ii) when he is a holder of securities worth $2,500 or more at fair market value.

(f) Compensation.

(1) "Compensation" includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position, or occupation.

(2) "Source of compensation" includes the name of the corporation, partnership or other entity from which the individual receives payment in compensation. An individual who is self-employed is required to list only the name of the proprietorship or description of the occupation in which the individual is self-employed (e.g. farming, practice of law as sole proprietor), and is not required to list the names of corporations, partnerships, or other entities making payments in compensation to the individual in his capacity as a self-employed individual.

(3) For purposes of an original Statement of Economic Interest, "compensation in any month" includes compensation received only in the calendar month immediately preceding the date of appointment as a public official or filing as a candidate. For purposes of this rule, the calendar month for reporting compensation is July, 1974, for any individual who holds public office as of April 13, 1974, or at any time thereafter through July 31, 1974, and who is still in office on the date of filing.

(4) For purposes of a supplementary Statement of Economic Interest to be filed on April 15, "compensation in any month" includes compensation received in any month between the end of the period covered in the preceding Statement of Economic Interest and March 31, inclusive.

(5) For purposes of calculating the amount of compensation received from any single source in a single month, such amount shall include the total amount received from such source during the month, whether or not the amount covers compensation for more than one month.

(g) Securities.

(1) "Securities" includes any stock, share, bond, warrant, option, pledge, note, mortgage, debenture, lease, or commercial paper in any corporation, partnership, trust, or other association.

(2) A "holder of securities" or individual who "holds securities" is an individual having an ownership interest in any security as defined herein, or who is the trustee or beneficiary of any trust.

(3) For purposes of an original Statement of Economic Interest, "securities" includes only securities held on the date of appointment as a public official or filing as a candidate. For purposes of this rule, "date of appointment" means July 31, 1974, for any individual who holds public office as of April 13, 1974, or at any time thereafter through July 31, 1974, and who is still in office on the date of filing.

(4) For purposes of a supplementary Statement of Economic Interest to be filed on April 15, "securities" includes any security held at any time between the end of the period covered by the preceding Statement of Economic Interest and March 31, inclusive.

(5) For purposes of indicating the address of the entity in which stock is held, the registered office or principal place of business shall be stated, except that if stock is listed on one of the national exchanges and the address of the entity is not known, the name of the exchange shall suffice.

(h) Real property.

(1) A separate listing shall be made to indicate each deed or document pursuant to which the individual's interest was acquired, except that only one listing is required if there are multiple deeds or documents covering the same real property.

(2) For purposes of determining the individual's amount of interest in the real property, the value of the property shall be the market value shown on the property tax statement.

KEY: RULES SECTION — Underlining indicates additions to proposed rule language. Strike outs indicate deletions from proposed rule language. PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. Strike outs indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material."

~~(3) For purposes of an original Statement of Economic Interest, the individual shall indicate the location of only those real properties held on the date of appointment as a public official or filing as a candidate, and in which his interest is in excess of $2,500. For purposes of this rule, "date of appointment" means July 31, 1974, for any individual who holds public office as of April 13, 1974, or at any time thereafter through July 31, 1974, and who is still in office on the date of filing.~~

~~(4) For purposes of a supplementary Statement of Economic Interest, the individual shall indicate the location of any real property held at any time between the end of the period covered by the preceding Statement of Economic Interest and March 31, inclusive, in which his interest is in excess of $2,500.~~

Rules as Proposed (All new material)

Chapter Two: 9 MCAR §§ 1.0100-1.0111 Rules Relating to Economic Interest Disclosure

9 MCAR § 1.0100 Acting public official. An individual who is employed or appointed as an acting public official is required to file a Statement of Economic Interest.

9 MCAR § 1.0101 Business with which the individual is associated. A public official who holds a joint interest in a security, or in a partnership, shall disclose ownership in the security or the partnership if his or her proportionate share of the holding is valued at $2,500 or more.

9 MCAR § 1.0102 Compensation. "Compensation" includes every kind of compensation for labor or personal services from private or public employment. It does not include alimony or child support payments.

9 MCAR § 1.0103 Compensation in any month.

A. For the purpose of an original Statement of Economic Interest, "compensation in any month" includes only compensation received in the calendar month immediately preceding the date of appointment as a public official or filing as a candidate.

B. For the purpose of supplementary Statements of Economic Interest to be filed, "compensation in any month" includes compensation and honorariums received in any month between the end of the period covered in the preceding Statement of Economic Interest and the end of the current period.

C. For the purpose of calculating the amount of compensation received from any single source in a single month, such amount shall include the total amount received from such source during the month, whether or not the amount covers compensation for more than one month.

9 MCAR § 1.0104 Date of appointment. "Date of Appointment" means the effective date of the appointment to a position.

9 MCAR § 1.0105 Late filing fees.

A. The Board shall send a delinquency notice by certified mail to a public official or candidate within ten business days after a filing date. If a certified letter is returned by the post office to the Board as refused, then the letter shall be deemed to have been received by the addressee. The late filing fee will then commence accumulating on the eighth day after refusal. A certified letter returned to the Board as undelivered or refused shall be forwarded by first class mail to the public official or candidate and shall be deemed to have been received 7 days after the first class mailing.

B. A late filing fee will be charged through the business day preceding the day of filing of a late statement.

C. A late filing fee shall not be assessed for Saturday, Sunday or legal holidays.

D. The Board shall grant a waiver of a late filing fee if satisfied that the statement or report was not filed on time due to sickness, injury, or other compelling reason upon receipt of a written request for a waiver.

9 MCAR § 1.0106 Honorarium. "Honorarium" includes anything of value received for services for which there is no obligation to make payment; for example, a speech, an article, or similar service. Honorariums are not reported on original statements.

9 MCAR § 1.0107 Occupation and principal place of business. For statement of occupation, the individual shall state his or her principal occupation; i.e. the occupation at which he or she spends most of his or her working hours or which provides his or her major source of compensation. "Principal place of business" means the name of the entity providing the individual's principal occupation.

9 MCAR § 1.0108 Real property.

A. For the purpose of determining the value of an individual's interest in real property, the value of the property shall be the market value shown on the property tax statement.

B. For the purpose of an original Statement of Economic Interest, the individual shall disclose only those real properties owned on the date of appointment as a public official or filing as a candidate.

C. For the purpose of a supplementary Statement of Economic Interest, the individual shall disclose any real property owned at any time between the end of the period covered by the preceding Statement of Economic Interest and through the last day of the month preceding the current filing or the last day of employment, if no longer a public official.

9 MCAR § 1.0109 Securities.

A. "Securities" includes any stock, share, bond, warrant, option, pledge, note, mortgage, debenture, lease, or commercial paper in any corporation, partnership, trust, or other association. "Securities" does not include deposits in a savings account or shares in a pension fund.

B. A "Holder of Securities" or an individual who "Holds Securities" is an individual having an ownership interest in any security as defined herein, or who is the trustee or beneficiary of a trust.

C. For the purpose of an original Statement of Economic Interest, "Securities" includes only securities held on the date of appointment as a public official or filing as a candidate.

D. For the purpose of a supplementary Statement of Economic Interest, "Securities" includes any security held at any time between the end of the period covered by the preceding Statement of Economic Interest and through the last day of the month preceding the current filing or the last day of employment, if no longer a public official.

E. For the purpose of indicating the address of the entity in which a security is held, the registered office or principal place of business shall be stated, except that if a security is listed on one of the national security exchanges, and the address of the entity is not known, the name of the exchange shall suffice.

9 MCAR § 1.0110 Sources of compensation. "Sources of Compensation" means the name of the corporation, partnership or other entity from which the individual receives compensation. A self-employed individual is required to list only a description of the occupation in which the individual is self-employed (e.g. farming, practice of law, etc.) and is not required to list the names of corporations, partnerships, or other entities which pay compensation to the public official or candidate in his or her capacity as a self-employed individual.

9 MCAR § 1.0111 Time for filing.

A. A Statement of Economic Interest is considered filed if delivered to the Ethical Practices Board by 4:30 p.m. of the prescribed filing date or postmarked by the filing date.

B. An individual shall not be required to file more than one Statement of Economic Interest in any year; except that a public official who has filed a Statement of Economic Interest within the calendar year as a public official, must file a supplementary statement within 14 days after filing an affidavit of candidacy or submitting a petition to appear on the ballot.

C. A public official or candidate, who previously filed a Statement of Economic Interest and who is required to file a new Statement of Economic Interest following a period when no statement was required, shall file an original statement.

D. An individual must file a Statement of Economic Interest for the period for which he served as a public official even though no longer a public official.

Ethical Practices Board

Proposed Rules Governing Campaign Financing

Notice of Hearing

Notice is hereby given that a public hearing pursuant to Minn. Stat. § 15.0412 (1978) and Minn. Laws 10A as amended in 1978 in the above entitled matter will be held in Room 22, State Office Building, St. Paul, MN 55155, on Thursday, May 24, 1979, beginning at 9:30 a.m., and continuing until all persons have had an opportunity to be heard.

Statutory authority to promulgate the proposed rules is vested in the Ethical Practices Board by Minn. Stat. § 10A.02, subd. 13.

The Ethical Practices Board proposes to amend permanent rules EPB 1-39 and supersede temporary rules 9 MCAR §§ 1.0001-1.0043 concerning campaign financing to reflect statutory changes in 1976, 1977, and 1978, as well as to include clarifications from advisory opinions. In 1978, an amendment to Chapter 10A.02, subd. 12 limited the effectiveness of advisory opinions. Chapter 463, Section

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APPROVED AS TO FORM AND LEGALITY

OCT. 19 1979 19

WARREN SPANNAUS, ATTORNEY GENERAL

BY

SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
OCT 22 1979

Joan Anderson Growe
Secretary of State

3:45 PM

A.G. Copy
as typed & filed

ETHICAL PRACTICES BOARD

ADOPTED

RULES RELATING TO CAMPAIGN FINANCING

CHAPTER ONE: 9MCAR §§ 1.0001 - 1.0043

Supersedes and repeals EPB Rules 1 - 39

§1.0001 APPLICABILITY OF RULES. These rules apply to principal campaign committees, political committees, political funds, individuals and associations that raise or expend in excess of $100 in a calendar year to influence the nomination or election of a candidate.

§1.0002 DEFINITIONS.

A. "Act" means the Ethics In Government Act, Minn. Stat. ch. 10A. as amended by Minnesota Session Laws, 1978, ch. 463, 793, and Minn. Session Laws 1979, Chapter 59.

B. "Business Day" means 8:00 a.m. to 4:30 p.m. Monday through Friday except for official state holidays.

C. "File", "Filed", and "Filing" means delivery to the office of the Board by 4:30 p.m. on the prescribed filing date or postmarked on the filing date.

D. "Fundraising Event" means any dinner, luncheon, rally, coffee party, cocktail party, or other similar gathering of three or more individuals where contributions are solicited or received to influence the nomination or election of a candidate.

E. "Money" means cash on hand, cash on deposit in banks and other depositories, checks, negotiable instruments and other paper commonly accepted by a bank as a deposit, and transfers through electronic funds transfers.

F. "Periodic Report" means the Report of Receipts and Expenditures required to be filed with the Board at prescribed filing dates.

G. "Unpaid Bills" means advance of credit.

§1.0003 AGREEMENT TO MAKE LOANS. An agreement to make a loan to a political committee or fund shall be made in writing, signed by the borrower (and endorsers, if any) and reported on the appropriate schedule.

§1.0004 ALLOCATION OF APPROVED EXPENDITURES. Except for a political party expenditure as provided in Minn. Stat. 10A.275, the treasurer of a political committee or political fund making an approved expenditure on behalf of more

than one candidate shall allocate the expenditure among such candidates on a reasonable proportionate basis and report the allocation to each candidate on periodic reports.

§1.0005 ALLOCATION OF MONEY FROM GENERAL ACCOUNT REFUSED BY A CANDIDATE. Monies refused by a candidate from the general account of the State Election Campaign Fund shall be reapportioned to all the office accounts as provided by Minn. Stat. 10A.31, subd. 5 (a)-(e) and distributed to all qualifying candidates.

§1.0006 ANONYMOUS CONTRIBUTIONS. Any single contribution in excess of $20 for which no donor can be identified by the committee or fund shall be forwarded in its entirety to the Board within 14 days after its receipt. When forwarding such an anonymous contribution, the treasurer of the committee or fund shall report to the Board the amount of the contribution and the date on which it was received.

§1.0007 APPROVED EXPENDITURES. No approved expenditure in excess of $20 on behalf of a candidate shall be made until the individual or association receives a written authorization from the treasurer or candidate of the principal campaign committee containing the following information: Date; Amount of expenditure; Name of individual/committee/fund making the expenditure; Purpose of the expenditure; Candidate on whose behalf expenditure is made; Office sought; Expenditure authorized by signature of treasurer or candidate of principal campaign committee.

§1.0008 ASSOCIATION NEWSLETTERS ON BEHALF OF A CANDIDATE. Unless the association is making an independent expenditure, the proportionate cost of preparation and distribution of a newsletter which advocates the nomination or election of a candidate is a donation in kind and must be approved by the candidate if the cost exceeds $20 per candidate.

§1.0009 CAMPAIGN HEADQUARTERS. A reasonable proportion of the cost of a political party's headquarters which serves as the headquarters of a candidate must be allocated to the candidate and reported as a campaign expenditure by the principal campaign committee of the candidate.

§1.0010 CAMPAIGN LITERATURE. Campaign literature paid for and distributed by a candidate or a principal campaign committee of a candidate running for office which contains pictures of, or incidental references to another candidate or officeholder will not be considered an approved and authorized expenditure on behalf of the other candidate provided the candidacy of the other candidate is not mentioned and no direct or indirect appeal for support of the other candidate is made, or if there is an independent expenditure disclaimer as defined in Minn. Stat. 10A.17, subd. 4.

§1.0011 CERTIFICATION.

A. The signature of the treasurer or deputy treasurer of record shall be sufficient certification on forms prescribed by the Board. Notarization is not required.

B. A candidate may sign forms that the treasurer or deputy treasurer of the committee is required to file.

§1.0012 CHANGE OF OFFICE SOUGHT BY CANDIDATE.

A. Contribution and expenditure limits. When a candidate, who sought nomination or election to one office, subsequently seeks the nomination or election to another office in the same election year, expenditures incurred and contributions received to influence the nomination or election to the first office will not be counted toward the campaign contribution and expenditure limits to the subsequent office sought.

B. Registration requirement. A candidate who seeks another office must designate a separate principal campaign committee and a separate account for funds for the office sought.

C. Tax credit subsidy and public financing agreements. A candidate may sign a tax credit subsidy agreement for the calendar year for each office sought until December 31. A candidate may sign a public financing agreement for each office sought until September 1 of the general election year. Signing a public financing agreement by September 1 automatically rescinds a previously filed agreement for another office.

§1.0013 COMPLAINTS OF VIOLATIONS.

A. Any person who believes a violation of the act or of these rules has occurred may submit an oral or written complaint to the Board.

B. There is no prescribed form for a written complaint, but all such complaints shall be typewritten or handwritten legibly. The name and address of the person making the complaint shall be typewritten or hand printed on the complaint and it shall be signed by such person. A complaint shall name the alleged violator and describe the complainant's knowledge of the alleged violation. Any evidentiary material should be submitted with the complaint. Complaints will not be available for public inspection or copying until after the Board makes a finding. No investigation shall be required if a complaint is frivolous on its face, illegible, too indefinite, does not identify the violator or is unsigned by the complainant.

C. The Board need not investigate an oral complaint. No investigation shall be undertaken if an oral complaint is frivolous on its face, too indefinite, does not identify the violation, or does not identify the complainant. There is no prescribed format for an oral complaint, but all oral complaints must describe in sufficient detail the alleged violator and violation of the act or rules.

D. Any portion of a meeting during which the Board is hearing testimony or taking action concerning any complaint, investigation, preparation of a conciliation agreement, or a conciliation meeting shall be closed to the public. The minutes of such a meeting shall be kept confidential.

§1.0014 CONTRIBUTIONS BETWEEN PRINCIPAL CAMPAIGN COMMITTEES OF THE SAME CANDIDATE.

A. Exclusive of personal funds of a candidate as reported on the periodic reports, the candidate may permit his principal campaign committee to accept contributions up to the applicable contribution limit for a political committee from another principal campaign committee formed by that candidate in seeking another office to further his nomination or election to the other office.

B. If the other principal campaign committee is a federally registered committee, then the provisions of Minn. Stat. 10A.22, subd. 7 apply as well as the contribution limit of the receiving committee.

§1.0015 CONTRIBUTION DISCLOSURE-JUDGESHIP. A judicial candidate subject to Chapter 10A shall be considered a statewide candidate for purposes of the contribution disclosure requirements set forth in Minn. Stat. 10A.20, subd. 3(b).

§1.0016 CONTRIBUTIONS FROM NON-MINNESOTA DOMICILED AND DOMICILED, FEDERALLY REGISTERED POLITICAL COMMITTEES OR POLITICAL FUNDS. Non-Minnesota domiciled and domiciled, federally registered political committees or political funds which contribute in excess of $100 in a calendar year to a political committee or political fund may, in lieu of registration with the Board, provide the recipient political committee or political fund with a report of receipts and expenditures containing all information required by Minn. Stat. 10A.20 for the reporting period in which the contribution was made.

§1.0017 CONTRIBUTION LIMITS-POLITICAL PARTY DEFINITION. For purposes of determining an aggregate political party contribution limit, the organization of a political party does not include a political party ward organization, a social club of a political party in a congressional district, legislative district, municipality or precinct, an auxiliary committee of a political party unit defined by Minn. Stat. 10A.27, subd. 4, or any association which uses a political party name and is not listed in Minn. Stat. 10A.27, subd. 4.

§1.0018 EMPLOYEE VOLUNTARY CONTRIBUTION PLAN. If an individual employee of a corporation doing business in Minnesota makes a voluntary contribution to a state candidate through a plan made available by that corporation and the employee retains sole and exclusive control of accumulated funds in the employee's name, the corporation providing such a plan on a non-partisan basis is not required to register and report as a political committee or political fund. A political committee or political fund in receipt of the contribution from the individual shall report on the periodic report as required by Minn. Stat. ch. 10A.

§1.0019 EXPENSES INCURRED TO REPAY LOANS. The expenses of raising money to repay outstanding loans from a previous calendar year are reportable as campaign expenditures in the year in which expenses are incurred.

§1.0020 FORGIVENESS AND PAYMENT OF A LOAN. When a loan to a principal campaign committee is forgiven or repaid by an individual, political committee, or political fund, in accordance with Minn. Stat. 10A.32, subd. 3(b), a candidate who accepts money from the State Election Campaign Fund and whose aggregate contribution limit is exceeded, shall return to the Board with the required periodic report amendment or periodic report, a check or money order, payable to the State Treasurer for the amount in excess of the aggregate contribution limit but not to exceed the amount received from the State Election Campaign Fund.

§1.0021 FORGIVENESS AND PAYMENT OF UNPAID BILLS. When a donation in kind in excess of $20 which results from the forgiveness of an unpaid bill or payment of an un-

paid bill by an individual, political committee or political fund other than the principal campaign committee causes the aggregate contribution limit of a candidate who accepts money from the State Election Campaign Fund to be exceeded, in accordance with Minn. Stat. 10A.32, subd. 3(b), a candidate shall return the amount due, but not to exceed the amount received from the State Election Campaign Fund, by a check or money order made out to the State Treasurer with the required amendment or periodic report.

§1.0022 FUNDRAISING EVENT.

A. The expenses of a fundraising event held by the state or local committee of a political party for one or two candidates are a donation in kind and, except for food and beverage consumed at the fundraising event, shall be reported as a campaign expenditure by the candidate or candidates under the following conditions:

1. The fundraising event is expressly or implicitly approved by the candidate, his treasurer, or agent to be held "on behalf of" the candidate; and

2. The candidate or candidates are "clearly identified" in advertisements, tickets, or any advance publicity for the fundraising event; and

3. The candidate receives proceeds, if any, from the fundraising event.

"Clearly identified" means that: (a) the name of the candidate is used; or (b) a photograph or drawing of the candidate appears; or (c) the identity of the candidate is apparent by unambiguous reference.

B. A separate committee may be established by two or more candidates to report the contributions and expenditures as required by the act for a fundraising event held jointly. The expenses of the fundraising event shall be allocated among the candidates on a reasonable proportionate basis as donations in kind, and, except for food and beverage consumed at a fundraising event, as campaign expenditures. A transfer of funds to a candidate combined with the value of donations in kind from that committee, may not exceed the applicable contribution limit for an individual, political committee, or political fund set

forth in Minn. Stat. 10A.27, subd. 1.

§1.0023 INACTIVE REGISTERED COMMITTEES AND FUNDS. A registered committee or fund which receives no income and makes no expenditures or non-campaign disbursements during a reporting period may so indicate in the space provided on the periodic report and shall thereby satisfy the reporting requirement.

§1.0024 JOINT CHECKS. When a contribution is given on a check written on a joint account, it shall be deemed a contribution by the signator(s) of the check unless otherwise specified by the signator(s). When a contribution is given on a check written on a joint account and specified as a joint contribution, it shall be deemed a separate contribution by each of the holders of the joint account in a proportional amount.

§1.0025 JOINT LIMITS FOR GOVERNOR AND LT. GOVERNOR.

A. A candidate seeking the endorsement for Lt. Governor who signs a tax credit subsidy agreement does not bind either the candidate for Governor or his/her candidacy to campaign expenditure limits following their joining of candidacies. Following their joint endorsement or filing for office, the candidates must jointly sign the public financing agreement and/or the tax subsidy agreement if they wish to participate in public financing.

B. Candidates for Governor and Lt. Governor may cause their separate principal campaign committees to be combined as one with no limit on the amount of funds transferred between the two committees. Such action may be taken regardless of whether the action results in either principal campaign committee terminated with outstanding unpaid bills or loans provided that the unpaid bills or loans are assumed and continuously reported by the remaining committee until paid or forgiven.

§1.0026 LATE FILING FEES.

A. The Board shall send a delinquency notice by certified mail to the treasurer of a political committee or political fund within ten business days

after a filing date. A copy of the notice shall be sent by first class mail to the candidate and the chairman of a political committee or political fund. If a certified letter is returned by the post office to the Board as refused, then the letter shall be deemed to have been received by the addressee on the date refused. The late filing fee will then commence accumulating on the eighth day after refusal. A certified letter returned to the Board as undelivered shall be forwarded by first class mail to the treasurer. An undelivered notice of late filing shall be considered received by the recipient five business days after the first class mailing.

B. A late filing fee will be charged through the day preceding the day of filing of a late statement or late periodic report.

C. A late filing fee shall not be assessed for Saturday, Sunday or legal holidays.

D. The Board shall grant a waiver of a late filing fee if satisfied that the statement or report was not filed on time due to sickness, injury, or other compelling reason upon receipt of a written request for a waiver.

§1.0027 MEDIA ADVERTISEMENTS-CANDIDATES.

A. If a candidate participates in, but does not pay for, a media advertisement paid for by a principal campaign committee other than his own which advocates the nomination or election of other candidates or federal candidates, no portion of the cost of the advertisement shall be considered an approved expenditure on behalf of the participating candidate provided his candidacy is not mentioned and no direct or indirect appeal for support for his candidacy is made.

B. A candidate or treasurer of a political committee or fund may approve the solicitation and collection of campaign contributions through the use of credit cards. An organization which issues credit cards, when acting in the

ordinary course of business by collecting and disbursing funds designated by the card holders for contributions to a political committee or political fund, is not required to register or report.

§1.0028 MILEAGE EXPENSE. A candidate who is reimbursed for gasoline expenses by his principal campaign committee must report those as campaign expenses; however, a candidate who pays for gasoline expenses from personal funds is giving donations in kind which, if valued at $20 or less, are neither reported nor recorded. The lowest rate that the State of Minnesota uses to reimburse its employees shall be used to determine the value of automobile use.

§1.0029 NONCAMPAIGN DISBURSEMENTS-CONSTITUENT SERVICES.

A. Expenses paid by the principal campaign committee of a candidate in a non-election year and before adjournment sine die of the legislature in an election year for the office held, for constituent services including newsletters, public opinion questionnaires, aides to legislators for constituent services during a legislative session, stationery not printed at government epxense, postage, and rent for district offices shall be reported as a constituent service noncampaign disbursement. Only that portion of the expense actually used or consumed for services to constituents shall be reported as a noncampaign disbursement.

B. Costs of constituent services paid from personal funds of an officeholder incurred before adjournment sine die of the legilsature in the election year for the office held are not required to be reported by the principal campaign committee of the officeholder.

C. Costs of providing constituent services by an officeholder who is a candidate after adjournment sine die of the legislature in the election year for the office held and sought are reportable by the principal campaign committee as campaign expenditures.

D. Constituent services provided after adjournment sine die in the year of an

election for an officeholder who is a candidate which are paid for from the personal funds of the officeholder shall be considered a donation in kind and reported as such by the principal campaign committee of the candidate.

E. Expenses incurred for providing constituent services in an election year after the general election are noncampaign disbursements.

F. A print media column or legislative report to constituents which is authored by an officeholder shall be considered an effort by the officeholder to influence his nomination or election if prepared and inserted in a newspaper or recurring periodical after adjournment of the legislature sine die in an election year when the officeholder's name will appear on the ballot. A letter, authored by an officeholder or candidate, appearing in a section of a newspaper or recurring periodical, designated for letters to the editor shall not be considered a campaign expenditure.

§1.0030 NONCAMPAIGN DISBURSEMENTS-MISCELLANEOUS. Other expenses which are to be reported as miscellaneous noncampaign disbursements if paid for by the principal campaign committee of the candidate include; but are not limited to: costs for child care for the candidate's children when campaigning, fees paid to attend a campaign school, costs of a post election party during the election year when a candidate's name will no longer appear on a ballot or the general election is concluded, whichever occurs first; interest on loans paid by a principal campaign committee on outstanding loans, and filing fees, if permitted by other Minnesota law, post general election thank you notes or advertisements in the news media.

§1.0031 ORGANIZATION OF POLITICAL COMMITTEES AND POLITICAL FUNDS.

A. Any group of two or more persons which receives contributions or which makes expenditures, transfers of funds, or independent expenditures in aggregate in excess of $100 to influence the nomination or election of one or more candidates for statewide or legislative office must register as a political

committee or political fund. If the group's major purpose is to influence the nomination or election of one or more candidates, it shall register as a political committee. If the group is an association whose major purpose is one other than to influence nominations or elections, it shall establish a political fund. When a person or group merely solicits contributions with the approval of a candidate or the treasurer, deputy treasurer or agent of a political committee or political fund and when those contributions are made directly to the reporting committee or fund, that person or group need not establish a separate political committee or political fund.

B. A candidate may be his own chairman and/or treasurer.

C. All monetary assets of a committee or fund shall be kept in designated depositories in accounts named in accordance with Minn. Stat. 10A.15, subd. 3.

D. The funds of a political committee or the contents of a political fund shall not be commingled with any other funds or with the personal funds of a candidate, any officer or member of the committee or fund.

E. If a political committee or fund purchases a certificate of deposit from a financial institution other than that which has been previously disclosed as a depository, the treasurer must amend the Statement of Organization by adding the name of the new depository.

§1.0032 PAYMENT OF COMPENSATION FOR PERSONAL SERVICES. The gross value of compensation, in excess of $20, for personal services of an individual or group which are rendered to a candidate, political committee or political fund is reported as a donation in kind from the individual or association that makes the payment.

§1.0033 PUBLIC FINANCING. A candidate or officeholder who signs an agreement to participate in the State Election Campaign Fund is bound by the expenditure limits in an election year and non-election year whether or not the candidate actually receives funds from the State Election Campaign Fund.

To be effective a public finance agreement must be received in the office of the Ethical Practices Board or postmarked no later than September 1.

§1.0034 RECORDING CONTRIBUTIONS.

A. Every individual, political committee or fund that receives a contribution in excess of $20 shall record the name, address, and any other information required by statute.

B. Promptly after receipt of any contribution or on demand of the treasurer, the contribution together with any required record shall be transmitted to the treasurer.

§1.0035 REPORTING AND DISCLOSING EARMARKED CONTRIBUTIONS.

A. Each individual, political committee or political fund which receives an earmarked contribution of more than $20 shall record (1) the name and address of the source of the contribution and any other information required by statute; (2) the name and address of the candidate, political committee or political fund for whom the contribution is earmarked; (3) the political committee or political fund through which the earmarked contribution is directed; and (4) the amount of each earmarked contribution.

B. An earmarked contribution is reported in periodic reports as miscellaneous income by the political committee or political fund through which the contribution is directed to a candidate. When transferred to the candidate by the political committee or political fund the information in 9MCAR §1.0035 A. shall accompany the transfer, although the earmarked contribution shall be disclosed on periodic reports by the political committee or political fund only when in excess of $100.

C. The treasurer of a principal campaign committee of a candidate shall disclose on periodic reports the name and address of the source of contribution and any other information required by statute, the individual, political committee or political fund through which the contribution was directed, and the fact that

the contribution was earmarked when the total aggregate contributions from the same source in a calendar year reach the disclosure thresholds of Minn. Stat. 10A.20, subd. 3(b).

§1.0036 REPORTING UNPAID BILLS OUTSTANDING AS CAMPAIGN EXPENDITURES.

A. For the purpose of determining the total amount of campaign expenditures in a calendar year, any unpaid bills, for campaign expenditures used or consumed during the calendar year, owed by the reporting principal campaign committee on December 31 shall be considered campaign expenditures.

B. An unpaid bill is reportable as a noncampaign disbursement when paid in a succeeding year by the political committee or political fund that incurred the bill.

§1.0037 RESPONSIBILITIES OF TREASURERS.

A. A treasurer may transfer records and receipts to a new treasurer relieving that treasurer of record retention responsibility by written notification to the Board by either the new treasurer or the candidate. Such notice shall include name and address of the new treasurer and the effective date of the transfer.

B. A copy of a cancelled check with an invoice stating the purpose of the expenditure will be treated as a receipted bill.

§1.0038 SAMPLE BALLOT PREPARED BY A CANDIDATE. A candidate who prepares and distributes a sample ballot which contains the names of other candidates must include the proper disclaimer required for independent expenditures and must report the total cost of the preparation, printing and distribution of the sample ballot unless the candidate is making an approved expenditure.

§1.0039 SEVERABILITY. If any rule or any part thereof is held invalid, such invalidity shall not effect any other provision of the rule or rules which can

be given effect without the invalid provision. To this end, the provisions of these rules are declared to be severable.

§1.0040 SIGNING TAX CREDIT SUBSIDY AGREEMENT. A candidate may sign a tax credit subsidy agreement at any time after registration of his principal campaign committee for the office sought or held through December 31. An agreement signed on or after January 1, shall not be applicable to a preceding calendar year.

§1.0041 TAX CREDIT SUBSIDY AGREEMENT AND PUBLIC FINANCING AGREEMENT. A candidate must sign a separate agreement in order to participate in each public financing program.

§1.0042 TAX CREDIT SUBSIDY RECEIPTS-SPECIAL ELECTIONS. Candidates shall not issue Official Tax Credit Receipts for special elections.

§1.0043 TERMINATION OF REGISTRATION.

A. A Termination Report shall cover the period from the closing date of the last previous report filed through the date of termination.

B. Any terminated political committee or political fund which subsequently becomes subject to the registration and reporting requirements of the act is required to reregister.

Rules to be Repealed

108 of Minnesota Sessions Laws (1978) granted authority to the Board to issue temporary rules until permanent rules are adopted pursuant to Minn. Stat. ch. 15 or until October 1, 1979, whichever occurs first.

Free copies of the proposed rules are available and can be obtained from the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, or by calling (612) 296-5148. Additional copies will be available at the hearing. Temporary rules in effect at present may also be obtained.

A Statement of Need explaining why the Board feels the proposed rules are necessary and a Statement of Evidence outlining the testimony they will introduce will be filed with the Hearing Examiner at least 25 days prior to the hearing and will be available for public inspection.

All interested or affected persons will have an opportunity to participate. Statements made orally and written materials may be submitted at the hearing. In addition, written materials may be submitted by mail to Hearing Examiner Peter C. Erickson, Room 300, 1745 University Avenue, St. Paul, MN 55104, either before the hearing, or within (5) five working days following the close of the hearing, or up to 20 days if ordered by the Hearing Examiner.

Please be advised that pursuant to Minn. Stat. § 10A.01, subd. 11 (1978) 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 must register with the State Ethical Practices Board as a lobbyist within five days of the commencement of such activity by the individual. The statute provides certain exceptions. Questions should be directed to the State Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, phone (612) 296-5615.

Notice: Any person may request notification of the date on which the Hearing Examiner's Report will be available, after which date the agency may not take any final action on the rules for a period of five working days. Any person may request notification of the date on which the hearing record has been submitted (or resubmitted) to the Attorney General by the agency. If you desire to be so notified, you may so indicate at the hearing. After the hearing, you may request notification by sending a written request to the Hearing Examiner (in the case of the Hearing Examiner's Report) or to the agency (in the case of the agency's submission or resubmission to the Attorney General.)

Notice is hereby given that 25 days prior to the hearing, a Statement of Need and Reasonableness will be available for review at the agency and at the Office of Hearing Examiners. This Statement of Need and Reasonableness will include a summary of all of the evidence which will be presented by the agency at the hearing justifying both the need for and the reasonableness of the proposed rule/rules. Copies of the Statement of Need and Reasonableness may be obtained from the Office of Hearing Examiners at a minimal charge.

April 5, 1979

Vernon Jensen
Vice Chairperson

Rules as Proposed

The following permanent rules (EPB 1-39) concerning campaign financing are struck in their entirety.

Temporary rules currently in effect may be obtained from the Board.

~~CHAPTER ONE: EPB 1-39, 100~~

~~**EPB 1 Purpose of the rules.** It is the purpose of this chapter of these rules to give effect to the campaign financing provisions of the State Ethics Act of 1974, Minnesota Statutes 1974, and subsequent amendments, Chapter 10A. These rules are adopted pursuant to the powers of the State Ethical Practices Board conferred by the act. The six-member bipartisan Minnesota Ethical Practices Board is responsible for monitoring compliance with the act and these rules.~~

~~**EPB 2 Applicability of the campaign financing provisions of the act.** The campaign financing provisions of the act apply to political committees, political funds, and individuals which receive contributions or make expenditures in excess of $100 in any year for the purpose of influencing the nomination for election or election of a candidate for the office of Governor, Lieutenant Governor, Attorney General, State Treasurer, Secretary of State, State Auditor, State Senator, State Representative, Justice of the Supreme Court or Judge of District Court.~~

~~**EPB 3 Special provisions for 1974.**~~

~~(a) All political committees or political funds in existence on April 14, 1974 or established on or before June 30, 1974 and which have raised or spent an amount in excess of $100 shall file a Registration and Statement of Organization (EPB Form 1) with the Board on or before July 7, 1974. All political committees or political funds established after June 30, 1974 shall file a Registration and Statement of Organization (EPB FORM 1) at the time prescribed in Rule EPB 6.~~

(b) No EPB report of Receipts and Expenditures (EPB Form 2) is required to be filed prior to July 7, 1974. The initial Report of Receipts and Expenditures to be filed on or before July 7, 1974 shall cover the period beginning and including April 13, 1974 through and including June 30, 1974. No report is required to show any contribution received or expenditure made prior to April 13, 1974.

(c) The limits on campaign expenditures in 1974 shall apply to expenditures beginning and including April 13, 1974 through and including December 31, 1974. The limits on campaign expenditures in 1974 are:*

(1) For Governor and Lieutenant Governor, running jointly, $600,000.

(2) For Attorney General, $100,000.

(3) For Secretary of State, State Treasurer and State Auditor, $50,000.

(4) For State Senator, $15,000.

(5) For State Representative, $7,500.

EPB-4 Definitions. For the purposes of the act and these rules, and the forms prescribed by the Board, the following definitions are applicable in addition to the definitions stated in the act:

(a) "Act" means Minnesota Statutes 1974, and subsequent amendments, ch. 10A, approved April 12, 1974, and effective April 13, 1974.

(b) "Address" means street and number, (Post Office box or rural route, if appropriate), room number, (if any), city, state, (if other than Minnesota) and zip code.

(c) "Board" means the Minnesota State Ethical Practices Board.

(d) "Calendar year" means: for 1974, the period from and including April 13, 1974 to and including December 31, 1974; for 1975 and subsequent years, the period from January 1 through December 31 inclusive.

(e) "Candidate" means an individual who seeks nomination for election or election to the office of Governor, Lieutenant Governor, Attorney General, Secretary of State, State Treasurer, State Auditor, State Senator, State Representative, Justice of the Supreme Court or Judge of District Court. For the purposes of the act and these rules, candidates for Justice of the Supreme Court or Judge of District Court are deemed statewide candidates.

(f) "Cash" means money, balances on deposit in banks and other depositories, checks, negotiable instruments and other paper commonly accepted by a bank as a deposit.

(g) "Debt" means any amount owed for goods required or for services rendered.

(h) "Contribution" means 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 and includes the transfer of funds between political committees or political funds made for that purpose. Contribution does not include services provided without compensation by individuals volunteering their time.

(i) "Earmark" "earmarked" and "earmarking" means the designation of a contribution (including a transfer of funds) for use by any individual, committee or fund other than the individual, committee or fund to whom the contribution is originally directed.

(j) "Expenditure" means a purchase, payment, distribution, loan (does not include loans from a national or state banking institution in the ordinary course of business), advance, deposit or gift of money or anything of value made for the purpose of influencing the nomination for election or election of a candidate.

(k) "File", "Filed" and "Filing" mean delivery to the Board by midnight of the prescribed filing date or deposit as certified mail in an established U.S. Post Office, postage prepaid, no later than midnight two days before the filing date.

(l) "Occupation and principal place of business" means, if self-employed, type of work or profession and city where self-employed; or, if employed type of work or title, name of employer or employing organization, and city of employment.

(m) "Periodic Report" means the Report of Receipts and Expenditures required to be filed with the Board at the times prescribed in Rule EPB 6.

*These limitations may be modified in certain circumstances specified in the act. See Minnesota Statutes 10A.25.

KEY: RULES SECTION — Underlining indicates additions to proposed rule language. Strike outs indicate deletions from proposed rule language. PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. Strike outs indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material."

~~EPB-5 Obligation to register and report.~~

~~(a) Every political committee or political fund which receives contributions or makes expenditures in excess of $100 in any year to influence the nomination for election or election of a candidate to statewide or legislative office must register with the Board and file the required periodic Reports of Receipts and Expenditures with the Board. The treasurer of the committee or fund is responsible for filing the registration statement (EPB Form 1) and periodic reports (EPB Form 2).~~

~~(b) Every person who makes expenditures in excess of $100 in any year other than by contribution to a registered political committee or fund must register with the Board and file periodic reports.~~

~~EPB-6 Time for filing statements and reports.~~

~~(a) The Registration and Statement of Organization (EPB Form 1) must be filed with the Board no later than 14 days after the date upon which the principal campaign committee, political fund or political committee has received contributions or made expenditures in excess of $100.~~

~~(b) Reports of Receipts and Expenditures (EPB Form 2) must be filed with the Board on the following dates until the committee or fund has terminated its activities; 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, ten days before the primary election or special primary election and ten days before the general or special election.~~

~~EPB-7 Place of filing.~~

~~(a) Reports must be filed with the Board at the following address;~~

~~Minnesota State Ethical Practices Board~~
~~Room 410~~
~~State Office Building~~
~~St. Paul, Minnesota 55155~~

~~(b) All reports or statements that must be filed with the Board by the principal campaign committee of legislative candidates 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 of the report or statements is required to be filed or, if the report or statement is delinquent, within 72 hours of the time the report or statement is actually filed.~~

~~EPB-8 Place to obtain forms.~~ ~~All statements and reports to be filed with the Board shall be filed on forms prescribed by the Board. Such forms may be obtained without cost upon request from:~~

~~Minnesota State Ethical Practices Board~~
~~Room 410~~
~~State Office Building~~
~~St. Paul, Minnesota 55155~~

~~EPB-9 Organization of political committees and political funds.~~

~~(a) Any group of two or more persons which raises or spends money to influence the nomination for election or election of a candidate for statewide or legislative office must establish a political committee or political fund. If the group has as its major purpose the influencing of elections, it shall establish a political committee. If the group is an association which has a major purpose other than the influencing of elections, such as a special interest group, it shall establish a political fund. When a person or a group merely solicits contributions which are made directly to a reporting committee or fund, such person or group is not required to establish an additional committee or fund.~~

~~(b) Every candidate shall designate a principal campaign committee. Such committee shall report on the Registration and Statement of Organization that it is the principal campaign committee of that candidate.~~

~~(c) Every committee and fund shall have a chairman and treasurer, who may be the same person. A candidate may be his own chairman and/or treasurer.~~

~~(d) No contribution shall be accepted and no expenditure shall be made by or on behalf of a committee or fund at a time when there is a vacancy in the office of treasurer.~~

~~(e) All monetary assets of a committee or fund shall be kept in a designated depository in an account designated by the name of the committee or fund.~~

~~(f) The funds of a political committee or the contents of a political fund shall not be commingled with any other funds or with the personal funds of any officer or member of the committee or fund.~~

~~EPB-10 Agreement to make loans.~~ ~~An agreement to make a loan to a committee of fund shall be made in writing, signed by the lender (and endorsers, if any) and the recipient and reported on the appropriate schedule.~~

~~EPB-11 Allocation of joint expenditures.~~ ~~The treasurer of a committee or fund making an expenditure for or on behalf of more than one candidate shall allocate the expenditure among such candidates on a reasonable proportionate basis and report the allocation on the Report of Receipts and Expenditures (EPB Form 2). He shall also send a written notification of the allocation to the treasurer of the principal campaign committee of the candidate(s) on whose behalf the expenditure was made. Such expenditures must be reported~~

by the treasurer of the candidate's principal campaign committee as contributions in Kind and as campaign expenditures which are counted against the spending limits of the candidate.

EPB-12 Amendments. Amendments correcting any report or statement must be filed with the Board within 10 days following the date of the event prompting the change in reported information or the date upon which the person filing became aware of the inaccuracy. The change or correction shall identify the form and paragraph containing the information to be changed or corrected.

EPB-13 Anonymous contributions. Any single contribution in excess of $20 for which no donor can be identified by the committee or fund shall be forwarded to the Board within 14 days after its receipt. When forwarding such anonymous contribution the treasurer of the committee or fund shall report to the Board the amount of the contribution and the date on which it was received.

EPB-14 Authorized expenditures. All expenditures in excess of $20 made with the expressed or implied consent of a candidate or his agent must be authorized by the treasurer of that candidate's principal campaign committee. For the purposes of making an authorized expenditure, a check signed by the treasurer or deputy treasurer of a candidate's principal campaign committee is sufficient for authorization. In the case of expenditures by an individual, committee or fund other than the principal campaign committee, authorization by the treasurer of the principal campaign committee of the candidate on whose behalf the expenditure is made should be in the following form:

Date	Amount of Expenditure
Name of individual/committee/fund making the expenditure	
Purpose of the expenditure	
Candidate on whose behalf expenditure is made	

I certify that the expenditure hereby authorized will not exceed the spending limit of the candidate on whose behalf the expenditure is made.

Signature of treasurer or deputy treasurer of principal campaign committee.

EPB-15 Cancelled debts and loans. If the reporting committee or fund cancels any debt or loan owed to it, the amount of the debt or loan unpaid at the time of cancellation shall be deemed a non-campaign expenditure for that period and reported on the appropriate schedule.

EPB-16 Certification. For purposes of certification on forms prescribed by the Board, the signature of the treasurer shall be sufficient, and notarization is not required.

EPB-17 Committees and funds not active. A committee or fund which receives no contributions and makes no expenditures during a reporting period shall so certify in the space provided on the report form and shall hereby satisfy its reporting requirement for that reporting period.

EPB-18 Contracts for goods and services. A contract for goods and/or services is an agreement to make payments on an expenditure over a specified period of time. All such contracts shall be made in writing, signed by the debtor and creditor, and reported on the appropriate schedule.

EPB-19 Contributed services. The payment of compensation for the personal services of another person which are rendered to a candidate, committee or fund by any person other than that candidate, committee or fund are contributed services in Kind by the person's employer and should be reported and identified as "contributed services". The value of such contribution in Kind is the gross cost of such compensation.

EPB-20 Contribution in kind. A contribution in Kind is a contribution of goods or services other than cash. The treasurer of the committee or fund shall report the fair market value of the goods or services contributed as a contribution on the appropriate schedule. Fair market value is the amount at which a willing seller, under no compulsion, and a willing buyer, under no compulsion, will trade. He shall identify the nature of the contribution and note that it is a contribution in Kind. The total value of all contributions in Kind of $20 or more shall be reported on the contribution in Kind and expenditure schedules. In addition, each contribution in Kind with a value in excess of $50 shall be disclosed as required on the appropriate schedules.

Contributions in Kind valued at less than $20 need not be recorded or reported. The total amount of goods and services contributed in Kind shall be deemed to have been consumed in the reporting period in which received.

EPB-21 Reserved for future use

EPB-22 Debts outstanding. For the purposes of the limits

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on expenditures imposed by the act, any debt owed by the reporting principal campaign committee for campaign expenditures still outstanding on December 31 shall be deemed a campaign expenditure for the reporting period ending December 31.

EPB-23 Disclaimer for unauthorized expenditures. Any person, committee or fund which solicits or accepts contributions or makes expenditures on behalf of any candidate without the written authorization of that candidate must disclose its lack of authorization on all oral and written communications. Such disclosure shall state in conspicuous type or clear oral announcement on each communication, as follows:

"The actions of _____(name of person, committee or fund) are made on behalf of _____; but are made without his authorization or consent, express or implied, and he is not responsible for these activities."

EPB-24 Disclosure requirements. All contributions, in excess of $50 for legislative candidates and in excess of $100 for statewide candidates must be disclosed in accordance with the provisions of the act and these regulations. If any reporting committee or fund financially supports or opposes any candidate for the state legislature it must disclose all contributions received in excess of $50. If the reporting committee or fund financially supports or opposes only statewide candidates, it must disclose contributions received in excess of $100.

EPB-25 Earmarked contributions. Each person, committee or fund which receives or makes an earmarked contribution (including any transfer of funds) that is subject to the reporting requirements of the act shall report: (a) the name, address, (and if an individual, employer or, if self-employed, occupation) of the donor who originally made the earmarked contribution; (b) the name and address of the candidate, committee or fund for whom the contribution is earmarked; (c) the amount of such contribution earmarked for each such candidate, committee or fund; and (d) the aggregate amount earmarked for such candidate, committee or fund.

EPB-26 Exemptions from disclosure.

(a) Any individual or association may seek an exemption from the disclosure requirements of the act if disclosure would expose that individual or any members of that association to economic reprisals, loss of employment or threat of physical coercion.

(b) Any individual or association seeking such an exemption from the disclosure requirements shall submit a written application to the Board setting forth in detail the reasons justifying the claim for exemption. Such a claim must be filed no later than 30 days before the next applicable reporting date.

(c) If an individual decides to proceed anonymously in seeking an exemption, he shall designate a representative to present the claim on his behalf. The Board shall establish such procedures as may be necessary in the particular case to protect the anonymity of the individual seeking the exemption.

EPB-27 Identification number. Upon receipt of a Registration and Statement of Organization (EPB Form 1) the Board shall assign an identification number to the registering committee or fund, acknowledge receipt of the statement and notify the committee or fund of the number assigned. This identification number shall be entered by the committee or fund on all subsequent statements or reports as well as on all communications with the Board.

EPB-28 Joint checks. When a contribution is given on a joint check, it shall be deemed a contribution by the signator(s) of the check unless otherwise specified by the signator(s). When a contribution is given on a joint check and specified as a joint contribution it shall be deemed a contribution by each of the contributors in an amount proportional to the total number of contributors.

EPB-29 Limitations on contributions and expenditures.

(a) No individual, committee or fund, except a political party or the principal campaign committee of a candidate, shall make a contribution to or expenditure on behalf of a candidate in an aggregate amount in excess of ten percent of the applicable spending limit for that candidate.

(b) No political party shall make a contribution to or expenditure on behalf of a candidate in an aggregate amount in excess of fifty percent of the applicable spending limit. For the purpose of this regulation, a political party includes a political party's organization within congressional districts, counties, legislative districts, municipalities, wards, precincts and any legislative body.

EPB-30 Loans not repaid. For the purposes of limits on contributions imposed by the act, any loans from other than a national or state banking institution made in the ordinary course of business to the reporting committee or fund not repaid by December 31, shall be deemed a contribution for the reporting period ending December 31.

EPB-31 Non-campaign expenditures. If an expenditure is not made for the purpose of purchasing goods or services used to influence the nomination for election or election of a candidate it shall be deemed to be a non-campaign expenditure and shall be reported on the appropriate schedule. The treasurer making the report shall provide upon request of the Board appropriate justification that the expenditure was not made for the purpose of purchasing goods or services used to influence the result of an election governed by this act.

~~EPB-32 Petty cash.~~ ~~Within any reporting period the treasurer of any reporting committee or fund may report as an expenditure for the purpose of "petty cash" an aggregate amount equal to $100 per week if the committee or fund is supporting a candidate for statewide office or $20 per week if the committee or fund is supporting a candidate for legislative office.~~

~~EPB-33 Receipted bills.~~ ~~A copy of a cancelled check with an invoice stating the purpose of the expenditure shall be deemed a receipted bill. The treasurer shall keep all receipted bills and accounts for four years. A treasurer may transfer records and receipts to a new treasurer relieving that treasurer of record retention responsibility by written notification to the Board, which shall include date, name and address of new treasurer, and signed by both the old and new treasurer.~~

~~EPB-34 Recording contributions.~~ ~~Every individual committee or fund that receives an individual contribution in excess of $20 (including individual cash contributions received in mass collections) shall record the name and address of the contributor of each such amount. On demand of the treasurer and in any event within 14 days after receipt of such contribution the record of each such contribution together with the contribution shall be transmitted to the treasurer responsible for filing Reports of Receipts and Expenditures.~~

~~EPB-35 Recording expenditure.~~ ~~The treasurer shall keep a record of every expenditure made by the committee or fund He shall obtain a receipted bill, stating the particulars, for every expenditure on behalf of the committee or fund of over $100 and for any expenditure in lesser amount if and when the aggregate amount of lesser expenditures to the same person during a year exceeds $100.~~

~~EPB-36 Support of and opposition to a candidate.~~ ~~For the purpose of this act, these rules, and the forms prescribed by the Board, influencing the nomination for election, or election of a candidate includes action in support of, or opposition to a candidate. The reporting requirements extend to support of or opposition to any candidate.~~

~~When a committee or fund is established primarily to support a candidate it shall designate the name of the candidate being supported on the Registration and Statement of Organization (EPB Form 1). When a committee or fund is established primarily to oppose a candidate it shall designate the name of the candidate opposed in lieu of any designation of the name of candidate supported.~~

~~EPB-37 Termination of committees and political funds.~~ ~~After having filed a Registration and Statement of Organization with the Board, any committee or fund which determines that it will no longer receive contributions or make expenditures in support of any candidate for statewide or legislative office shall so notify the Board. Such notification shall consist of a Termination Report that covers the period from the closing date of the last previous report filed through the date of termination, together with a statement as to the disposition of residual funds, and both shall be signed. A committee may not terminate if it has outstanding debts. Any terminated committee which subsequently becomes subject to the registration and reporting requirements of the act is required to register.~~

~~EPB-38 Complaints of violations.~~

~~(a) Any person who believes a violation of the act or of these rules has occurred may file an oral or written complaint with the Board. When a written complaint is received from a registered voter, it shall be marked to show the date of receipt and acknowledged by letter within 5 days of receipt.~~

~~(b) There is no prescribed form for a written complaint, but all such complaints shall be typewritten or handwritten legibly in ink. The name and address of the person making the complaint shall be typewritten or hand printed on the complaint and it shall be signed by such person. A complaint shall name the alleged violator, describe in detail the alleged violation and shall be submitted together with any evidentiary material. Complaints will not be available for public inspection or copying.~~

~~(c) Upon receipt of a complaint, the Board shall cause to be investigated the alleged violation and take appropriate action. No investigation shall be required if a complaint is frivolous on its face, illegible, too indefinite, does not identify the violator or is unsigned.~~

~~(d) If upon investigation, the Board finds probable cause of criminal violation the matter shall be referred to the appropriate law enforcement authorities. The Board may commence action for injunctive relief in district court in appropriate cases.~~

~~(e) Any meeting or portion of a meeting during which the Board is hearing testimony or taking action concerning any complaint or investigation shall be closed to the public and the minutes of such meeting kept confidential until the Board makes a finding that there is or is not probable cause to conclude that a violation of the criminal provi-~~

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~~sion of the act or other campaign laws has occurred, or until the Board has determined that an action for injunctive relief should or should not be commenced, or until the Board has otherwise resolved the matter.~~

~~EPB-39 The EPB Forms referred to herein are not part of these rules and may be altered by the Board without rule changes.~~

Rules as Proposed (All new material)

Chapter One: 9 MCAR §§ 1.0001-1.0043 Relating to Campaign Financing (Supersedes and repeals Rules EPB 1-39)

9 MCAR § 1.0001 Applicability of rules. These rules apply to principal campaign committees, political committees, political funds, individuals and associations that raise or expend in excess of $100 in a calendar year to influence the nomination or election of a candidate.

9 MCAR § 1.0002 Definitions.

A. "Act" means the Ethics in Government Act, Minn. Stat. ch. 10A. as amended by Laws of 1978, ch. 463 and 793.

B. "Business Day" means 8:00 a.m. to 4:30 p.m. Monday through Friday except for official state holidays.

C. "File", "filed", and "filing" means delivery to the office of the Board by 4:30 p.m. on the prescribed filing date or postmarked on the filing date.

D. "Fundraising event" means any dinner, luncheon, rally, coffee party, cocktail party, or other similar gathering of three or more individuals where contributions are solicited or received to influence the nominatiion or election of a candidate.

E. "Money" means cash on hand, cash on deposit in banks and other depositories, checks, negotiable instruments and other paper commonly accepted by a bank as a deposit, and transfers through electronic funds transfers.

F. "Periodic Report" means the Report of Receipts and Expenditures required to be filed with the Board at prescribed filing dates.

G. "Unpaid bills" means advance of credit.

9 MCAR § 1.0003 Agreement to make loans. An agreement to make a loan to a political committee or fund shall be made in writing, signed by the borrower (and endorsers, if any) and reported on the appropriate schedule.

9 MCAR § 1.0004 Allocation of approved expenditures. Except for a political party expenditure as provided in Minn. Stat. § 10A.275, the treasurer of a political committee or political fund making an approved expenditure on behalf of more than one candidate shall allocate the expenditure among such candidates on a reasonable proportionate basis and report the allocation to each candidate on periodic reports.

9 MCAR § 1.0005 Allocation of money from general account refused by a candidate. Monies refused by a candidate from the general account of the State Election Campaign Fund shall be reapportioned to all the office accounts as provided by Minn. Stat. ch. 10A.31, subd. 5 (a)-(e) and distributed to all qualifying candidates.

9 MCAR § 1.0006 Anonymous contributions. Any single contribution in excess of $20 for which no donor can be identified by the committee or fund shall be forwarded in its entirety to the Board within 14 days after its receipt. When forwarding such an anonymous contribution, the treasurer of the committee or fund shall report to the Board the amount of the contribution and the date on which it was received.

9 MCAR § 1.0007 Approved expenditures and determination by the Board. No approved expenditure in excess of $20 on behalf of a candidate shall be made until the individual or association receives a written authorization from the treasurer or candidate of the principal campaign committee containing the following information: Date; Amount of expenditure; Name of individual/committee/fund making the expenditure; Purpose of the expenditure; Candidate on whose behalf expenditure is made; Office sought; Expenditure authorized by signature of treasurer or candidate of principal campaign committee.

9 MCAR § 1.0008 Association newsletters on behalf of a candidate. Unless the association is making an independent expenditure, the proportionate cost of preparation and distribution of a newsletter which advocates the nomination or election of a candidate is a donation in kind and must be approved by the candidate if the cost exceeds $20 per candidate.

9 MCAR § 1.0009 Campaign headquarters. A reasonable proportion of the cost of a political party's headquarters which serves as the headquarters of a candidate must be allocated to the candidate and reported as a campaign expenditure by the principal campaign committee of the candidate.

9 MCAR § 1.0010 Campaign literature. Campaign literature paid for and distributed by a candidate or a principal campaign committee of a candidate running for office which contains pictures of, or incidental references to another candidate or officeholder will not be considered an approved

and authorized expenditure on behalf of the other candidate provided the candidacy of the other candidate is not mentioned and no direct or indirect appeal for support of the other candidate is made, or if there is an independent expenditure disclaimer as defined in Minn. Stat. § 10A.17, subd. 4.

9 MCAR § 1.0011 Certification.

A. The signature of the treasurer or deputy treasurer of record shall be sufficient certification on forms prescribed by the Board. Notarization is not required.

B. A candidate may sign forms that the treasurer or deputy treasurer of the committee is required to file.

9 MCAR § 1.0012 Change of office sought by candidate.

A. Contribution and expenditure limits. When a candidate, who sought nomination or election to one office, subsequently seeks the nomination or election to another office in the same election year, expenditures incurred and contributions received to influence the nomination or election to the first office will not be counted toward the campaign contribution and expenditure limits to the subsequent office sought.

B. Registration requirement. A candidate who seeks another office must designate a separate principal campaign committee and a separate account for funds for the office sought.

C. Tax credit subsidy and public financing agreements. A candidate may sign a tax subsidy agreement for the calendar year for each office sought until December 31. A candidate may sign a public financing agreement for each office sought until September 1 of the general election year. Signing a public financing agreement by September 1 automatically rescinds a previously filed agreement for another office.

9 MCAR § 1.0013 Complaints of violations.

A. Any person who believes a violation of the act or of these rules has occurred may submit an oral or written complaint to the Board.

B. There is no prescribed form for a written complaint, but all such complaints shall be typewritten or handwritten legibly. The name and address of the person making the complaint shall be typewritten or hand printed on the complaint and it shall be signed by such person. A complaint shall name the alleged violator and describe the complainant's knowledge of the alleged violation. Any evidentiary material should be submitted with the complaint. Complaints will not be available for public inspection or copying until after the Board makes a finding. No investigation shall be required if a complaint is frivolous on its face, illegible, too indefinite, does not identify the violator or is unsigned by the complainant.

C. The Board need not investigate an oral complaint. No investigation shall be undertaken if an oral complaint is frivolous on its face, too indefinite, does not identify the violation, or does not identify the complainant. There is no prescribed format for an oral complaint, but all oral complaints must describe in sufficient detail the alleged violator and violation of the act or rules.

D. Any portion of a meeting during which the Board is hearing testimony or taking action concerning any complaint, investigation, preparation of a conciliation agreement, or a conciliation meeting shall be closed to the public. The minutes of such a meeting shall be kept confidential.

9 MCAR § 1.0014 Contributions between principal campaign committees of the same candidate.

A. Exclusive of personal funds of a candidate as reported on the periodic reports, the candidate may permit his principal campaign committee to accept contributions up to the applicable contribution limit for a political committee from another principal campaign committee formed by that candidate in seeking another office to further his nomination or election to the other office.

B. If the other principal campaign committee is a federally registered committee, then the provisions of Minn. Stat. § 10A.22, subd. 7 apply as well as the contribution limit of the receiving committee.

9 MCAR § 1.0015 Contribution disclosure-judgeship. A judicial candidate subject to the Act shall be considered a statewide candidate for purposes of the contribution disclosure requirements set forth in Minn. Stat. § 10A.20, subd. 3(b).

9 MCAR § 1.0016 Contributions from non-Minnesota domiciled and domiciled, federally registered political committees or political funds. Non-Minnesota domiciled and domiciled, federally registered political committees or political funds which contribute in excess of $100 in a calendar year to a political committee or political fund may, in lieu of registration with the Board, provide the recipient

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political committee or political fund with a report of receipts and expenditures containing all information required by Minn. Stat. 10A.20 for the reporting period in which the contribution was made.

9 MCAR § 1.0017 Contribution limits – political party definition. For purposes of determining an aggregate political party contribution limit, the organization of a political party does not include a political party ward organization, a social club of a political party in a congressional district, legislative district, municipality or precinct, an auxiliary committee of a political party unit defined by Minn. Stat. § 10A.27, subd. 4, or any association which uses a political party name and is not listed in Minn. Stat. § 10A.27, subd. 4.

9 MCAR § 1.0018 Employee voluntary contribution plan. If an individual employee of a corporation doing business in Minnesota makes a voluntary contribution to a state candidate through a plan made available by that corporation and the employee retains sole and exclusive control of accumulated funds in the employee's name, the corporation providing such a plan on a non-partisan basis is not required to register and report as a political committee or political fund. A political committee or political fund in receipt of the contribution from the individual shall report on the periodic report as required by Minn. Stat. ch. 10A.

9 MCAR § 1.0019 Expenses incurred to repay loans. The expenses of raising money to repay outstanding loans from a previous calendar year are reportable as campaign expenditures in the year in which expenses are incurred.

9 MCAR § 1.0020 Forgiveness and payment of a loan. When a loan to a principal campaign committee is forgiven or repaid by an individual, political committee, or political fund, in accordance with Minn. Stat. § 10A.32, subd. 3(b), a candidate who accepts money from the State Election Campaign Fund and whose aggregate contribution limit is exceeded, shall return to the Board with the required periodic report amendment or periodic report, a check or money order, payable to the State Treasurer for the amount in excess of the aggregate contribution limit but not to exceed the amount received from the State Election Campaign Fund.

9 MCAR § 1.0021 Forgiveness and payment of unpaid bills. When a donation in kind in excess of $20 results from the forgiveness of an unpaid bill or payment of an unpaid bill by an individual, political committee or political fund other than the principal campaign committee causes the aggregate contribution limit of a candidate who accepts money from the State Election Campaign Fund to be exceeded, in accordance with Minn. Stat. § 10A.32, subd. 3(b), a candidate shall return the amount due, but not to exceed the amount received from the State Election Campaign Fund, by a check or money order made out to the State Treasurer with the required amendment or periodic report.

9 MCAR § 1.0022 Fundraising event.

A. The expenses of a fundraising event held by the state or local committee of a political party for one or two candidates are a donation in kind and, except for food and beverage consumed at the fundraising event, shall be reported as a campaign expenditure by the candidate or candidates under the following conditions:

1. The fundraising event is expressly or implicitly approved by the candidate, his treasurer, or agent to be held "on behalf of" the candidate; and

2. The candidate or candidates are "clearly identified" in advertisements, tickets, or any advance publicity for the fundraising event; and

3. The candidate receives proceeds, if any, from the fundraising event. "Clearly identified" means that: (a) the name of the candidate is used; or (b) a photograph or drawing of the candidate appears; or (c) the identity of the candidate is apparent by unambiguous reference.

B. A separate committee may be established by two or more candidates to report the contributions and expenditures as required by the act for a fundraising event held jointly. The expenses of the fundraising event shall be allocated among the candidates on a reasonable proportionate basis as donations in kind, and, except for food and beverage consumed at a fundraising event, as campaign expenditures. A transfer of funds to a candidate combined with the value of donations in kind from that committee, may not exceed the applicable contribution limit for an individual, political committee, or political fund set forth in Minn. Stat. § 10A.27, subd. 1.

9 MCAR § 1.0023 Inactive registered committees and funds. A registered committee or fund which receives no income and makes no expenditures or non-campaign disbursements during a reporting period may so indicate in the space provided on the periodic report and shall thereby satisfy the reporting requirement.

9 MCAR § 1.0024 Joint checks. When a contribution is given on a check written on a joint account, it shall be deemed a contribution by the signator(s) of the check unless otherwise specified by the signator(s). When a contribution is given on a check written on a joint account and specified as a joint contribution, it shall be deemed a separate contribution by each of the holders of the joint account in a proportional amount.

9 MCAR § 1.0025 Joint limits for Governor and Lt. Governor.

A. A candidate seeking the endorsement for Lt. Governor who signs a tax credit subsidy agreement does not bind either the candidate for Governor or his/her candidacy to campaign expenditure limits following their joining of candidacies. Following their joint endorsement or filing for office, the candidates must jointly sign the public financing agreement and/or the tax subsidy agreement if they wish to participate in public financing.

B. Candidates for Governor and Lt. Governor may cause their separate principal campaign committees to be combined as one with no limit on the amount of funds transferred between the two committees. Such action may be taken regardless of whether the action results in either principal campaign committee terminated with outstanding unpaid bills or loans provided that the unpaid bills or loans are assumed and continuously reported until paid or forgiven by the remaining committee.

9 MCAR § 1.0026 Late filing fees.

A. The Board shall send a delinquency notice by certified mail to the treasurer of a political committee or political fund within ten business days after a filing date. A copy of the notice shall be sent by first class mail to the candidate and the chairman of a political committee or political fund. If a certified letter is returned by the post office to the Board as refused, then the letter shall be deemed to have been received by the addressee on the date refused. The late filing fee will then commence accumulating on the eighth day after refusal. A certified letter returned to the Board as undelivered shall be forwarded by first class mail to the treasurer. An undelivered notice of late filing shall be considered received by the recipient five business days after the first class mailing.

B. A late filing fee will be charged through the day preceding the day of filing of a late statement or late periodic report.

C. A late filing fee shall not be assessed for Saturday, Sunday or legal holidays.

D. The Board shall grant a waiver of a late filing fee if satisfied that the statement or report was not filed on time due to sickness, injury, or other compelling reason upon receipt of a written request for a waiver.

9 MCAR § 1.0027 Media advertisements — candidates.

A. If a candidate participates in, but does not pay for, a media advertisement paid for by a principal campaign committee other than his own which advocates the nomination or election of other candidates or federal candidates, no portion of the cost of the advertisement shall be considered an approved expenditure on behalf of the participating candidate provided his candidacy is not mentioned and no direct or indirect appeal for support for his candidacy is made.

B. A candidate or treasurer of a political committee or fund may approve the solicitation and collection of campaign contributions through the use of credit cards. An organization which issues credit cards, when acting in the ordinary course of business by collecting and disbursing funds designated by the card holders for contributions to a political committee or political fund, is not required to register or report.

9 MCAR § 1.0028 Mileage expense. A candidate who is reimbursed for gasoline expenses by his principal campaign committee must report those as campaign expenses; however, a candidate who pays for gasoline expenses from personal funds is giving donations in kind which, if valued at $20 or less, are neither reported nor recorded. The lowest rate that the State of Minnesota uses to reimburse its employees shall be used to determine the value of automobile use.

9 MCAR § 1.0029 Noncampaign disbursements — constituent services.

A. Expenses paid by the principal campaign committee of a candidate in a non-election year and before adjournment sine die of the legislature in an election year for the office held, for constituent services including newsletters, public opinion questionnaires, aides to legislators for constituent services during a legislative session, stationery not printed at government expense, postage, and rent for district offices shall be reported as a constituent service noncampaign disbursement. Only that portion of the expense actually used or consumed for services to constituents shall be reported as a noncampaign disbursement.

B. Costs of constituent services paid from personal funds of an officeholder incurred before adjournment sine die of the legislature in the election year for the office held are not required to be reported by the principal campaign committee of the officeholder.

C. Costs of providing constituent services by an officeholder who is a candidate after adjournment sine die of the legislature in the election year for the office held and sought are reportable by the principal campaign committee as campaign expenditures.

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D. Constituent services provided after adjournment sine die in the year of an election for an officeholder who is a candidate which are paid for from the personal funds of the officeholder shall be considered a donation in kind and reported as such by the principal campaign committee of the candidate.

E. Expenses incurred for providing constituent services in an election year after the general election are noncampaign disbursements.

F. A print media column or legislative report to constituents which is authored by an officeholder shall be considered an effort by the officeholder to influence his nomination or election if prepared and inserted in a newspaper or recurring periodical after adjournment of the legislature sine die in an election year when the officeholder's name will appear on the ballot. A letter, authored by an officeholder or candidate, appearing in a section of a newspaper or recurring periodical, designated for letters to the editor shall not be considered a campaign expenditure.

9 MCAR § 1.0030 Noncampaign disbursements — miscellaneous. Other expenses which are to be reported as miscellaneous noncampaign disbursements if paid for by the principal campaign committee of the candidate include, but are not limited to: costs for child care for the candidate's children when campaigning, fees paid to attend a campaign school, costs of a post election party during the election year when a candidate's name will no longer appear on a ballot or the general election is concluded, whichever occurs first, interest on loans paid by a principal campaign committee on outstanding loans, and filing fees, if permitted by other Minnesota law, post general election thank you notes or advertisements in the news media.

9 MCAR § 1.0031 Organization of political committees and political funds.

A. Any group of two or more persons which receives contributions or which makes expenditures, transfers of funds, or independent expenditures in aggregate in excess of $100 to influence the nomination or election of one or more candidates for statewide or legislative office must register as a political committee or political fund. If the group's major purpose is to influence the nomination or election of one or more candidates, it shall register as a political committee. If the group is an association whose major purpose is one other than to influence nominations or elections, it shall establish a political fund. When a person or group merely solicits contributions with the approval of a candidate or the treasurer, deputy treasurer or agent of a political committee or political fund and when those contributions are made directly to the reporting committee or fund, that person or group need not establish a separate political committee or political fund.

B. A candidate may be his own chairman and/or treasurer.

C. All monetary assets of a committee or fund shall be kept in designated depositories in accounts named in accordance with Minn. Stat. § 10A.15, subd. 3.

D. The funds of a political committee or the contents of a political fund shall not be commingled with any other funds or with the personal funds of a candidate, any officer or member of the committee or fund.

E. If a political committee or fund purchases a certificate of deposit from a financial institution other than that which has been previously disclosed as a depository, the treasurer must amend the Statement of Organization by adding the name of the new depository.

9 MCAR § 1.0032 Payment of compensation for personal services. The gross value of compensation, in excess of $20, for personal services of an individual or group which are rendered to a candidate, political committee or political fund is reported as a donation in kind from the individual or association that makes the payment.

9 MCAR § 1.0033 Public financing. A candidate or officeholder who signs an agreement to participate in the State Election Campaign Fund is bound by the expenditure limits in an election year and non-election year whether or not the candidate actually receives funds from the State Election Campaign Fund. To be effective a public finance agreement must be received in the office of the Ethical Practices Board or postmarked no later than September 1.

9 MCAR § 1.0034 Recording contributions.

A. Every individual, political committee or fund that receives a contribution in excess of $20 shall record the name, address, and any other information required by statute.

B. Promptly after receipt of any contribution or on demand of the treasurer, the contribution together with any required record shall be transmitted to the treasurer.

9 MCAR § 1.0035 Reporting and disclosing earmarked contributions.

A. Each individual, political committee or political fund which receives an earmarked contribution of more than $20 shall record (1) the name, address, and any other information required by statute; (2) the name and address of the candidate, political committee or political fund for whom the contribution is earmarked; (3) the political committee or political fund through which the earmarked contribution is directed; and (4) the amount of each earmarked contribution.

B. An earmarked contribution is reported in periodic reports as miscellaneous income by the political committee or political fund through which the contribution is directed to a candidate. When transferred to the candidate by the political committee or political fund the information in 9 MCAR § 1.0035 A. shall accompany the transfer, although the earmarked contribution shall be disclosed on periodic reports by the political committee or political fund only when in excess of $100.

C. The treasurer of a principal campaign committee of a candidate shall disclose on periodic reports the name, address, and any other information required by statute, the individual, political committee or political fund through which the contribution was directed, and the fact that the contribution was earmarked when the total aggregate contributions from the same source in a calendar year reach the disclosure thresholds of Minn. Stat. § 10A.20, subd. 3(b).

9 MCAR § 1.0036 Reporting unpaid bills outstanding as campaign expenditures.

A. For the purpose of determining the total amount of campaign expenditures in a calendar year, any unpaid bills, for campaign expenditures used or consumed during the calendar year, owed by the reporting principal campaign committee on December 31 shall be considered campaign expenditures.

B. An unpaid bill is reportable as a noncampaign disbursement when paid in a succeeding year except as provided in 9 MCAR § 1.0021.

9 MCAR § 1.0037 Responsibilities of treasurers.

A. A treasurer may transfer records and receipts to a new treasurer relieving that treasurer of record retention responsibility by written notification to the Board by either the new treasurer or the candidate. Such notice shall include name and address of the new treasurer and the effective date of the transfer.

B. A copy of a cancelled check with an invoice stating the purpose of the expenditure will be treated as a receipted bill.

9 MCAR § 1.0038 Sample ballot prepared by a candidate. If a candidate chooses to prepare and distribute his own sample ballot and includes the names of other candidates the ballot must contain the proper disclaimer required for independent expenditures as defined in Minn. Stat. § 10A.17, subd. 4, unless it is an approved expenditure as defined in Minn. Stat. § 10A.01, subd. 10a. For purposes of campaign expenditure reporting, the total cost of the preparation, printing and distribution of the sample ballot shall be assessed against the candidate causing the ballot to be prepared and distributed.

9 MCAR § 1.0039 Severability. If any rule or any part thereof is held invalid, such invalidity shall not effect any other provision of the rule or rules which can be given effect without the invalid provision. To this end, the provisions of these rules are declared to be severable.

9 MCAR § 1.0040 Signing tax credit subsidy agreement. A candidate may sign a tax credit subsidy agreement at any time after registration of his principal campaign committee for the office sought or held through December 31. An agreement signed on or after January 1, shall not be applicable to a preceding calendar year.

9 MCAR § 1.0041 Tax credit subsidy agreement and public financing agreement. A candidate must sign a separate agreement in order to participate in each public financing program.

9 MCAR § 1.0042 Tax credit subsidy receipts — special elections. Candidates shall not issue Official Tax Credit Receipts for special elections.

9 MCAR § 1.0043 Termination of registration.

A. A Terminated Report shall cover the period from the closing date of the last previous report filed through the date of termination.

B. Any terminated political committee or political fund which subsequently becomes subject to the registration and reporting requirements of the act is required to reregister.

APPROVED AS TO FORM AND LEGALITY

SEP. 10 1979 19

WARREN SPANNAUS, ATTORNEY GENERAL

BY

SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
SEP 10 1979
Joan Anderson Growe
Secretary of State
12:45 PM

KEY: RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language. PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material."

ADMIN 1000 (REV. 4/77)

STATE MINNESOTA

Office Memorandum

DEPARTMENT ETHICAL PRACTICES BOARD

TO : Lee F. Sheehy
Asst. Attorney General

DATE: 10-12-79

FROM : Elsa M. Carpenter
Asst. Administrator

PHONE: 6-1722

SUBJECT: ECONOMIC INTEREST RULES 9MCAR 1.0100-1.0111

Attached please find the following:

1. Finding of the Board .....2 copies
2. Resolution affidavit from the Sec. of the Board...3 copies
3. Order adopting the rules.....3 copies
4. Previously submitted rules....2 copies
5. Rules as adopted.....2 copies
6. Chief Hearing Examiners Supplemental report.....2 copies.

RECEIVED
OCT 15 19
ATTORNEY GENERAL
ADMINISTRATIVE AGENCIES

STATE OF MINNESOTA

STATE ETHICAL PRACTICES BOARD

COUNTY OF RAMSEY

- - - - - - - - - - - - - - - -

In the Matter of the Proposed
Adoption of Rules of the
Ethical Practices Board
Governing Campaign Financing
(9MCAR 1.0001-1.0043) and
Economic Interest Disclosure
(9MCAR 1.0100-1.0111)

FINDINGS

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The Ethical Practices Board acknowledges receipt of the Report of Special Assistant Attorney General Lee E. Sheehy, dated 6 September, 1979, withholding approval of the above captioned rules. The Board has modified the previously adopted rule and requests acceptance and inclusion by the Chief Examiner of this proposed technical non-substantive amendment to the original rules heard by Hearing Examiner Erickson.

On page 3, line 5, delete the words following the word, "candidate" and add the following sentence:

"The late filing fee for an undelivered notice will commence on the eighth day after the notice is deposited in first class mail."

Vernon Jensen
Chairperson

Dated: September 28, 1979

STATE OF MINNESOTA

STATE ETHICAL PRACTICES BOARD

COUNTY OF RAMSEY

- - - - - - - - - - - - - - - - - - -

In the matter of the Proposed Adoption of Rules of the State Ethical Practices Board Governing Economic Interest Disclosure (9MCAR 1.0100-1.0111)

CERTIFICATE OF BOARD'S ADOPTION OF RULES RESOLUTION

- - - - - - - - - - - - - - - - - - -

I, John Carey, do hereby certify that I am secretary of the Minnesota State Ethical Practices Board, a Board duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at a meeting of the Board duly and properly called and held on the 28th day of September, 1979, that a quorum was present at said meeting; that a majority of those present voted for the resolution; that said resolution is set forth in the minutes of said meeting and has not been rescinded or modified.

> "RESOLVED, that the rules governing economic interest disclosure (9MCAR 1.0100-1.0111) be and they hereby are approved and adopted, pursuant to authority vested in us by Laws of Minnesota, chapter 10A, and that Vernon Jensen, Chairperson of the Minnesota State Ethical Practices Board, be and he hereby is authorized to sign an order adopting those rules."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 5th day of October, 1979.

John Carey

John Carey, Secretary

STATE OF MINNESOTA

STATE ETHICAL PRACTICES BOARD

COUNTY OF RAMSEY

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In the matter of the Proposed
Adoption of Rules of the State
Ethical Practices Board
Governing Economic Interest
Disclosure (9MCAR 1.0100-1.0111)

ORDER ADOPTING RULES

- - - - - - - - - - - - - - - - - - -

The above-entitled matter came on for hearing before the Hearing Examiner of the State of Minnesota on the 24th day of May, 1979, at 9:30 A.M. in room 22 of the State Office Building, St. Paul, Minnesota, after proper notice required by M.S. 1977, Section 15.0412 was served upon all persons, associations and other interested groups registered with the Secretary of State for that purpose.

After affording interested persons an opportunity to present written and oral data, statements and arguments, having heard all of the testimony, having considered all of the evidence adduced and upon the records, files and proceedings herein, and applicable statutory standards or criteria, having modified the rule which caused the office of the attorney general to withhold approval of the rules; and having confirmed the need for the above captioned rules;

NOW, THEREFORE, IT IS ORDERED that these rules identified as 9MCAR 1.0100-1.0111 are adopted this 28th day of September, 1979, pursuant to authority vested in me by Minn. Stat. 10A.02, Subd. 13.

MINNESOTA STATE ETHICAL PRACTICES BOARD

By Vernon Jensen
Vernon Jensen, Chairperson

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE ETHICAL PRACTICES BOARD

IN THE MATTER OF THE PROPOSED)
ADOPTION OF RULES OF THE STATE)
ETHICAL PRACTICES BOARD)
GOVERNING CAMPAIGN FINANCING)
(9 MCAR 1.0001-1.0043) AND)
ECONOMIC INTEREST DISCLOSURE)
(9 MCAR 1.0100-1.0111).)

SUPPLEMENTAL REPORT OF
THE CHIEF HEARING EXAMINER

WHEREAS, on August 6, 1979, the Ethical Practices Board submitted the above-entitled rules to the Chief Hearing Examiner for review pursuant to Minn. Stat. § 15.052, subd. 4, and 9 MCAR § 2.110; and

WHEREAS, on August 14, 1979, the Chief Hearing Examiner issued his report finding that the rules as proposed to be adopted were not substantially different from those proposed at the public hearing and that the Ethical Practices Board had met all requirements of Minn. Stat. § 15.0412, subd. 4; and

WHEREAS, the Ethical Practices Board subsequently submitted the rules and the record of the proceedings to the Attorney General for his review as to form and legality pursuant to Minn. Stat. § 15.0412, subd 4; and

WHEREAS, the Attorney General recommended to the Ethical Practices Board that certain of the rules be amended; and

WHEREAS, the Ethical Practices Board has now resubmitted the rules to the Chief Hearing Examiner for his review; and

WHEREAS, the Chief Hearing Examiner finds that the changes made in the rules do not make the rules substantially different from those proposed at the public hearing.

NOW, THEREFORE, upon receipt of this Report, the Ethical Practices Board has the responsiblity of resubmitting the complete hearing record and the rules as adopted by the Board to the Attorney General, notifying all persons who requested to be informed that the hearing record has been re-submitted to the Attorney General, and publishing in the State Register, all pursuant to Minn. Stat. § 15.0412, subd. 4.

Dated this 11th day
of October, 1979.

Duane R. Harves

DUANE R. HARVES
Chief Hearing Examiner

ATTORNEY GENERAL

B. ALLEN CLUTTER
Executive Director
Ethical Practices Board

September 6, 1979

LEE E. SHEEHY
Special Assistant
Attorney General

296-1288

In the Matter of the Proposed Adoption of Permanent Rules Relating to Economic Interest Disclosure

The above-captioned rules have not been approved by this office. After Board consideration of the below-enumerated reason and appropriate action, if any, the rules may be resubmitted. At that time, please ensure that the original of the Order Adopting and Rules as Adopted are included in the documents resubmitted.

The rules are disapproved for the following reason:

Section 1.0105 relating to late filing fees reads in part as follows:

> "A. The Board shall send a delinquency notice by certified mail to a public official or candidate within ten business days after a filing date. If a certified letter is returned by the post office to the Board as refused, then the letter shall be deemed to have been received by the addressee on the date refused. The late filing fee will then commence accumulating on the 8th day after refusal. The certified letter returned to the Board as delivered or refused shall be forwarded by first class mail to public official or candidate and shall be deemed to have been received 7 days after the first class mailing."

The rule as presently drafted creates a possible conflict in computation of the date upon which the late filing fee begins accumulating. Specifically, the rule says that the late filing fee for a letter refused shall

commence accumulating on the 8th day after refusal. However, the next sentence states that a certified letter returned to the Board as undelivered or refused shall be forwarded by first class mail and shall be deemed to have been received 7 days after the first class mailing. The late filing fee would then be computed on the 8th day after the first class mailing. A conflict could arise since the two sentences could establish different dates for determining calculation of late fees for refused letters. This office does not intend to disapprove the portion of the rule which requires that certified letters which have been refused and returned to the Board be remailed by first class mailing. However, the possible conflict in computation of the late filing fee for refused letters must be eliminated from the rule.

If you have any questions, do not hesitate to contact me.

LES/bw
cc: Lee Paddock
Duane Harves
Marshall Whitlock
Melvin B. Goldberg

ADMIN. 1000A (REV. 8/76)

STATE OF MINNESOTA

Office Memorandum

DEPARTMENT ETHICAL PRACTICES BOARD

DATE: September 5, 1979

TO : Lee Sheehy
G-25 Administration Building

FROM : Elsa Carpenter
Assistant Administrator

PHONE: 296-1722

SUBJECT: Permanent Campaign Finance and
Economic Interest Rules

Attached are three copies of each set of permanent rules as struck in their entirety as published in the State Register.

EC:cg
Enc.

RECEIVED
SEP 06 1979
...ATIVE AGENCIES

ADMIN 1000 (REV. 4/77)

STATE OF MINNESOTA

DEPARTMENT Ethical Practices Baord

Office Memorandum

TO : Lee Sheehy
Special Assistant Attorney General
G25 Administration Building

DATE: August 31, 1979

FROM : B. Allen Clutter
Executive Director

PHONE: 296-1720

SUBJECT: Economic Interest Rules (9MCAR 1.0100-1.0111)

Today we delivered to your office the following:

1. Rules as proposed(a) and rules as adopted(b).....3 Copies
2. Board approval of proposed rules.....2 Copies
3. Order of Hearing.....2 Copies
4. Notice of Hearing(a) as published in register.....1 Copy
   (b) as mailed.....2 Copies
5. Affidavit of Receipt of Secretary of State List.....2 Copies
6. Secretary of State List.....1 Copy
7. Affidavit of Mailing.....2 Copies
8. Statement of Need.....2 Copies
9. Chief Hearing Examiner's Report(a).....2 Copies
   Hearing Examiner's Report(b).....2 Copies
   Finding of Board(c).....2 Copies
10. Orders Adopting Rules.....3 Copies
11. Certificates of Compliance from Paddock.....2 Copies
12. Board Resolution authorizing the Executive Director to pursue commencement of promulgation by preparing the Order and Notice of Hearing.....2 Copies
13. Permanent Rules.....1 Copy
14. Temporary Rules.....1 Copy

BAC:jah

draft
Rejected

ETHICAL PRACTICES BOARD

ADOPTED

RULES RELATING TO ECONOMIC INTEREST DISCLOSURE

CHAPTER TWO: 9MCAR §§ 1.0100-1.0111

§1.0100 ACTING PUBLIC OFFICIAL.

An individual who is employed or appointed as an acting public official is required to file a Statement of Economic Interest.

§1.0101 BUSINESS WITH WHICH THE INDIVIDUAL IS ASSOCIATED. A public official who holds a joint interest in a security, or in a partnership, shall disclose ownership in the security or the partnership if his or her proportionate share of the holding is valued at $2,500 or more.

§1.0102 COMPENSATION. "Compensation" includes every kind of compensation for labor or personal services from private or public employment. It does not include alimony or child support payments.

§1.0103 COMPENSATION IN ANY MONTH.

A. For the purpose of an original Statement of Economic Interest, "compensation in any month" includes only compensation received in the calendar month immediately preceding the date of appointment as a public official or filing as a candidate.

B. For the purpose of supplementary Statements of Economic Interest to be filed, "compensation in any month" includes compensation and honorariums received in any month between the end of the period covered in the preceding Statement of Economic Interest and the end of the current period.

C. For the purpose of calculating the amount of compensation received from any single source in a single month, such amount shall include the total amount received from such source during the month, whether or not the amount covers compensation for more than one month.

§1.0104 DATE OF APPOINTMENT. "Date of Appointment" means the effective date of the appointment to a position.

§1.0105 LATE FILING FEES.

A. The Board shall send a delinquency notice by certified mail to a public official or candidate within ten business days after a filing date. If a

certified letter is returned by the post office to the Board as refused, then the letter shall be deemed to have been received by the addressee on the date refused. The late filing fee will then commence accumulating on the eighth day after refusal. A certified letter returned to the Board as undelivered or refused shall be forwarded by first class mail to the public official or candidate and shall be deemed to have been received 7 days after the first class mailing.

B. A late filing fee will be charged through the business day preceding the day of filing of a late statement.

C. A late filing fee shall not be assessed for Saturday, Sunday or legal holidays.

D. The Board shall grant a waiver of a late filing fee if satisfied that the statement or report was not filed on time due to sickness, injury, or other compelling reason upon receipt of a written request for a waiver.

§1.0106 HONORARIUM. "Honorarium" includes anything of value received for services for which there is no obligation to make payment; for example, a speech, an article, or similar service. Honorariums are not reported on original statements.

§1.0107 OCCUPATION AND PRINCIPAL PLACE OF BUSINESS. For statement of occupation, the individual shall state his or her principal occupation; i.e. the occupation at which he or she spends most of his or her working hours or which provides his or her major source of compensation. "Principal place of business" means the name of the entity providing the individual's principal occupation.

§1.0108 REAL PROPERTY.

A. For the purpose of determining the value of an individual's interest in real property, the value of the property shall be the market value shown on the property tax statement.

B. For the purpose of an original Statement of Economic Interest, the individual shall disclose only those real properties owned on the date of

appointment as a public official or filing as a candidate.

C. For the purpose of a supplementary Statement of Economic Interest, the individual shall disclose any real property owned at any time between the end of the period covered by the preceding Statement of Economic Interest and through the last day of the month preceding the current filing or the last day of employment, if no longer a public official.

§1.0109 SECURITIES.

A. "Securities" includes any stock, share, bond, warrant, option, pledge, note, mortgage, debenture, lease, or commercial paper in any corporation, partnership, trust, or other association. "Securities" does not include deposits in a savings account or shares in a pension fund.

B. A "Holder of Securities" or an individual who "Holds Securities" is an individual having an ownership interest in any security as defined herein, or who is the trustee or beneficiary of a trust.

C. For the purpose of an original Statement of Economic Interest, "Securities" includes only securities held on the date of appointment as a public official or filing as a candidate.

D. For the purpose of a supplementary Statement of Economic Interest, "Securities" includes any security held at any time between the end of the period covered by the preceding Statement of Economic Interest and through the last day of the month preceding the current filing or the last day of employment, if no longer a public official.

E. For the purpose of indicating the address of the entity in which a security is held, the registered office or principal place of business shall be stated, except that if a security is listed on one of the national security exchanges, and the address of the entity is not known, the name of the exchange shall suffice.

§1.0110 SOURCES OF COMPENSATION. "Sources of Compensation" means the name of the

corporation, partnership or other entity from which the individual receives compensation. A self-employed individual is required to list only a description of the occupation in which the individual is self-employed (e.g. farming, practice of law, etc.) and is not required to list the names of corporations, partnerships, or other entities which pay compensation to the public official or candidate in his or her capacity as a self-employed individual.

§1.0111 TIME FOR FILING.

A. A Statement of Economic Interest is considered filed if delivered to the Ethical Practices Board by 4:30 p.m. of the prescribed filing date or post-marked by the filing date.

B. An individual shall not be required to file more than one Statement of Economic Interest in any year; except that a public official who has filed a Statement of Economic Interest within the calendar year as a public official, must file a supplementary statement within 14 days after filing an affidavit of candidacy or submitting a petition to appear on the ballot.

C. A public official or candidate, who previously filed a Statement of Economic Interest and who is required to file a new Statement of Economic Interest following a period when no statement was required, shall file an original statement.

D. An individual must file a Statement of Economic Interest for the period for which he served as a public official even though no longer a public official.

STATE OF MINNESOTA

COUNTY OF RAMSEY

STATE ETHICAL PRACTICES BOARD

RECEIVED
AUG 6 1979
OFFICE OF HEARING EXAMINERS

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In the Matter of the Proposed Adoption of Rules of the Ethical Practices Board Governing Campaign Financing (9MCAR 1.0001-1.0043) and Economic Interest Disclosure (9MCAR 1.0100-1.0111)

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FINDINGS

The Ethical Practices Board acknowledges receipt of the Report of Hearing Examiner Peter C. Erickson, dated 29 June 1979. The Board accepts and adopts the report and requests acceptance and inclusion by the Chief Examiner of these proposed technical amendments to the original rules heard by Hearing Examiner Erickson.

I. CAMPAIGN FINANCING RULES

A. Section 1.0002

On page 2, line 7. Insert a "," after "463," delete the word "and," insert a "," after "793," and insert the phrase "and Minn. Session Laws, 1979, Chapter 59." The Board finds that this addition is necessary to cover the change which was enacted during the 30 days prior to the public hearing. The Board considers such a change nonsubstantive since the bill itself was technical in nature.

B. Section 1.0005

On page 3, line 4. The abbreviation "Ch." is deleted. This is merely a typographical change.

C. Section 1.0007

On page 3, line 20. The word "whole" is changed to "whose." This is merely a typographical change.

D. Section 1.0012, subd. C

On page 5, line 2. The word "credit" is inserted before the phrase "subsidy agreement." The Board finds that this addition is necessary for clarification and is not a substantial change.

E. Section 1.0013

On page 5, line 25. The word "estimony" should read "testimony." This is merely a typographical change.

F. Section 1.0015

On page 6, line 12. The word "Act" is deleted and the phrase "Chapter 10A" is inserted in its place. The Board finds that this substitution is necessary to cover the changes contained in 1979 Minn. Laws Ch. 59 which require disclosure by candidates for county, probate and county municipal court judgeships. This change is not substantial since it only serves to clarify how all judicial candidates sould be viewed rather than creating any new liability or obligation.

G. Section 1.0021

On page 7, line 28. The word "which" is inserted before the word "results." This change is made purely for grammatical correctness.

H. Section 1.0025, subd. B

On page 9, lines 24 and 25. The words "by the remaining committee" are inserted before the words "until paid or forgiven." This change simply clarifies the subsection without making any change in the substance of the provision.

I. Section 1.0035, subds. A and C

Page 14, lines 12 and 13, and page 14, lines 26 and 27 are reworded as follows: "The name and address of the source of the contribution and any other information required by statute." The changes are made for purposes of clarification only and do not alter the substance of the

subsections.

J. Section 1.0036, subd. B

On page 15, lines 9 and 10. The words "except as provided in 9MCAR §1.0021" are deleted and the words "by the political committee or political fund that incurred the bill" are inserted in their place. The Board finds that the reference to §1.0021 is unnecessary. The change therefore helps clarify the subsection without making any change in substance.

K. Section 1.0038

Section 1.0038 is changed to read as follows:

> A candidate who prepares and distributes a sample ballot which contains the names of other candidates must include the proper disclaimer required for independent expenditures and must report the total cost of the preparation, printing and distribution of the sample ballot unless the candidate is making an approved expenditure.

While the change almost completely rewords the section, no change in substance is made. Thus, the change is not substantial.

L. Section 1.0043, subd. A

On Page 16, line 15. The word "terminated" is changed to "termination." This change is made for clarification purposes without changing the substance of the provision.

II. ECONOMIC INTEREST DISCLOSURE RULES

A. Section 1.0105, subd. A

On page 3, line 2. The words "on the date refused" are inserted after the words "received by the addressee." This change is made to make the subdivision consistent with a similar provision in the

Campaign Financing Rules, 9MCAR §1.0026, subd. A. The modification does not make any change in the substance of section 1.0105.

NOW, THEREFORE, The Board adopts the report of the Hearing Examiner as amended by these additional findings of fact and requests acceptance and inclusion of these technical amendments in the original rules as heard in public hearing by Examiner Erickson.

Vernon Jensen

Vernon Jensen, Chairman

Dated: July 24, 1979

STATE OF MINNESOTA

STATE ETHICAL PRACTICES BOARD

COUNTY OF RAMSEY

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In the Matter of the Proposed
Amendment of Rules of the
State Ethical Practices Board
Governing Economic Interest
Disclosure (9 MCAR 1.0100-1.0111)

STATEMENT OF NEED

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The Ethics In Government Act, Minn. Stat. ch. 10A, originally passed in 1974, authorized the Ethical Practices Board to promulgate rules in order to provide for, and administer a program of personal economic interest disclosure of public officials. Rules were promulgated pursuant to this authority in 1974 and amended in 1976 to conform the rules to changes in the statute made in 1976. 1978 Minn. Laws ch. 463 further amended chapter 10A. The Board was given authority therein to promulgate new temporary economic interest rules until a revised set of permanent rules could be adopted.

These proposed rules are designed to supersede permanent rule EPB 100 in its entirety. They are essentially based upon temporary rules (9 MCAR 1.0100-1.0111) which became effective in June, 1978, and are currently in effect. The temporary rules, however, expire on October 1, 1979. The Board now seeks to promulgate permanent rules (1) to provide direction to individuals who are required to file statements of personal economic interest with the Board; (2) to enable the Board to develop reporting forms; (3) to provide the public with information regarding the scope of Minn. Stat. 10A.09 et seq.; (4) to remove obsolete provisions and language from the existing rules; and (5) to incorporate applicable advisory opinions which lapse on the day of adjournment of the regular session of the legislature in the second year following the date of the opinion.

The following pages describe the need for, and reasonableness of each rule or subsection thereof.

1.0100 - ACTING PUBLIC OFFICIAL - An acting public official may make official judgments or decisions which could affect his personal financial interest. Therefore, the Board believes that these rules should apply to acting as well as permanent public officials in order to carry out the intent of the law--to reassure the public that public officials are not personally financially profitting from official decisions--is to be fulfilled. This rule defines who is an acting public official.

1.0101 - BUSINESS WITH WHICH THE INDIVIDUAL IS ASSOCIATED - Disclosure of holdings at market value in excess of $2,500 is required by Minn. Stat. 10A.09, subd. 5. The rule seeks to clarify the conditions and threshold under which a public official must disclose his interest when he is a

member of a partnership. This rule is currently in effect as a temporary rule (1.0101).

1.0102 - COMPENSATION - This rule seeks to define an essential word in the statute to assist public officials in properly disclosing their sources of compensation as required in Minn. Stat. 10A.09, subd. 5(b). The rule also incorporates exclusions established in advisory opinions issued by the Board. The definition is substantially the same as in superseded permanent rule EPB 100(f) and is currently in effect as a temporary rule (1.0102).

1.0103 - COMPENSATION IN ANY MONTH -

A. This subsection has been renumbered to comply with MCAR requirements and reworded to eliminate obsolete provisions. The substance of this rule is contained in EPB 100(f)(3). This language is currently in effect as a temporary rule (1.0103 A.).

B. Subsection B clarifies the period covered by supplementary reports. Although the substance of the rule appears in EPB 100(f)(4), the application has been extended to any supplementary report filed rather than only those filed on April 15.

C. This subsection has been renumbered to comply with MCAR requirements but is otherwise the same as permanent rule EPB 100(f)(5) and is currently in effect as a temporary rule (1.0103 C.).

1.0104 - DATE OF APPOINTMENT - The definition is required to aid in the determination of the period to be covered in a statement of economic interest to be filed by a public official or a candidate. The rule is currently in effect as a temporary rule (1.0104).

1.0105 - LATE FILING FEES -

A., B., and C. - Minn. Stat. 10A.09, subd. 7 (1978) authorized the Board to levy late filing fees for failure to file timely statements of economic interest. In order to clarify the provision for the persons potentially liable for a late filing fee, the Board has established procedures through this rule to impose these late filing fees. These provisions are currently in effect as a temporary rule (1.0105).

D. The subsection sets out uniform conditions under which waivers of late filing fees shall be granted by the Board in order to guide its own actions and to inform those individuals against whom a late filing fee may be levied of the conditions under which the fee will be waived.

1.0106 - HONORARIUM - Minn. Stat. 10A.09, subd. 6 (1978) added honorariums to the list of items required to be disclosed on supplementary statements of economic interest. The definition is provided to insure uniformity in reporting. It is currently in effect as a temporary rule (1.0106).

1.0107 - OCCUPATION AND PRINCIPAL PLACE OF BUSINESS - With the exception of renumbering to conform to MCAR requirements, the language of permanent rule EPB 100(3)(d) remains intact. This rule currently is in effect as

a temporary rule (1.0107).

1.0108 - REAL PROPERTY - With the exception of renumbering to conform to MCAR requirements, the language of permanent rule EPB 100(h)(a) remains intact. This rule is currently in effect as a temporary rule (1.0108).

1.0109 - SECURITIES -

A., B., C., D., and E. With the exception of renumbering and relettering to conform to MCAR requirements, the language of permanent rules EPB 100(g)(1)-(5) remains intact. The rule is currently in effect as a temporary rule (1.0109).

1.0110 - SOURCES OF COMPENSATION - With the exception of renumbering to conform to MCAR requirements, the language of permanent rule EPB 100(f)(2) remains intact. The rule is currently in effect as a temporary rule (1.0110).

1.0111 - TIME FOR FILING -

A. This rule is needed in order to clarify reporting requirements for persons required to file statements and to provide the Board with specific filing dates for determination of compliance and computation of late filing fees. Because Economic Interest Rules were published simultaneously with Campaign Finance Rules in 1974 and 1976, it was presumed that the definition of "File," "Filed" and "Filing" contained in Campaign Finance Rule EPB 4(k) also applied to filing of statement of economic interest. However, the Board feels that it is advisable to provide a separate definition of filing in these rules. The rule changes the current definition to include the date of the postmark. Acceptable administrative practice is to accept a postmark as a definitive date of filing.

B. This subsection simply rewords permanent rule EPB 100(c)(1) and (3) without substantially changing their effect. The proposed language is currently in effect as a temporary rule (1.0111 B.).

C. This subsection is needed because information to be disclosed as well as the period covered differs depending on whether an original or supplementary statement is being filed. This provision is currently in effect as a temporary rule (1.0111 C.).

D. The law requires individuals who serve as public officials to file supplementary statements disclosing personal holdings retroactively in order to reassure the public that public officials are not personally profitting from their official actions. Therefore, the Board feels that the intent of the law is that individuals disclose their holdings for the period in which they served as public officials whether they are, or are not, currently public officials.

B. Allen Clutter, Executive Director

for Roger F. Noreen, Chairperson

Dated: April 30, 1979

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE ETHICAL PRACTICES BOARD

In the Matter of the Proposed Adoption of Rules of the State Ethical Practices Board Governing Campaign Financing (9 MCAR 1.0001-1.0043) and Economic Interest Disclosure (9 MCAR 1.0100-1.0111)

REPORT OF THE HEARING EXAMINER

The above-entitled matter came on for hearing before Hearing Examiner Peter C. Erickson of the State Office of Hearing Examiners at 9:30 a.m. on Thursday, May 24, 1979 in Room 22 of the State Office Building, St. Paul, Minnesota.

Stephen Shakman, Special Assistant Attorney General, appeared as counsel on behalf of the Ethical Practices Board. B. Allen Clutter, Executive Director of the Board, testified in support of the proposed rules on behalf of the Board. The hearing continued until all interested groups or persons had had an opportunity to be heard concerning the adoption of the proposed rules.

Pursuant to Minn. Stat. sec. 15.0412, subd. 4, this Report shall be available for review to all affected individuals upon request for at least five days. Thereafter, the Board shall, if it proposes to adopt the rules as originally proposed or amended, submit a copy of the Order Adopting Rules, a copy of any additional agency findings, a copy of the rules as originally proposed, and a copy of the rules as adopted to the Chief Hearing Examiner for review pursuant to Minn. Stat. sec. 15.052, subd. 4. The submission to the Chief Hearing Examiner shall precede review by the Attorney General. The Chief Hearing Examiner shall complete his review and submit his report to the Board on the issues of substantial changes in the rule and compliance with Minn. Stat. sec. 15.0412 within ten calendar days. The Board will be responsible for filing the rules with the Attorney Gen-General and for notifying persons who have indicated that they wish to be notified of such filing.

Based upon all the records and proceedings herein, the Examiner makes the following:

FINDINGS OF FACT

1. On April 9, 1979, the Board filed the following documents with the Chief Hearing Examiner:

(a) A copy of the proposed rules.
(b) The Order for Hearing proposed to be issued.
(c) The Notice of Hearing proposed to be issued.
(d) A Statement of the number of persons expected to attend the hearing and estimated length of the Agency's presentation.

2. On April 23, 1979, a Notice of Hearing and a copy of the proposed rules were published at 3 State Register 1929 and 1933.

3. On April 19, 1979, the Board mailed the Notice of Hearing to all persons and associations who had registered their names with the Secretary of State for the purpose of receiving such notice.

4. On April 30, 1979, the Board filed the following documents:

(a) The Order for Hearing and authorizing resolution.
(b) The Notice of Hearing as mailed.
(c) The Affidavit of Receipt of the Secretary of State's list.
(d) The Affidavit of Mailing the Notice to all persons on the Secretary of State's list.
(e) The Secretary of State's Certificate and list.
(f) The Statement of Need and Reasonableness.
(g) The names of Board personnel who will represent the Agency at the hearing together with the names of any other witnesses solicited by the Agency to appear on its behalf.

The documents were available for inspection at the Office of Hearing Examiners from the date of filing to the date of the hearing.

5. The record remained open through June 8, 1979, for the receipt of written comments and statements, the period having been extended by order of the Hearing Examiner to 15 calendar days following the hearing.

6. Statutory authority to promulgate the proposed rule is contained in Minn. Stat. sec. 10A.02, subd. 13 (1978).

7. The proposed rules are now temporary rules which became effective in June, 1978 and are still in effect.

8. Chapter One, Rule Relating to Campaign Financing, 9 MCAR secs. 1.0001-1.0043, supersedes EPB Rules 1-39 which are proposed to be repealed. At hearing, the Statement of Need, part of the official record herein, was summarized by Mr. Clutter. There was little public comment on Chapter One and only one of the proposed rules was contested as is pointed out below.

a. Mr. Marshall Whitlock, executive director of the Legislative Commission to Review Administrative Rules, commented that proposed sec. 1.008, Association Newsletters on Behalf of a Candidate, may abridge the right of an association to communicate with its members in violation of Minn. Stat. sec. 10A.265. Mr. Whitlock contends that the rule should be amended by adding language which clarifies the statutory definition of "independent expenditure" so that an association's right to communicate with candidates in order to assess which persons should be endorsed through association publications will not be abridged. Mr. Whitlock argues that sec. 1.0008, as proposed, is unreasonable and has a potential effect which is prohibited by Minn. Stat. sec. 10A.265.

Sec. 10A.265 states that "Nothing in this chapter [Chapter 10A] shall be construed as abridging the right of an association to communicate with its members." Sec. 1.0008 provides that:

> ". . . the proportionate cost of preparation and distribution of a newsletter which advocates the nomination or election of a candidate is a donation in kind . . . unless the association is making an independent expenditures. . . ."

Mr. Whitlock's concern that initial communication with candidates may be proscribed does not emanate from sec. 1.008. That rule merely dictates that the costs of newsletter endorsement may be a donation in kind. The requirements for an "independent expenditure" are set out in statute and control whether or not a donation is being made pursuant to sec. 1.0008. The right of an association to communicate with its members is only indirectly affected by the determination of "independent expenditure." The intent and effect of sec. 1.0008 are neither violative of Minn. Stat. sec.

10A.265 nor are they unreasonable. The Examiner finds that the proposed rule is both needed and reasonable.

b. The Examiner finds that proposed Chapter One and the repeal of EPB Rules 1-39 has been shown to be both needed and reasonable.

9. Chapter Two, Rules Relating to Economic Interest Disclosure, 9 MCAR secs. 1.0100-1.0111, supersedes EPB Rule 100 which is proposed to be repealed. At hearing, the Statement of Need, part of the official record herein, was summarized by Mr. Clutter. There was little public comment on Chapter Two with the exception of the following:

a. Elizabeth Ebbott, member of the Ethical Practices Board, commented that sec. 1.0026 A. and sec. 1.0105 A. were inconsistent because the latter states that if a letter is returned to the Board as "undelivered or refused", it will be forwarded whereas the former rule does not contain the refused language. The Examiner draws this to the Board's attention in case revision is appropriate.

b. The Examiner finds that proposed Chapter Two and the repeal of EPB Rule 100 has been shown to be both needed and reasonable.

Based upon the foregoing Findings of Fact, the Hearing Examiner makes the following:

C O N C L U S I O N S

1. The Ethical Practices Board gave due, timely and adequate legal notice of the hearing.

2. Pursuant to Minn. Stat. sec. 15.052, subd. 3 (1978), it is the duty of the Hearing Examiner to: ". . . (4) make a report on each proposed agency action . . . taking notice of the degree to which the agency has (i) documented its statutory authority to take the proposed action; (ii) fulfilled all relevant, substantive and procedural requirements of law or rule, and (iii) demonstrated the need for and reasonableness of its proposed action with an affirmative presentation of facts".

3. The Ethical Practices Board has documented its statutory authority to promulgate the proposed rules.

4. The Board has fulfilled all relevant, substantive and procedural requirements of law or rule.

5. The Board has demonstrated the need for and reasonableness of the proposed rules by an affirmative presentation of facts.

Based upon the foregoing Conclusions, the Hearing Examiner makes the following:

R E C O M M E N D A T I O N

That the Ethical Practices Board adopt the proposed rules and repeal EPB Rules 1-39 and 100.

Dated this 29 day of June, 1979.

Peter C. Erickson

PETER C. ERICKSON
Hearing Examiner

ETHICAL PRACTICES BOARD

PROPOSED

RULES RELATING TO ECONOMIC INTEREST DISCLOSURE

CHAPTER TWO: 9MCAR §§ 1.0100-1.0111

§1.0100 ACTING PUBLIC OFFICIAL.

An individual who is employed or appointed as an acting public official is required to file a Statement of Economic Interest.

§1.0101 BUSINESS WITH WHICH THE INDIVIDUAL IS ASSOCIATED. A public official who holds a joint interest in a security, or in a partnership, shall disclose ownership in the security or the partnership if his or her proportionate share of the holding is valued at $2,500 or more.

§1.0102 COMPENSATION. "Compensation" includes every kind of compensation for labor or personal services from private or public employment. It does not include alimony or child support payments.

§1.0103 COMPENSATION IN ANY MONTH.

A. For the purpose of an original Statement of Economic Interest, "compensation in any month" includes only compensation received in the calendar month immediately preceding the date of appointment as a public official or filing as a candidate.

B. For the purpose of supplementary Statements of Economic Interest to be filed, "compensation in any month" includes compensation and honorariums received in any month between the end of the period covered in the preceding Statement of Economic Interest and the end of the current period.

C. For the purpose of calculating the amount of compensation received from any single source in a single month, such amount shall include the total amount received from such source during the month, whether or not the amount covers compensation for more than one month.

§1.0104 DATE OF APPOINTMENT. "Date of Appointment" means the effective date of the appointment to a position.

§1.0105 LATE FILING FEES.

A. The Board shall send a delinquency notice by certified mail to a public official or candidate within ten business days after a filing date. If a

certified letter is returned by the post office to the Board as refused, then the letter shall be deemed to have been received by the addressee. The late filing fee will then commence accumulating on the eighth day after refusal. A certified letter returned to the Board as undelivered or refused shall be forwarded by first class mail to the public official or candidate and shall be deemed to have been received 7 days after the first class mailing.

B. A late filing fee will be charged through the business day preceding the day of filing of a late statement.

C. A late filing fee shall not be assessed for Saturday, Sunday or legal holidays.

D. The Board shall grant a waiver of a late filing fee if satisfied that the statement or report was not filed on time due to sickness, injury, or other compelling reason upon receipt of a written request for a waiver.

§1.0106 HONORARIUM. "Honorarium" includes anything of value received for services for which there is no obligation to make payment; for example, a speech, an article, or similar service. Honorariums are not reported on original statements.

§1.0107 OCCUPATION AND PRINCIPAL PLACE OF BUSINESS. For statement of occupation, the individual shall state his or her principal occupation; i.e. the occupation at which he or she spends most of his or her working hours or which provides his or her major source of compensation. "Principal place of business" means the name of the entity providing the individual's principal occupation.

§1.0108 REAL PROPERTY.

A. For the purpose of determining the value of an individual's interest in real property, the value of the property shall be the market value shown on the property tax statement.

B. For the purpose of an original Statement of Economic Interest, the individual shall disclose only those real properties owned on the date of

appointment as a public official or filing as a candidate.

C. For the purpose of a supplementary Statement of Economic Interest, the individual shall disclose any real property owned at any time between the end of the period covered by the preceding Statement of Economic Interest and through the last day of the month preceding the current filing or the last day of employment, if no longer a public official.

§1.0109 SECURITIES.

A. "Securities" includes any stock, share, bond, warrant, option, pledge, note, mortgage, debenture, lease, or commercial paper in any corporation, partnership, trust, or other association. "Securities" does not include deposits in a savings account or shares in a pension fund.

B. A "Holder of Securities" or an individual who "Holds Securities" is an individual having an ownership interest in any security as defined herein, or who is the trustee or beneficiary of a trust.

C. For the purpose of an original Statement of Economic Interest, "Securities" includes only securities held on the date of appointment as a public official or filing as a candidate.

D. For the purpose of a supplementary Statement of Economic Interest, "Securities" includes any security held at any time between the end of the period covered by the preceding Statement of Economic Interest and through the last day of the month preceding the current filing or the last day of employment, if no longer a public official.

E. For the purpose of indicating the address of the entity in which a security is held, the registered office or principal place of business shall be stated, except that if a security is listed on one of the national security exchanges, and the address of the entity is not known, the name of the exchange shall suffice.

§1.0110 SOURCES OF COMPENSATION. "Sources of Compensation" means the name of the

corporation, partnership or other entity from which the individual receives compensation. A self-employed individual is required to list only a description of the occupation in which the individual is self-employed (e.g. farming, practice of law, etc.) and is not required to list the names of corporations, partnerships, or other entities which pay compensation to the public official or candidate in his or her capacity as a self-employed individual.

§1.0111 TIME FOR FILING.

A. A Statement of Economic Interest is considered filed if delivered to the Ethical Practices Board by 4:30 p.m. of the prescribed filing date or post-marked by the filing date.

B. An individual shall not be required to file more than one Statement of Economic Interest in any year; except that a public official who has filed a Statement of Economic Interest within the calendar year as a public official, must file a supplementary statement within 14 days after filing an affidavit of candidacy or submitting a petition to appear on the ballot.

C. A public official or candidate, who previously filed a Statement of Economic Interest and who is required to file a new Statement of Economic Interest following a period when no statement was required, shall file an original statement.

D. An individual must file a Statement of Economic Interest for the period for which he served as a public official even though no longer a public official.

STATE OF MINNESOTA

STATE ETHICAL PRACTICES BOARD

COUNTY OF RAMSEY

- - - - - - - - - - - - - - - - - - -

In the matter of the Proposed
Adoption of Rules of the State
Ethical Practices Board
Governing Economic Interest
Disclosure (9MCAR 1.0100-1.0111)

ORDER ADOPTING RULES

- - - - - - - - - - - - - - - - - - -

The above-entitled matter came on for hearing before the Hearing Examiner of the State of Minnesota on the 24th day of May, 1979, at 9:30 A.M. in room 22 of the State Office Building, St. Paul, Minnesota, after proper notice required by M.S. 1977, Section 15.0412 was served upon all persons, associations and other interested groups registered with the Secretary of State for that purpose.

After affording interested persons an opportunity to present written and oral data, statements and arguments, having heard all of the testimony, having considered all of the evidence adduced and upon the records, files and proceedings herein, and applicable statutory standards or criteria, and having confirmed the need for the above captioned rules;

NOW, THEREFORE, IT IS ORDERED that these rules identified as 9MCAR 1.0100-1.0111 are adopted this 27th day of July, 1979, pursuant to authority vested in me by Minn. Stat. 10A.02, subd. 13.

MINNESOTA STATE ETHICAL PRACTICES BOARD

By Vernon K Jensen

Vernon Jensen, Chairperson

EPB-18

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EXAMINERS

STATE OF MINNESOTA

STATE ETHICAL PRACTICES BOARD

COUNTY OF RAMSEY

- - - - - - - - - - - - - - - - - -

In the matter of the Proposed
Adoption of Rules of the State
Ethical Practices Board Governing
Economic Interest Disclosure
(9MCAR 1.0100-1.0111)

ORDER FOR HEARING

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To effectively implement Minnesota Laws, 1974, as amended in 1976 and 1978, the Minnesota State Ethical Practices Board deems it necessary to consider adoption of the proposed rules to replace rule EPB 100 and temporary rules 9MCAR 1.0100-1.0111 which expire October 1, 1979, captioned above pursuant to the authority vested in the Board by Minn. Stat. 10A.02, subd. 13.

NOW THEREFORE, IT IS ORDERED this 30th day of March, 1979, that a public hearing on the proposed rules captioned above be held in Room 22, State Office Building, Saint Paul, Minnesota, on May 24, 1979, commencing at 9:30 a.m., and continuing until all representatives of associations or other interested groups or persons have had an opportunity to be heard.

IT IS FURTHER ORDERED, that notice of said hearing be given to all representatives of associations or other interested groups or persons who have registered their names with the Secretary of State for that purpose.

IT IS FURTHER ORDERED, that notice of said hearing will be published in the State Register at least 30 days before the date of the hearing.

STATE OF MINNESOTA
ETHICAL PRACTICES BOARD

By Vernon Jensen
Vernon Jensen
Vice Chairperson

Dated: April 5, 1979

as published

J. "Standardized Outdoor Display Signs" means off-premise outdoor display advertising commonly known as billboards;

K. "Temporary or seasonal display lighting" means display lighting that, on at least 300 consecutive days in any 12-month period, is not illuminated.

6 MCAR § 2.2110 Permissible hours of outdoor display lighting operation.

A. Standardized outdoor display signs may not be artificially illuminated during daytime hours.

B. Standardized outdoor display signs may not be artificially illuminated during the period between midnight and 6:00 a.m. or one half hour after sunrise, whichever is earlier, except for the hours during that period when the establishment(s) being advertised is (are) open for business.

C. Outdoor display lighting that is used to illuminate an historic landmark as defined in Minn. Stat. ch. 138 or § 4.077 may be operated between one half hour before sunset and 10 p.m.

D. All other outdoor display lighting except security lighting may be operated from one half hour before sunset until one hour after the close of a business day and from the beginning of a business day until one half hour after sunrise.

E. Security lighting may not be operated during daytime hours.

6 MCAR § 2.2115 Permissible efficiency.

A. No person shall install or use outdoor display lighting in which the light source produces light at an initial efficiency, including ballast, of less than 40 lumens per watt.

B. Exceptions.

1. Rule 6 MCAR § 2.2115 A. shall not apply to luminous sign tubing.

2. Rule 6 MCAR § 2115 A. shall not apply to any establishment whose total outdoor display lighting system has a demand of 1500 watts or less.

6 MCAR § 2.2120 Permissible quantity.

A. Beginning July 1, 1980, the provisions of Rule 6 MCAR § 2102 B. and C. notwithstanding, no person shall operate security lighting that exceeds .05 watts per square foot or .2 foot-candles for the area lighted for security purposes.

B. No person shall operate any other outdoor display lighting that exceeds the recommended minimum standards set forth in the "IES Lighting Handbook" published by the Illuminating Engineering Society by more than 20 percent.

C. Rule 6 MCAR § 2.2120 A. shall not apply to an establishment whose total security lighting system has a demand of 1500 watts or less.

Ethical Practices Board

Proposed Rules Governing Economic Interest Disclosure

Notice of Hearing

Notice is hereby given that a public hearing pursuant to Minn. Stat. § 15.0412 (1978) and Minn. Laws 10A in the above entitled matter will be held in Room 22, State Office Building, St. Paul, MN 55155, on Thursday, May 24, 1979, beginning at 9:30 a.m., and continuing until all persons have had an opportunity to be heard.

Statutory authority to promulgate the proposed rules is vested in the Ethical Practices Board by Minn. Stat. § 10A.02, subd. 13 (1978).

The Ethical Practices Board proposes to amend permanent rules EPB 100 and temporary rules 9 MCAR §§ 1.0100-1.0111 concerning economic interest disclosure by candidates and public officials, as well as to include clarifications from advisory opinions. In 1978, an amendment to Chapter 10A.02, subd. 12 limited the effectiveness of advisory opinions.

Chapter 463, Section 108 of Minnesota Session Laws (1978) granted authority to the Board to issue temporary rules until permanent rules are adopted pursuant to Minn. Stat. ch. 15 or until October 1, 1979, whichever occurs first.

Free copies of the proposed rules are available and can be obtained from the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, or by calling 296-5148. Additional copies will be available at the hearing. Temporary rules in effect at present may also be obtained.

KEY: RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language. PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material."

A Statement of Need explaining why the Board feels the proposed rules are necessary and a Statement of Evidence outlining the testimony they will introduce will be filed with the Hearing Examiner at least 25 days prior to the hearing and will be available for public inspection.

All interested or affected persons will have an opportunity to participate. Statements made orally and written materials may be submitted at the hearing. In addition, written materials may be submitted by mail to Hearing Examiner Peter C. Erickson, Room 300, 1745 University Avenue, St. Paul, MN 55104, either before the hearing, or within (5) five working days following the close of the hearing, or up to 20 days if ordered by the Hearing Examiner.

Please be advised that pursuant to Minn. Stat. § 10A.01, subd. 11 (1978) 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 must register with the State Ethical Practices Board as a lobbyist within five days of the commencement of such activity by the individual. The statute provides certain exceptions. Questions should be directed to the State Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, phone (612) 296-5615.

Notice: Any person may request notification of the date on which the Hearing Examiner's Report will be available, after which date the agency may not take any final action on the rules for a period of five working days. Any person may request notification of the date on which the hearing record has been submitted (or resubmitted) to the Attorney General by the agency. If you desire to be so notified, you may so indicate at the hearing. After the hearing, you may request notification by sending a written request to the Hearing Examiner (in the case of the Hearing Examiner's Report) or to the agency (in the case of the agency's submission or resubmission to the Attorney General).

Notice is hereby given that 25 days prior to the hearing, a Statement of Need and Reasonableness will be available for review at the agency and at the Office of Hearing Examiners. This Statement of Need and Reasonableness will include a summary of all of the evidence which will be presented by the agency at the hearing justifying both the need for and the reasonableness of the proposed rule/rules. Copies of the Statement of Need and Reasonableness may be obtained from the Office of Hearing Examiners at a minimal charge.

April 5, 1979

Vernon Jensen
Vice Chairperson

Rules as Proposed

The following permanent rule (EPB 100) concerning economic interest disclosure is struck in its entirety.

Temporary rules are in effect at the present time and may be secured from the Ethical Practices Board.

~~**EPB 100 Statements of economic interest.**~~

~~(a) Form for filing. Every public official or candidate for elective office required to file a Statement of Economic Interest shall set forth the required information on a form prescribed by the Board.~~

~~(b) Time for filing by candidates. Every candidate for statewide or legislative office, excluding candidates for supreme court justice or district court judge, shall file a Statement of Economic Interest within 14 days after filing an affidavit of candidacy or petition to appear on the ballot, provided that August 7, 1974, shall be the earliest date upon which any Statement of Economic Interest must be filed.~~

~~(c) Time for filing by public officials.~~

~~(1) Each public official in office on April 13, 1974, or any individual who accepts employment as a public official between April 13, 1974, and June 8, 1974, inclusive, and who is still in office on August 7, 1974, shall file a Statement of Economic Interest with the Board on or before August 7, 1974. Each individual who accepts employment as a public official after June 8, 1974, shall file a Statement of Economic Interest within 60 days after accepting employment, and if the advice and consent of the senate is required, prior to submission of his name to the senate. No individual shall be required to file more than one Statement of Economic Interest in any year. An individual who holds more than one public office for which a Statement of Economic Interest is required, shall include a listing of all such offices held.~~

~~(2) In 1975 and subsequent years, each public official who has previously filed a Statement of Economic Interest shall file a supplementary Statement of Economic Interest on or before April 15 of each year.~~

~~(3) In 1975 and subsequent years, a public official who has filed a Statement of Economic Interest and who thereafter files as a candidate for statewide or legislative office shall file an amendment to the statement within 14 days after filing an affidavit of candidacy or submitting a petition to appear on the ballot.~~

(d) Occupation and Principal Place of Business. For statement of occupation, the individual shall state his principal occupation, i.e. the occupation at which he spends most of his working hours or which provides his major source of compensation. "Principal place of business" means the name of the entity providing the individual's principal occupation.

(e) Business with which the Individual is Associated. Each individual who files a Statement of Economic Interest shall state the name of each business with which he is associated and the nature of that association. For purposes of these rules, an individual is associated with a business in the following cases: (i) when he receives compensation, other than for actual and reasonable expenses, in excess of $50 in any month as a director, officer, owner, member, partner, employer or employee; or (ii) when he is a holder of securities worth $2,500 or more at fair market value.

(f) Compensation.

(1) "Compensation" includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position, or occupation.

(2) "Source of compensation" includes the name of the corporation, partnership or other entity from which the individual receives payment in compensation. An individual who is self-employed is required to list only the name of the proprietorship or description of the occupation in which the individual is self-employed (e.g. farming, practice of law as sole proprietor), and is not required to list the names of corporations, partnerships, or other entities making payments in compensation to the individual in his capacity as a self-employed individual.

(3) For purposes of an original Statement of Economic Interest, "compensation in any month" includes compensation received only in the calendar month immediately preceding the date of appointment as a public official or filing as a candidate. For purposes of this rule, the calendar month for reporting compensation is July, 1974, for any individual who holds public office as of April 13, 1974, or at any time thereafter through July 31, 1974, and who is still in office on the date of filing.

(4) For purposes of a supplementary Statement of Economic Interest to be filed on April 15, "compensation in any month" includes compensation received in any month between the end of the period covered in the preceding Statement of Economic Interest and March 31, inclusive.

(5) For purposes of calculating the amount of compensation received from any single source in a single month, such amount shall include the total amount received from such source during the month, whether or not the amount covers compensation for more than one month.

(g) Securities.

(1) "Securities" includes any stock, share, bond, warrant, option, pledge, note, mortgage, debenture, lease, or commercial paper in any corporation, partnership, trust, or other association.

(2) A "holder of securities" or individual who "holds securities" is an individual having an ownership interest in any security as defined herein, or who is the trustee or beneficiary of any trust.

(3) For purposes of an original Statement of Economic Interest, "securities" includes only securities held on the date of appointment as a public official or filing as a candidate. For purposes of this rule, "date of appointment" means July 31, 1974, for any individual who holds public office as of April 13, 1974, or at any time thereafter through July 31, 1974, and who is still in office on the date of filing.

(4) For purposes of a supplementary Statement of Economic Interest to be filed on April 15, "securities" includes any security held at any time between the end of the period covered by the preceding Statement of Economic Interest and March 31, inclusive.

(5) For purposes of indicating the address of the entity in which stock is held, the registered office or principal place of business shall be stated, except that if stock is listed on one of the national exchanges and the address of the entity is not known, the name of the exchange shall suffice.

(h) Real property.

(1) A separate listing shall be made to indicate each deed or document pursuant to which the individual's interest was acquired, except that only one listing is required if there are multiple deeds or documents covering the same real property.

(2) For purposes of determining the individual's amount of interest in the real property, the value of the property shall be the market value shown on the property tax statement.

KEY: RULES SECTION — Underlining indicates additions to proposed rule language. Strike outs indicate deletions from proposed rule language. PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. Strike outs indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material."

~~(3) For purposes of an original Statement of Economic Interest, the individual shall indicate the location of only those real properties held on the date of appointment as a public official or filing as a candidate, and in which his interest is in excess of $2,500. For purposes of this rule, "date of appointment" means July 31, 1974, for any individual who holds public office as of April 13, 1974, or at any time thereafter through July 31, 1974, and who is still in office on the date of filing.~~

~~(4) For purposes of a supplementary Statement of Economic Interest, the individual shall indicate the location of any real property held at any time between the end of the period covered by the preceding Statement of Economic Interest and March 31, inclusive, in which his interest is in excess of $2,500.~~

Rules as Proposed (All new material)

Chapter Two: 9 MCAR §§ 1.0100-1.0111 Rules Relating to Economic Interest Disclosure

9 MCAR § 1.0100 Acting public official. An individual who is employed or appointed as an acting public official is required to file a Statement of Economic Interest.

9 MCAR § 1.0101 Business with which the individual is associated. A public official who holds a joint interest in a security, or in a partnership, shall disclose ownership in the security or the partnership if his or her proportionate share of the holding is valued at $2,500 or more.

9 MCAR § 1.0102 Compensation. "Compensation" includes every kind of compensation for labor or personal services from private or public employment. It does not include alimony or child support payments.

9 MCAR § 1.0103 Compensation in any month.

A. For the purpose of an original Statement of Economic Interest, "compensation in any month" includes only compensation received in the calendar month immediately preceding the date of appointment as a public official or filing as a candidate.

B. For the purpose of supplementary Statements of Economic Interest to be filed, "compensation in any month" includes compensation and honorariums received in any month between the end of the period covered in the preceding Statement of Economic Interest and the end of the current period.

C. For the purpose of calculating the amount of compensation received from any single source in a single month, such amount shall include the total amount received from such source during the month, whether or not the amount covers compensation for more than one month.

9 MCAR § 1.0104 Date of appointment. "Date of Appointment" means the effective date of the appointment to a position.

9 MCAR § 1.0105 Late filing fees.

A. The Board shall send a delinquency notice by certified mail to a public official or candidate within ten business days after a filing date. If a certified letter is returned by the post office to the Board as refused, then the letter shall be deemed to have been received by the addressee. The late filing fee will then commence accumulating on the eighth day after refusal. A certified letter returned to the Board as undelivered or refused shall be forwarded by first class mail to the public official or candidate and shall be deemed to have been received 7 days after the first class mailing.

B. A late filing fee will be charged through the business day preceding the day of filing of a late statement.

C. A late filing fee shall not be assessed for Saturday, Sunday or legal holidays.

D. The Board shall grant a waiver of a late filing fee if satisfied that the statement or report was not filed on time due to sickness, injury, or other compelling reason upon receipt of a written request for a waiver.

9 MCAR § 1.0106 Honorarium. "Honorarium" includes anything of value received for services for which there is no obligation to make payment; for example, a speech, an article, or similar service. Honorariums are not reported on original statements.

9 MCAR § 1.0107 Occupation and principal place of business. For statement of occupation, the individual shall state his or her principal occupation; i.e. the occupation at which he or she spends most of his or her working hours or which provides his or her major source of compensation. "Principal place of business" means the name of the entity providing the individual's principal occupation.

9 MCAR § 1.0108 Real property.

A. For the purpose of determining the value of an individual's interest in real property, the value of the property shall be the market value shown on the property tax statement.

B. For the purpose of an original Statement of Economic Interest, the individual shall disclose only those real properties owned on the date of appointment as a public official or filing as a candidate.

C. For the purpose of a supplementary Statement of Economic Interest, the individual shall disclose any real property owned at any time between the end of the period covered by the preceding Statement of Economic Interest and through the last day of the month preceding the current filing or the last day of employment, if no longer a public official.

9 MCAR § 1.0109 Securities.

A. "Securities" includes any stock, share, bond, warrant, option, pledge, note, mortgage, debenture, lease, or commercial paper in any corporation, partnership, trust, or other association. "Securities" does not include deposits in a savings account or shares in a pension fund.

B. A "Holder of Securities" or an individual who "Holds Securities" is an individual having an ownership interest in any security as defined herein, or who is the trustee or beneficiary of a trust.

C. For the purpose of an original Statement of Economic Interest, "Securities" includes only securities held on the date of appointment as a public official or filing as a candidate.

D. For the purpose of a supplementary Statement of Economic Interest, "Securities" includes any security held at any time between the end of the period covered by the preceding Statement of Economic Interest and through the last day of the month preceding the current filing or the last day of employment, if no longer a public official.

E. For the purpose of indicating the address of the entity in which a security is held, the registered office or principal place of business shall be stated, except that if a security is listed on one of the national security exchanges, and the address of the entity is not known, the name of the exchange shall suffice.

9 MCAR § 1.0110 Sources of compensation. "Sources of Compensation" means the name of the corporation, partnership or other entity from which the individual receives compensation. A self-employed individual is required to list only a description of the occupation in which the individual is self-employed (e.g. farming, practice of law, etc.) and is not required to list the names of corporations, partnerships, or other entities which pay compensation to the public official or candidate in his or her capacity as a self-employed individual.

9 MCAR § 1.0111 Time for filing.

A. A Statement of Economic Interest is considered filed if delivered to the Ethical Practices Board by 4:30 p.m. of the prescribed filing date or postmarked by the filing date.

B. An individual shall not be required to file more than one Statement of Economic Interest in any year; except that a public official who has filed a Statement of Economic Interest within the calendar year as a public official, must file a supplementary statement within 14 days after filing an affidavit of candidacy or submitting a petition to appear on the ballot.

C. A public official or candidate, who previously filed a Statement of Economic Interest and who is required to file a new Statement of Economic Interest following a period when no statement was required, shall file an original statement.

D. An individual must file a Statement of Economic Interest for the period for which he served as a public official even though no longer a public official.

Ethical Practices Board

Proposed Rules Governing Campaign Financing

Notice of Hearing

Notice is hereby given that a public hearing pursuant to Minn. Stat. § 15.0412 (1978) and Minn. Laws 10A as amended in 1978 in the above entitled matter will be held in Room 22, State Office Building, St. Paul, MN 55155, on Thursday, May 24, 1979, beginning at 9:30 a.m., and continuing until all persons have had an opportunity to be heard.

Statutory authority to promulgate the proposed rules is vested in the Ethical Practices Board by Minn. Stat. § 10A.02, subd. 13.

The Ethical Practices Board proposes to amend permanent rules EPB 1-39 and supersede temporary rules 9 MCAR §§ 1.0001-1.0043 concerning campaign financing to reflect statutory changes in 1976, 1977, and 1978, as well as to include clarifications from advisory opinions. In 1978, an amendment to Chapter 10A.02, subd. 12 limited the effectiveness of advisory opinions. Chapter 463, Section

KEY: RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language. PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material."

Please be advised that Minn. Stat. ch. 10A requires each lobbyist to register with the Ethical Practices Board within 5 days after he commences lobbying. Lobbying includes attempting to influence rulemaking by communicating or urging others to communicate with public officials. A lobbyist is generally any individual who spends more than $250 per year for lobbying or any individual who is engaged for pay or authorized to spend money by another individual or association and who spends more than $250 per year or five hours per month at lobbying. The statute provides certain exemptions. Questions should be directed to the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, phone: 612-296-5615.

Notice: Any person may request notification of the date on which the Hearing Examiner's Report will be available, after which date the agency may not take any final action on the rules for a period of five working days. Any person may request notification of the date on which the hearing record has been submitted (or resubmitted) to the Attorney General by the agency. If you desire to be so notified, you may so indicate at the hearing. After the hearing, you may request notification by sending a written request to the Hearing Examiner (in the case of the Hearing Examiner's Report) or to the agency (in the case of the agency's submission or resubmission to the Attorney General.)

Notice is hereby given that 25 days prior to the hearing, a Statement of Need and Reasonableness will be available for review at the agency and at the Office of Hearing Examiners. This Statement of Need and Reasonableness will include a summary of all of the evidence which will be presented by the agency at the hearing justifying both the need for and the reasonableness of the proposed rule/rules. Copies of the Statement of Need and Reasonableness may be obtained from the Office of Hearing Examiners at a minimal charge.

Dated this 5th day of April, 1979.

MINNESOTA STATE ETHICAL PRACTICES BOARD

By Vernon Jensen
Vernon Jensen, Vice Chairperson

Minnesota State Ethical Practices Board
Room 41, State Office Building
Saint Paul, Minnesota 55155

Telephone: 612 - 296-5148

STATE OF MINNESOTA

COUNTY OF RAMSEY

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In the matter of the Proposed Adoption of Rules of the State Ethical Practices Board Governing Campaign Financing (9MCAR 1.0001-1.0043)

PROPOSED RULES GOVERNING CAMPAIGN FINANCING

NOTICE OF HEARING

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NOTICE IS HEREBY GIVEN that a public hearing pursuant to Minn. Stat. Section 15.0412 (1978) and Minn. Laws 10A as amended in 1978 in the above entitled matter will be held in Room 22, State Office Building, St. Paul, MN 55155, on Thursday, May 24, 1979, beginning at 9:30 a.m., and continuing until all persons have had an opportunity to be heard.

Statutory authority to promulgate the proposed rules is vested in the Ethical Practices Board by Minn. Stat. 10A.02 subd. 13.

The Ethical Practices Board proposes to amend permanent rules EPB 1-39 and supersede temporary rules 9MCAR 1.0001-1.0043 concerning campaign financing to reflect statutory changes in 1976, 1977, and 1978, as well as to include clarifications from advisory opinions. In 1978, an amendment to Chapter 10A.02 Subd. 12 limited the effectiveness of advisory opinions. Chapter 463 Section 108 of Minnesota Session Laws (1978) granted authority to the Board to issue temporary rules until permanent rules are adopted pursuant to Minn. Stat. Ch. 15 or until October 1, 1979, whichever occurs first.

Free copies of the proposed rules are available and can be obtained from the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, or by calling 296-5148. Additional copies will be available at the hearing. Temporary rules in effect at present may also be obtained.

A Statement of Need explaining why the Board feels the proposed rules are necessary and a Statement of Evidence outlining the testimony they will introduce will be filed with the Hearing Examiner at least 25 days prior to the hearing and will be available for public inspection.

All interested or affected persons will have an opportunity to participate. Statements made orally and written materials may be submitted at the hearing. In addition, written materials may be submitted by mail to Hearing Examiner either before the hearing, or within (5) five working days following the close of the hearing, or up to 20 days if ordered by the Hearing Examiner.

STATE OF MINNESOTA
COUNTY OF RAMSEY

CERTIFICATE

In the matter of the Proposed Adoption
of Rules of Ethical Practices Division Board
Governing Economic INterest and Campaign Financing

I hereby certify that the attached 589 labels sheets constitute the complete list of persons, associations, and other interested groups who as of 3:40 o'clock P.M, this 3rd day of April, 1979, have requested pursuant to M.S. 19 74, 15.0412, that their names be placed on file with the Secretary of State for the purpose of receiving notice of public hearing on proposed rules on the subject captioned above.

Secretary of State
Joan Anderson Growe

By Donna Scott

STATE OF MINNESOTA

COUNTY OF RAMSEY

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In the matter of the Proposed Adoption of Economic Interest Rules (9MCAR 1.0100 - 1.0111) and Campaign Finance Rules (9MCAR 1.0001 - 1.0043) to be promulgated by the State Ethical Practices Board

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AFFIDAVIT

OF MAILING

ELSA M. CARPENTER, BEING FIRST DULY SWORN deposes and says:

That on the 19th day of April, 1979, at the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Notices of Hearing by depositing in the United States mail at said City of St. Paul, a true and correct copy thereof, properly enveloped, with postage prepaid, to all persons and associations at the addresses listed on the attached Certificate of the Secretary of State.

Elsa M. Carpenter

Subscribed and sworn to before me this 19th day of April, 1979.

Jeanne McGree

JEANNE McGREE
NOTARY PUBLIC—MINNESOTA
DAKOTA COUNTY
My Commission Expires Oct. 24, 1984.

EPB-79-003-PE

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE ETHICAL PRACTICES BOARD

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES OF THE STATE ETHICAL PRACTICES BOARD GOVERNING CAMPAIGN FINANCING (9 MCAR 1.0001-1.0043) AND ECONOMIC INTEREST DISCLOSURE (9 MCAR 1.0010-1.0111).

REPORT OF THE CHIEF HEARING EXAMINER

WHEREAS, a hearing was held on May 24, 1979, before Peter C. Erickson, a Hearing Examiner of the State Office of Hearing Examiners, on the above-entitled matter in compliance with Minn. Stat. § 15.0412, Subd. 4; and

WHEREAS, the Report of Hearing Examiner made pursuant to Minn. Stat. § 15.052, Subd. 3, was issued to the Ethical Practices Board on June 29, 1979; and

WHEREAS, the Ethical Practices Board has now determined to adopt rules pursuant to Minn. Stat. § 15.0412, Subd. 4; and

WHEREAS, the Ethical Practices Board has submitted said rules to the Chief Hearing Examiner for review pursuant to Minn. Stat. § 15.052, Subd. 4, and 9 MCAR § 2.110; and

WHEREAS, the Chief Hearing Examiner finds that the final proposed rules are not substantially different from those proposed at the public hearing and that the Ethical Practices Board has met all requirements of Minn. Stat. § 15.0412, Subd. 4.

NOW, THEREFORE, upon receipt of this Report, the Ethical Practices Board has the responsibility of submitting the complete hearing record and the rules as adopted by the Board to the Attorney General, notifying all persons who requested to be informed that the hearing record has been submitted to the Attorney General, and publishing in the State Register, all pursuant to Minn. Stat. § 15.0412, Subd. 4.

Dated this 14th day of August, 1979.

DUANE R. HARVES
Chief Hearing Examiner

STATE OF MINNESOTA

COUNTY OF RAMSEY

STATE ETHICAL PRACTICES BOARD

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In the matter of the Proposed Adoption of Rules of the State Ethical Practices Board Governing Economic Interest Disclosure (9MCAR 1.0100-1.0111)

CERTIFICATE OF BOARD'S ADOPTION OF RULES RESOLUTION

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I, John Carey, do hereby certify that I am secretary of the Minnesota State Ethical Practices Board, a Board duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at a meeting of the Board duly and properly called and held on the 27th day of July, 1979, that a quorum was present at said meeting; that a majority of those present voted for the resolution; that said resolution is set forth in the minutes of said meeting and has not been rescinded or modified.

> "RESOLVED, that the rules governing economic interest disclosure (9MCAR 1.0100-1.0111) be and they hereby are approved and adopted, pursuant to authority vested in us by Laws of Minnesota 1978, chapter 463, and that Vernon Jensen, Chairperson of the Minnesota State Ethical Practices Board, be and he hereby is authorized to sign an order adopting those rules."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 27th day of July, 1979.

John Carey

John Carey, Secretary

Elizabeth Elliott

Attest by one other Officer.

PE

EPB-15

RECEIVED

MAY 7 1979

OFFICE OF HEARING EXAMINERS

STATE OF MINNESOTA

COUNTY OF RAMSEY

STATE ETHICAL PRACTICES BOARD

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In the Matter of the Proposed Adoption of Rules of the State Ethical Practices Board Governing Economic Interest Disclosure (9MCAR 1.0100-1.0111)

AFFIDAVIT OF BOARD'S AUTHORIZING RESOLUTION

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I, ELIZABETH EBBOTT, do hereby certify that I am secretary of the Minnesota State Ethical Practices Board, a board duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at a meeting of the Board duly and properly called and held on the 30th day of March, 1979; that a quorum was present at said meeting; that a majority of those present voted for the resolution; that said resolution is set forth in the minutes of said meeting and has not been rescinded or modified.

> "RESOLVED, that Vernon Jensen, Vice-Chairperson of the Minnesota State Ethical Practices Board, be and he hereby is granted the authority and directed to call a hearing for the purpose of promulgating rules of the Board governing economic interest disclosure, as well as perform any and all acts incidental thereto, including but without being limited to, signing an order for hearing and notice of hearing as well as acting as presiding officer at all hearings."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 1st day of May, 1979.

MINNESOTA STATE ETHICAL PRACTICES BOARD

Elizabeth Ebbott

Elizabeth Ebbott, Secretary

Karen Thurston

Attest by one other officer

STATE OF MINNESOTA

STATE ETHICAL PRACTICES BOARD

COUNTY OF RAMSEY

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In the matter of the Proposed Adoption of Rules of the State Ethical Practices Board Governing Economic Interest Disclosure (9MCAR 1.0100-1.0111)

STATEMENT OF COMPLIANCE WITH MANUAL OF RULE MAKING PROCEDURES

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I, Special Assistant Attorney General, Lee Paddock, do hereby declare that I have examined the proposed rules and all related documents and that, based on them and my personal familiarity with the applicable procedures, the Manual of Rule Making Procedures has been followed. Any exceptions are noted below.

Lee Paddock
Special Assistant Attorney General

Dated: August 31, 1979

Our File No. 533

ATTORNEY GENERAL

B. ALLEN CLUTTER
Executive Director
Ethical Practices Board

August 31, 1979

LEE E. SHEEHY
Special Assistant
Attorney General

296-1288

In the Matter of the Proposed Adoption of Ethical Practices Board Rules Relating to Campaign Finance and Economic Interests

The above-captioned rules have been returned to your office because they were not properly submitted pursuant to the requirements of AttyGen 301-306. I have discussed this matter with Ms. Carpenter of your office.

If you have any questions, do not hesitate to contact me.

LES/bw
cc: Duane Harves
Marshall Whitlock
Melvin B. Goldberg

P.S. These rules were resubmitted today and we will hopefully have them finished by 9/7/79.

EPB-17

RECEIVED
APR 9 1979
OFFICE OF HEARING EXAMINERS

ETHICAL PRACTICES BOARD

PROPOSED

RULES RELATING TO CAMPAIGN FINANCING

CHAPTER ONE: 9MCAR §§ 1.0001-1.0043

Supersedes and repeals EPB Rules 1-39

§1.0001 APPLICABILITY OF RULES. These rules apply to principal campaign committees, political committees, political funds, individuals and associations that raise or expend in excess of $100 in a calendar year to influence the nomination or election of a candidate.

§1.0002 DEFINITIONS.

A. "Act" means the Ethics In Government Act, Minn. Stat. ch. 10A. as amended by Minnesota Session Laws, 1978, ch. 463 and 793.

B. "Business Day" means 8:00 a.m. to 4:30 p.m. Monday through Friday except for official state holidays.

C. "File", "Filed", and "Filing" means delivery to the office of the Board by 4:30 p.m. on the prescribed filing date or postmarked on the filing date.

D. "Fundraising Event" means any dinner, luncheon, rally, coffee party, cocktail party, or other similar gathering of three or more individuals where contributions are solicited or received to influence the nomination or election of a candidate.

E. "Money" means cash on hand, cash on deposit in banks and other depositories, checks, negotiable instruments and other paper commonly accepted by a bank as a deposit, and transfers through electronic funds transfers.

F. "Periodic Report" means the Report of Receipts and Expenditures required to be filed with the Board at prescribed filing dates.

G. "Unpaid Bills" means advance of credit.

§1.0003 AGREEMENT TO MAKE LOANS. An agreement to make a loan to a political commiteee or fund shall be made in writing, signed by the borrower (and endorsers, if any) and reported on the appropriate schedule.

§1.0004 ALLOCATION OF APPROVED EXPENDITURES. Except for a political party expenditure as provided in Minn. Stat. 10A.275, the treasurer of a political committee or political fund making an approved expenditure on behalf of more

than one candidate shall allocate the expenditure among such candidates on a reasonable proportionate basis and report the allocation to each candidate on periodic reports.

§1.0005 ALLOCATION OF MONEY FROM GENERAL ACCOUNT REFUSED BY A CANDIDATE. Monies refused by a candidate from the general account of the State Election Campaign Fund shall be reapportioned to all the office accounts as provided by Minn. Stat. Ch. 10A.31, subd. 5 (a)-(e) and distributed to all qualifying candidates.

§1.0006 ANONYMOUS CONTRIBUTIONS. Any single contribution in excess of $20 for which no donor can be identified by the committee or fund shall be forwarded in its entirety to the Board within 14 days after its receipt. When forwarding such an anonymous contribution, the treasurer of the committee or fund shall report to the Board the amount of the contribution and the date on which it was received.

§1.0007 APPROVED EXPENDITURES AND DETERMINATION BY THE BOARD. No approved expenditure in excess of $20 on behalf of a candidate shall be made until the individual or association receives a written authorization from the treasurer or candidate of the principal campaign committee containing the following information: Date; Amount of expenditure; Name of individual/committee/fund making the expenditure; Purpose of the expenditure; Candidate on whole behalf expenditure is made; Office sought; Expenditure authorized by signature of treasurer or candidate of principal campaign committee.

§1.0008 ASSOCIATION NEWSLETTERS ON BEHALF OF A CANDIDATE. Unless the association is making an independent expenditure, the proportionate cost of preparation and distribution of a newsletter which advocates the nomination or election of a candidate is a donation in kind and must be approved by the candidate if the cost exceeds $20 per candidate.

§1.0009 CAMPAIGN HEADQUARTERS. A reasonable proportion of the cost of a political party's headquarters which serves as the headquarters of a candidate must be allocated to the candidate and reported as a campaign expenditure by the principal campaign committee of the candidate.

§1.0010 CAMPAIGN LITERATURE. Campaign literature paid for and distributed by a candidate or a principal campaign committee of a candidate running for office which contains pictures of, or incidental references to another candidate or officeholder will not be considered an approved and authorized expenditure on behalf of the other candidate provided the candidacy of the other candidate is not mentioned and no direct or indirect appeal for support of the other candidate is made, or if there is an independent expenditure disclaimer as defined in Minn. Stat. 10A.17, subd. 4.

§1.0011 CERTIFICATION.

A. The signature of the treasurer or deputy treasurer of record shall be sufficient certification on forms prescribed by the Board. Notarization is not required.

B. A candidate may sign forms that the treasurer or deputy treasurer of the committee is required to file.

§1.0012 CHANGE OF OFFICE SOUGHT BY CANDIDATE.

A. Contribution and expenditure limits. When a candidate, who sought nomination or election to one office, subsequently seeks the nomination or election to another office in the same election year, expenditures incurred and contributions received to influence the nomination or election to the first office will not be counted toward the campaign contribution and expenditure limits to the subsequent office sought.

B. Registration requirement. A candidate who seeks another office must designate a separate principal campaign committee and a separate account for funds for the office sought.

C. Tax credit subsidy and public financing agreements. A candidate may sign a tax subsidy agreement for the calendar year for each office sought until December 31. A candidate may sign a public financing agreement for each office sought until September 1 of the general election year. Signing a public financing agreement by September 1 automatically rescinds a previously filed agreement for another office.

§1.0013 COMPLAINTS OF VIOLATIONS.

A. Any person who believes a violation of the act or of these rules has occurred may submit an oral or written complaint to the Board.

B. There is no prescribed form for a written complaint, but all such complaints shall be typewritten or handwritten legibly. The name and address of the person making the complaint shall be typewritten or hand printed on the complaint and it shall be signed by such person. A complaint shall name the alleged violator and describe the complainant's knowledge of the alleged violation. Any evidentiary material should be submitted with the complaint. Complaints will not be available for public inspection or copying until after the Board makes a finding. No investigation shall be required if a complaint is frivolous on its face, illegible, too indefinite, does not identify the violator or is unsigned by the complainant.

C. The Board need not investigate an oral complaint. No investigation shall be undertaken if an oral complaint is frivolous on its face, too indefinite, does not identify the violation, or does not identify the complainant. There is no prescribed format for an oral complaint, but all oral complaints must describe in sufficient detail the alleged violator and violation of the act or rules.

D. Any portion of a meeting during which the Board is hearing estimony or taking action concerning any complaint, investigation, preparation of a conciliation agreement, or a conciliation meeting shall be closed to the public. The minutes of such a meeting shall be kept confidential.

§1.0014 CONTRIBUTIONS BETWEEN PRINCIPAL CAMPAIGN COMMITTEES OF THE SAME CANDIDATE.

A. Exclusive of personal funds of a candidate as reported on the periodic reports, the candidate may permit his principal campaign committee to accept contributions up to the applicable contribution limit for a political committee from another principal campaign committee formed by that candidate in seeking another office to further his nomination or election to the other office.

B. If the other principal campaign committee is a federally registered committee, then the provisions of Minn. Stat. 10A.22, subd. 7 apply as well as the contribution limit of the receiving committee.

§1.0015 CONTRIBUTION DISCLOSURE-JUDGESHIP. A judicial candidate subject to the Act shall be considered a statewide candidate for purposes of the contribution disclosure requirements set forth in Minn. Stat. 10A.20, subd. 3(b).

§1.0016 CONTRIBUTIONS FROM NON-MINNESOTA DOMICILED AND DOMICILED, FEDERALLY REGISTERED POLITICAL COMMITTEES OR POLITICAL FUNDS. Non-Minnesota domiciled and domiciled, federally registered political committees or political funds which contribute in excess of $100 in a calendar year to a political committee or political fund may, in lieu of registration with the Board, provide the recipient political committee or political fund with a report of receipts and expenditures containing all information required by Minn. Stat. 10A.20 for the reporting period in which the contribution was made.

§1.0017 CONTRIBUTION LIMITS-POLITICAL PARTY DEFINITION. For purposes of determining an aggregate political party contribution limit, the organization of a political party does not include a political party ward organization, a social club of a political party in a congressional district, legislative district, municipality or precinct, an auxiliary committee of a political party unit defined by Minn. Stat. 10A.27, subd. 4, or any association which uses a political party name and is not listed in Minn. Stat. 10A.27, subd. 4.

§1.0018 EMPLOYEE VOLUNTARY CONTRIBUTION PLAN. If an individual employee of a corporation doing business in Minnesota makes a voluntary contribution to a state candidate through a plan made available by that corporation and the employee retains sole and exclusive control of accumulated funds in the employee's name, the corporation providing such a plan on a non-partisan basis is not required to register and report as a political committee or political fund. A political committee or political fund in receipt of the contribution from the individual shall report on the periodic report as required by Minn. Stat. ch. 10A.

§1.0019 EXPENSES INCURRED TO REPAY LOANS. The expenses of raising money to repay outstanding loans from a previous calendar year are reportable as campaign expenditures in the year in which expenses are incurred.

§1.0020 FORGIVENESS AND PAYMENT OF A LOAN. When a loan to a principal campaign committee is forgiven or repaid by an individual, political committee, or political fund, in accordance with Minn. Stat. 10A.32, subd. 3(b), a candidate who accepts money from the State Election Campaign Fund and whose aggregate contribution limit is exceeded, shall return to the Board with the required periodic report amendment or periodic report, a check or money order, payable to the State Treasurer for the amount in excess of the aggregate contribution limit but not to exceed the amount received from the State Election Campaign Fund.

§1.0021 FORGIVENESS AND PAYMENT OF UNPAID BILLS. When a donation in kind in excess of $20 results from the forgiveness of an unpaid bill or payment of an un-

paid bill by an individual, political committee or political fund other than the principal campaign committee causes the aggregate contribution limit of a candidate who accepts money from the State Election Campaign Fund to be exceeded, in accordance with Minn. Stat. 10A.32, subd. 3(b), a candidate shall return the amount due, but not to exceed the amount received from the State Election Campaign Fund, by a check or money order made out to the State Treasurer with the required amendment or periodic report.

§1.0022 FUNDRAISING EVENT.

A. The expenses of a fundraising event held by the state or local committee of a political party for one or two candidates are a donation in kind and, except for food and beverage consumed at the fundraising event, shall be reported as a campaign expenditure by the candidate or candidates under the following conditions:

1. The fundraising event is expressly or implicitly approved by the candidate, his treasurer, or agent to be held "on behalf of" the candidate; and

2. The candidate or candidates are "clearly identified" in advertisements, tickets, or any advance publicity for the fundraising event; and

3. The candidate receives proceeds, if any, from the fundraising event.

"Clearly identified" means that: (a) the name of the candidate is used; or (b) a photograph or drawing of the candidate appears; or (c) the identity of the candidate is apparent by unambiguous reference.

B. A separate committee may be established by two or more candidates to report the contributions and expenditures as required by the act for a fundraising event held jointly. The expenses of the fundraising event shall be allocated among the candidates on a reasonable proportionate basis as donations in kind, and, except for food and beverage consumed at a fundraising event, as campaign expenditures. A transfer of funds to a candidate combined with the value of donations in kind from that committee, may not exceed the applicable contribution limit for an individual, political committee, or political fund set

forth in Minn. Stat. 10A.27, subd. 1.

§1.0023 INACTIVE REGISTERED COMMITTEES AND FUNDS. A registered committee or fund which receives no income and makes no expenditures or non-campaign disbursements during a reporting period may so indicate in the space provided on the periodic report and shall thereby satisfy the reporting requirement.

§1.0024 JOINT CHECKS. When a contribution is given on a check written on a joint account, it shall be deemed a contribution by the signator(s) of the check unless otherwise specified by the signator(s). When a contribution is given on a check written on a joint account and specified as a joint contribution, it shall be deemed a separate contribution by each of the holders of the joint account in a proportional amount.

§1.0025 JOINT LIMITS FOR GOVERNOR AND LT. GOVERNOR.

A. A candidate seeking the endorsement for Lt. Governor who signs a tax credit subsidy agreement does not bind either the candidate for Governor or his/her candidacy to campaign expenditure limits following their joining of candidacies. Following their joint endorsement or filing for office, the candidates must jointly sign the public financing agreement and/or the tax subsidy agreement if they wish to participate in public financing.

B. Candidates for Governor and Lt. Governor may cause their separate principal campaign committees to be combined as one with no limit on the amount of funds transferred between the two committees. Such action may be taken regardless of whether the action results in either principal campaign committee terminated with outstanding unpaid bills or loans provided that the unpaid bills or loans are assumed and continuously reported until paid or forgiven by the remaining committee.

§1.0026 LATE FILING FEES.

A. The Board shall send a delinquency notice by certified mail to the treasurer of a political committee or political fund within ten business days

after a filing date. A copy of the notice shall be sent by first class mail to the candidate and the chairman of a political committee or political fund. If a certified letter is returned by the post office to the Board as refused, then the letter shall be deemed to have been received by the addressee on the date refused. The late filing fee will then commence accumulating on the eighth day after refusal. A certified letter returned to the Board as undelivered shall be forwarded by first class mail to the treasurer. An undelivered notice of late filing shall be considered received by the recipient five business days after the first class mailing.

B. A late filing fee will be charged through the day preceding the day of filing of a late statement or late periodic report.

C. A late filing fee shall not be assessed for Saturday, Sunday or legal holidays.

D. The Board shall grant a waiver of a late filing fee if satisfied that the statement or report was not filed on time due to sickness, injury, or other compelling reason upon receipt of a written request for a waiver.

§1.0027 MEDIA ADVERTISEMENTS-CANDIDATES.

A. If a candidate participates in, but does not pay for, a media advertisement paid for by a principal campaign committee other than his own which advocates the nomination or election of other candidates or federal candidates, no portion of the cost of the advertisement shall be considered an approved expenditure on behalf of the participating candidate provided his candidacy is not mentioned and no direct or indirect appeal for support for his candidacy is made.

B. A candidate or treasurer of a political committee or fund may approve the solicitation and collection of campaign contributions through the use of credit cards. An organization which issues credit cards, when acting in the

ordinary course of business by collecting and disbursing funds designated by the card holders for contributions to a political committee or political fund, is not required to register or report.

§1.0028 MILEAGE EXPENSE. A candidate who is reimbursed for gasoline expenses by his principal campaign committee must report those as campaign expenses; however, a candidate who pays for gasoline expenses from personal funds is giving donations in kind which, if valued at $20 or less, are neither reported nor recorded. The lowest rate that the State of Minnesota uses to reimburse its employees shall be used to determine the value of automobile use.

§1.0029 NONCAMPAIGN DISBURSEMENTS-CONSTITUENT SERVICES.

A. Expenses paid by the principal campaign committee of a candidate in a non-election year and before adjournment sine die of the legislature in an election year for the office held, for constituent services including newsletters, public opinion questionnaires, aides to legislators for constituent services during a legislative session, stationery not printed at government epxense, postage, and rent for district offices shall be reported as a constituent service noncampaign disbursement. Only that portion of the expense actually used or consumed for services to constituents shall be reported as a noncampaign disbursement.

B. Costs of constituent services paid from personal funds of an officeholder incurred before adjournment sine die of the ~~legilsature~~ legislature in the election year for the office held are not required to be reported by the principal campaign committee of the officeholder.

C. Costs of providing constituent services by an officeholder who is a candidate after adjournment sine die of the legislature in the election year for the office held and sought are reportable by the principal campaign committee as campaign expenditures.

D. Constituent services provided after adjournment sine die in the year of an

election for an officeholder who is a candidate which are paid for from the personal funds of the officeholder shall be considered a donation in kind and reported as such by the principal campaign committee of the candidate.

E. Expenses incurred for providing constituent services in an election year after the general election are noncampaign disbursements.

F. A print media column or legislative report to constituents which is authored by an officeholder shall be considered an effort by the officeholder to influence his nomination or election if prepared and inserted in a newspaper or recurring periodical after adjournment of the legislature sine die in an election year when the officeholder's name will appear on the ballot. A letter, authored by an officeholder or candidate, appearing in a section of a newspaper or recurring periodical, designated for letters to the editor shall not be considered a campaign expenditure.

§1.0030 NONCAMPAIGN DISBURSEMENTS-MISCELLANEOUS. Other expenses which are to be reported as miscellaneous noncampaign disbursements if paid for by the principal campaign committee of the candidate include; but are not limited to: costs for child care for the candidate's children when campaigning, fees paid to attend a campaign school, costs of a post election party during the election year when a candidate's name will no longer appear on a ballot or the general election is concluded, whichever occurs first, interest on loans paid by a principal campaign committee on outstanding loans, and filing fees, if permitted by other Minnesota law, post general election thank you notes or advertisements in the news media.

§1.0031 ORGANIZATION OF POLITICAL COMMITTEES AND POLITICAL FUNDS.

A. Any group of two or more persons which receives contributions or which makes expenditures, transfers of funds, or independent expenditures in aggregate in excess of $100 to influence the nomination or election of one or more candidates for statewide or legislative office must register as a political

committee or political fund. If the group's major purpose is to influence the nomination or election of one or more candidates, it shall register as a political committee. If the group is an association whose major purpose is one other than to influence nominations or elections, it shall establish a political fund. When a person or group merely solicits contributions with the approval of a candidate or the treasurer, deputy treasurer or agent of a political committee or political fund and when those contributions are made directly to the reporting committee or fund, that person or group need not establish a separate political committee or political fund.

B. A candidate may be his own chairman and/or treasurer.

C. All monetary assets of a committee or fund shall be kept in designated depositories in accounts named in accordance with Minn. Stat. 10A.15, subd. 3.

D. The funds of a political committee or the contents of a political fund shall not be commingled with any other funds or with the personal funds of a candidate, any officer or member of the committee or fund.

E. If a political committee or fund purchases a certificate of deposit from a financial institution other than that which has been previously disclosed as a depository, the treasurer must amend the Statement of Organization by adding the name of the new depository.

§1.0032 PAYMENT OF COMPENSATION FOR PERSONAL SERVICES. The gross value of compensation, in excess of $20, for personal services of an individual or group which are rendered to a candidate, political committee or political fund is reported as a donation in kind from the individual or association that makes the payment.

§1.0033 PUBLIC FINANCING. A candidate or officeholder who signs an agreement to participate in the State Election Campaign Fund is bound by the expenditure limits in an election year and non-election year whether or not the candidate actually receives funds from the State Election Campaign Fund.

To be effective a public finance agreement must be received in the office of the Ethical Practices Board or postmarked no later than September 1.

§1.0034 RECORDING CONTRIBUTIONS.

A. Every individual, political committee or fund that receives a contribution in excess of $20 shall record the name, address, and any other information required by statute.

B. Promptly after receipt of any contribution or on demand of the treasurer, the contribution together with any required record shall be transmitted to the treasurer.

§1.0035 REPORTING AND DISCLOSING EARMARKED CONTRIBUTIONS.

A. Each individual, political committee or political fund which receives an earmarked contribution of more than $20 shall record (1) the name, address, and any other information required by statute; (2) the name and address of the candidate, political committee or political fund for whom the contribution is earmarked; (3) the political committee or political fund through which the earmarked contribution is directed; and (4) the amount of each earmarked contribution.

B. An earmarked contribution is reported in periodic reports as miscellaneous income by the political committee or political fund through which the contribution is directed to a candidate. When transferred to the candidate by the political committee or political fund the information in 9MCAR §1.0035 A. shall accompany the transfer, although the earmarked contribution shall be disclosed on periodic reports by the political committee or political fund only when in excess of $100.

C. The treasurer of a principal campaign committee of a candidate shall disclose on periodic reports the name, address, and any other information required by statute, the individual, political committee or political fund through which the contribution was directed, and the fact that

the contribution was earmarked when the total aggregate contributions from the same source in a calendar year reach the disclosure thresholds of Minn. Stat. 10A.20, subd. 3(b).

§1.0036 REPORTING UNPAID BILLS OUTSTANDING AS CAMPAIGN EXPENDITURES.

A. For the purpose of determining the total amount of campaign expenditures in a calendar year, any unpaid bills, for campaign expenditures used or consumed during the calendar year, owed by the reporting principal campaign committee on December 31 shall be considered campaign expenditures.

B. An unapid bill is reportable as a noncampaign disbursement when paid in a succeeding year except as provided in 9MCAR §1.0021.

§1.0037 RESPONSIBILITIES OF TREASURERS.

A. A treasurer may transfer records and receipts to a new treasurer relieving that treasurer of record retention responsibility by written notification to the Board by either the new treasurer or the candidate. Such notice shall include name and address of the new treasurer and the effective date of the transfer.

B. A copy of a cancelled check with an invoice stating the purpose of the expenditure will be treated as a receipted bill.

§1.0038 SAMPLE BALLOT PREPARED BY A CANDIDATE. If a candidate chooses to prepare and distribute his own sample ballot and includes the names of other candidates the ballot must contain the proper disclaimer required for independent expenditures as defined in Minn. Stat. 10A.17, subd. 4, unless it is an approved expenditure as defined in Minn. Stat. 10A.01, subd. 10a. For purposes of campaign expenditure reporting, the total cost of the preparation, printing and distribution of the sample ballot shall be assessed against the candidate causing the ballot to be prepared and distributed.

§1.0039 SEVERABILITY. If any rule or any part thereof is held invalid, such invalidity shall not effect any other provision of the rule or rules which can

be given effect without the invalid provision. To this end, the provisions of these rules are declared to be severable.

§1.0040 SIGNING TAX CREDIT SUBSIDY AGREEMENT. A candidate may sign a tax credit subsidy agreement at any time after registration of his principal campaign committee for the office sought or held through December 31. An agreement signed on or after January 1, shall not be applicable to a preceding calendar year.

§1.0041 TAX CREDIT SUBSIDY AGREEMENT AND PUBLIC FINANCING AGREEMENT. A candidate must sign a separate agreement in order to participate in each public financing program.

§1.0042 TAX CREDIT SUBSIDY RECEIPTS-SPECIAL ELECTIONS. Candidates shall not issue Official Tax Credit Receipts for special elections.

§1.0043 TERMINATION OF REGISTRATION.

A. A Terminated Report shall cover the period from the closing date of the last previous report filed through the date of termination.

B. Any terminated political committee or political fund which subsequently becomes subject to the registration and reporting requirements of the act is required to reregister.

CERTIFICATE OF BOARD'S
AUTHORIZING RESOLUTION

I, Elizabeth Ebbott, do hereby certify that I am secretary of the Ethical Practices Board of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at a meeting of the Ethical Practices Board duly and properly called and held on the 2nd day of March, 1979, (that a quorum was present at said meeting; that a majority of those present voted for the resolution); that said resolution is set forth in the minutes of said meeting and has not been rescinded or modified.

"RESOLVED, that B. Allen Clutter, Executive Director of the Board, be and he hereby is granted the authority and responsibility of drafting rules concerning Economic Interest Disclosure and Campaign Financing and to solicit outside opinion regarding such solicitation."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 11th day of May, 1979.

Elizabeth Ebbott
Secretary

Roger D Moen
Attest by one other officer

Ethical Practices Board

Notice of Regular Meeting

The next regular meeting of the Ethical Practices Board will be held Friday, March 30, 1979 at 9:00 a.m., Room 51, State Office Building, St. Paul, MN.

Preliminary Agenda

1. Minutes (March 2, 1979)
2. Chairman's Report
3. Legal Counsel Report
4. Lobbyist Rules
5. Campaign Finance Rules
6. Economic Interest Rules
7. Executive Directors Report
   a. Financial Report
   b. Legislative Program
   d. Historical Society
8. Other Business
9. Executive Session pursuant to Minn. Stat. § 10A.02, subd. 11

Outside Opinions Solicited on Permanent Campaign Financing Rules

The Ethical Practices Board solicits the opinions of individuals or groups regarding permanent campaign finance rules. Opinions may be written or individuals desiring to be heard may appear before the Board. The next meeting at which proposed rules will be considered will be March 30, 1979.

Ethical Practices Board
41 State Office Building
St. Paul, Minnesota 55155
(612) 296-5148

Board Finding of Second Complaint Against Representative Douglas Carlson

On February 5, 1979, a second complaint was filed against Representative Douglas Carlson by Roy Carlson alleging Representative Carlson's failure to file a Conflict of Interest notice as required by Minn. Stat. § 10A.07. An addendum to the February 5th complaint was delivered to the Board at its meeting on March 2, 1979.

The Ethical Practices Board on March 2, 1979, unanimously concluded that, based on his testimony and information contained in the public record, Representative Do Carlson was not in a conflict of interest situation at the he voted for the Omnibus School Aids Appropriation d the 1977-78 session; that there is no probable cause t lieve that a violation of Minn. Stat. § 10A.07 has occu that the complaint, together with its addendum, is friv and without merit and ordered it dismissed.

The full text of the finding is availabe upon re from the office of the State Ethical Practices Boar State Office Building, St. Paul, Minnesota 55155, 296-5148.

Department of Health

Notice of Intent to Solicit Nominations for Membership Occupational Advisory Counc to the Commissioner of Healt

Notice is hereby given that nominations are bein icited for appointments by the Commissioner of He the Emergency Medical Technicians Advisory Counc the Environmental Health Specialists/Sanitarian Ad Council. Nominations shall be accepted by the Co sioner of Health for 15 days following the publication notice.

The Emergency Medical Technician Advisory C shall consist of seven members appointed by the Co sioner as follows:

1. Two public members as defined by Minn § 214.02 (1976, as amended);

2. One EMT representative of ambulance pers fire, police or rescue squad members, who pr emergency care services for at least 1,560 hours per y remuneration;

3. One EMT representative of ambulance pers fire, police or rescue squad members, who pr emergency care services for less than 1,560 hours with or without remuneration.

4. Two physicians who are knowledgeable in tional, regional and local development in the area o training. One shall be from a metropolitan hospital other from an out-state hospital;

5. One full-time registered nurse employed emergency department of a hospital.

STATE OF MINNESOTA

COUNTY OF RAMSEY

STATE ETHICAL PRACTICES BOARD

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In the matter of the Proposed Adoption of Rules of the State Ethical Practices Board Governing Campaign Financing (9MCAR 1.0001-1.0043)

CERTIFICATE OF BOARD'S ADOPTION OF RULES RESOLUTION

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I, John Carey, do hereby certify that I am secretary of the Minnesota State Ethical Practices Board, a Board duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at a meeting of the Board duly and properly called and held on the 27th day of July, 1979, that a quorum was present at said meeting; that a majority of those present voted for the resolution; that said resolution is set forth in the minutes of said meeting and has not been rescinded or modified.

> "RESOLVED, that the rules governing campaign financing (9MCAR 1.0001-1.0043) be and they hereby are approved and adopted, pursuant to authority vested in us by Laws of Minnesota 1978, chapter 463, and that Vernon Jensen, Chairperson of the Minnesota State Ethical Practices Board, be and he hereby is authorized to sign an order adopting those rules."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 27th day of July, 1979.

John Carey

John Carey, Secretary

Elizabeth Ebbott

Attest by one other Officer.

STATE OF MINNESOTA

STATE ETHICAL PRACTICES BOARD

COUNTY OF RAMSEY

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In the matter of the Proposed Adoption of Rules of the State Ethical Practices Board Governing Campaign Financing (9MCAR 1.0001-1.0043)

STATEMENT OF COMPLIANCE WITH MANUAL OF RULE MAKING PROCEDURES

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I, Special Assistant Attorney General, Lee Paddock, do hereby declare that I have examined the proposed rules and all related documents and that, based on them, and my personal familiarity with the applicable procedures, the Manual of Rule Making Procesures has been followed. Any exceptions are noted below.

Lee Paddock
Special Assistant Attorney General

Dated: August 31, 1979

ADMIN 1000 (REV. 4/77)

STATE OF MINNESOTA

DEPARTMENT Ethical Practices Board

Office Memorandum

TO : Lee Sheehy
Special Assistant Attorney General
G25 Administration Building

DATE: August 31, 1979

FROM : B. Allen Clutter
Executive Director

PHONE: 296-1720

SUBJECT: Campaign Finance Rules (9MCAR 1.0001-1.0043)

Today we delivered to your office the following:

1. Rules as proposed(a) and rules as adopted(b).....3 Copies
2. Board approval of proposed rules.....2 Copies
3. Order of Hearing.....2 Copies
4. Notice of Hearing.....2 Copies
5. Affidavit of Receipt of Secretary of State List.....2 Copies
6. Secretary of State List.....1 Copy
7. Affidavit of Mailing.....2 Copies
8. Statement of Need.....2 Copies
9. Chief Hearing Examiner's Report(a).....2 Copies
   Hearing Examiner's Report(b).....2 Copies
   Finding of Board(c).....2 Copies
10. Orders Adopting Rules.....3 Copies
11. Certificates of Compliance from Paddock.....2 Copies
12. Intent to solicit outside opinion.....2 Copies
13. Responses to solicitation of outside opinion - originals....
14. Board Resolution authorizing the Executive Director to pursue commencement of promulgation by preparing the Order and Notice of Hearing.....2 Copies
15. Permanent Rules.....1 Copy
16. Temporary Rules.....1 Copy

BAC:jah



Padlock legal
Brief response letter
to what look's 9-4-79

LCRAR

Legislative Commission to
Review Administrative Rules

Marshall R. Whitlock
Executive Secretary

June 5, 1979

Mr. Peter Erickson
Hearing Examiner
Office of Hearing Examiners
Room 300
1745 University Avenue
St. Paul, MN 55104

Re: Ethical Practices Board Proposed Rules on Campaign Financing

Dear Mr. Erickson:

This letter has been prepared in an effort to reiterate and expand upon the comments made at the public hearing held in Room 22 of the State Office Building on May 24, 1979, in the matter of the Ethical Practices Board proposed rules on campaign financing. The comments made at that hearing, as well as this letter, do not in any way reflect an official position of the Legislative Commission to Review Administrative Rules.

These comments are, however, made in my official capacity as Executive Secretary to the LCRAR. This letter specifically addresses one aspect of the proposed rules: 9 MCAR § 1.0008 ASSOCIATION NEWSLETTERS ON BEHALF OF A CANDIDATE.

As proposed, the rule requires the following:

> "Unless the association is making an independent expenditure, the proportionate cost of preparation and distribution of a newsletter which advocates the nomination or election of a candidate is a donation in kind and must be approved by the candidate if the cost exceeds $20 per candidate."

As I indicated at the hearing, this rule raises questions as to its relationship to statutory language, in particular Section 10A.265.

> "FREEDOM TO COMMUNICATE AND ASSOCIATE. Nothing in Chapter 10A shall be construed as abridging the right of an association to communicate with its members."

Room 433 SW, State Office Building • St. Paul, Minnesota 55155 • (612) 296-1143

Communication between an association and its membership can be abridged in a number of ways, including prior restraint of newsletter publication (which must be done in order to satisfy the requirements of 1.0008 and 1.0007 in cases of approved expenditures in excess of $20), creation of barriers to effective communication between candidates and associations through the establishment of ambiguous regulatory requirements, and the creation of potential legal difficulties for associations who engage in the process of analyzing various candidates for public office prior to endorsement.

Rule 1.0007 clearly indicates that an association, if it makes an approved expenditure in excess of $20 on behalf of a candidate, must receive written authorization from the campaign committee or candidate prior to such endorsement through publication of a newsletter. Taken in conjunction with 1.0008, the rules of the Ethical Practices Board create situations where associations are prevented from communicating with their membership until regulatory requirements have been met. This clearly abridges the right of an association to effectively communicate with its membership by limiting the timing and circumstances of endorsement of candidates who best represent the association's views.

Further, Rule 1.0008, taken in relationship to the statutory language defining independent expenditure, create confusion for associations and candidates, and may serve to restrict the ability of associations to gather information on candidates, and to communicate such information to their membership. 10A.01, Subd. 10b uses such language as "express or implied consent," "authorization," "cooperation," "in concert with or at the request or suggestion of any candidate." Nothing in the proposed rules of the Ethical Practices Board delineates what those phrases mean in relation to associations which communicate with candidates in order to assess which persons should be endorsed through association publications. Such phrases need clarification in order to educate both candidates and associations as to the limitations on any meetings or communications they may have between each other. In order to make the proposed rule reasonable, the Ethical Practices Board should amend it by adding language which clarifies the phrases in 10A.01, Subd. 10b. Without such additional language, the proposed rule is incomplete, unreasonable, and has potential effect which is prohibited by 10A.265.

The ambiguity prevalent in 1.0008 creates potential legal problems for associations and candidates. Since "express or implied consent," "authorization," "cooperation," "in concert with or at the request or suggestion of any candidate..." are not adequately defined so as to make the regulatory requirements and the obligations of candidates and associations clear, both may be subject to penalties due to violation of the Ethics in Government Act. And, since those phrases are not defined, through rule, in a manner which makes their application clear, the confusion creates a chilling effect on the communication between associations and candidates, and between associations and their members. Since the limitations are not spelled out, associations

may not be aware of what constitutes, for example, "implied consent" between candidates and associations. Recognizing the potential legal ramifications if an association or candidate is found to be violative of the Ethics in Government Act, both may choose not to associate with each other in a manner which would allow the association to adequately analyze the relative merits of candidates for public office. This type of prior restraint and regulatory confusion has a chilling effect on the rights of both associations and candidates.

The Ethical Practices Board certainly has the authority, and responsibility, to regulate expenditures which are made by associations which endorse candidates. However, the proposed language does not clarify language found in statutes in a manner which would make the proposed rule reasonable. The Board can alleviate problems with this proposed rule by amending it to add clarifications, or examples, of such phrases as "implied consent." Further, since the proposed rule has a potential chilling effect on the rights of associations to communicate with its members by the lack of clarifying language, the Board would be well served through the addition of such language.

Sincerely,

Marshall R. Whitlock
Executive Secretary

MRW:lsh

EPB-79-003-PE

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE ETHICAL PRACTICES BOARD

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES OF THE STATE ETHICAL PRACTICES BOARD GOVERNING CAMPAIGN FINANCING (9 MCAR 1.0001-1.0043) AND ECONOMIC INTEREST DISCLOSURE (9 MCAR 1.0010-1.0111).

REPORT OF THE CHIEF HEARING EXAMINER

WHEREAS, a hearing was held on May 24, 1979, before Peter C. Erickson, a Hearing Examiner of the State Office of Hearing Examiners, on the above-entitled matter in compliance with Minn. Stat. § 15.0412, Subd. 4; and

WHEREAS, the Report of Hearing Examiner made pursuant to Minn. Stat. § 15.052, Subd. 3, was issued to the Ethical Practices Board on June 29, 1979; and

WHEREAS, the Ethical Practices Board has now determined to adopt rules pursuant to Minn. Stat. § 15.0412, Subd. 4; and

WHEREAS, the Ethical Practices Board has submitted said rules to the Chief Hearing Examiner for review pursuant to Minn. Stat. § 15.052, Subd. 4, and 9 MCAR § 2.110; and

WHEREAS, the Chief Hearing Examiner finds that the final proposed rules are not substantially different from those proposed at the public hearing and that the Ethical Practices Board has met all requirements of Minn. Stat. § 15.0412, Subd. 4.

NOW, THEREFORE, upon receipt of this Report, the Ethical Practices Board has the responsibility of submitting the complete hearing record and the rules as adopted by the Board to the Attorney General, notifying all persons who requested to be informed that the hearing record has been submitted to the Attorney General, and publishing in the State Register, all pursuant to Minn. Stat. § 15.0412, Subd. 4.

Dated this 14th day of August, 1979.

DUANE R. HARVES
Chief Hearing Examiner

EPB P 123 PE

RECEIVED

APR 9 19

OFFICE OF HEARING EXAMINERS

STATE OF MINNESOTA

COUNTY OF RAMSEY

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In the matter of the Proposed Adoption of Rules of the State Ethical Practices Board Governing Campaign Financing (9MCAR 1.0001-1.0043)

PROPOSED RULES GOVERNING

CAMPAIGN FINANCING

NOTICE OF HEARING

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NOTICE IS HEREBY GIVEN that a public hearing pursuant to Minn. Stat. Section 15.0412 (1978) and Minn. Laws 10A as amended in 1978 in the above entitled matter will be held in Room 22, State Office Building, St. Paul, MN 55155, on Thursday, May 24, 1979, beginning at 9:30 a.m., and continuing until all persons have had an opportunity to be heard.

Statutory authority to promulgate the proposed rules is vested in the Ethical Practices Board by Minn. Stat. 10A.02 subd. 13.

The Ethical Practices Board proposes to amend permanent rules EPB 1-39 and supersede temporary rules 9MCAR 1.0001-1.0043 concerning campaign financing to reflect statutory changes in 1976, 1977, and 1978, as well as to include clarifications from advisory opinions. In 1978, an amendment to Chapter 10A.02 Subd. 12 limited the effectiveness of advisory opinions. Chapter 463 Section 108 of Minnesota Session Laws (1978) granted authority to the Board to issue temporary rules until permanent rules are adopted pursuant to Minn. Stat. Ch. 15 or until October 1, 1979, whichever occurs first.

Free copies of the proposed rules are available and can be obtained from the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, or by calling 296-5148. Additional copies will be available at the hearing. Temporary rules in effect at present may also be obtained.

A Statement of Need explaining why the Board feels the proposed rules are necessary and a Statement of Evidence outlining the testimony they will introduce will be filed with the Hearing Examiner at least 25 days prior to the hearing and will be available for public inspection.

All interested or affected persons will have an opportunity to participate. Statements made orally and written materials may be submitted at the hearing. In addition, written materials may be submitted by mail to Hearing Examiner either before the hearing, or within (5) five working days following the close of the hearing, or up to 20 days if ordered by the Hearing Examiner.

Please be advised that Minn. Stat. ch. 10A requires each lobbyist to register with the Ethical Practices Board within 5 days after he commences lobbying. Lobbying includes attempting to influence rulemaking by communicating or urging others to communicate with public officials. A lobbyist is generally any individual who spends more than $250 per year for lobbying or any individual who is engaged for pay or authorized to spend money by another individual or association and who spends more than $250 per year or five hours per month at lobbying. The statute provides certain exemptions. Questions should be directed to the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, phone: 612-296-5615.

Notice: Any person may request notification of the date on which the Hearing Examiner's Report will be available, after which date the agency may not take any final action on the rules for a period of five working days. Any person may request notification of the date on which the hearing record has been submitted (or resubmitted) to the Attorney General by the agency. If you desire to be so notified, you may so indicate at the hearing. After the hearing, you may request notification by sending a written request to the Hearing Examiner (in the case of the Hearing Examiner's Report) or to the agency (in the case of the agency's submission or resubmission to the Attorney General.)

Notice is hereby given that 25 days prior to the hearing, a Statement of Need and Reasonableness will be available for review at the agency and at the Office of Hearing Examiners. This Statement of Need and Reasonableness will include a summary of all of the evidence which will be presented by the agency at the hearing justifying both the need for and the reasonableness of the proposed rule/rules. Copies of the Statement of Need and Reasonableness may be obtained from the Office of Hearing Examiners at a minimal charge.

Dated this 5th day of April, 1979.

MINNESOTA STATE ETHICAL PRACTICES BOARD

By Vernon Jensen
Vernon Jensen, Vice Chairperson

Minnesota State Ethical Practices Board
Room 41, State Office Building
Saint Paul, Minnesota 55155

Telephone: 612 - 296-5148

STATE OF MINNESOTA

COUNTY OF RAMSEY

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In the matter of the Proposed Adoption of Rules of the State Ethical Practices Board Governing Campaign Financing (9MCAR 1.0001-1.0043)

PROPOSED RULES GOVERNING

CAMPAIGN FINANCING

NOTICE OF HEARING

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NOTICE IS HEREBY GIVEN that a public hearing pursuant to Minn. Stat. Section 15.0412 (1978) and Minn. Laws 10A as amended in 1978 in the above entitled matter will be held in Room 22, State Office Building, St. Paul, MN 55155, on Thursday, May 24, 1979, beginning at 9:30 a.m., and continuing until all persons have had an opportunity to be heard.

Statutory authority to promulgate the proposed rules is vested in the Ethical Practices Board by Minn. Stat. 10A.02 subd. 13.

The Ethical Practices Board proposes to amend permanent rules EPB 1-39 and supersede temporary rules 9MCAR 1.0001-1.0043 concerning campaign financing to reflect statutory changes in 1976, 1977, and 1978, as well as to include clarifications from advisory opinions. In 1978, an amendment to Chapter 10A.02 Subd. 12 limited the effectiveness of advisory opinions. Chapter 463 Section 108 of Minnesota Session Laws (1978) granted authority to the Board to issue temporary rules until permanent rules are adopted pursuant to Minn. Stat. Ch. 15 or until October 1, 1979, whichever occurs first.

These rules are proposed to generally accomplish the following:

- To eliminate specific statutory language contained in the permanent rules prohibited by Minn. Stat. 15.0412, subd. 1;

- To define statutory words and phrases to clarify the meaning of the statute;

- To clarify provisions concerning loans, allocations of approved expenditures among several candidates, reallocation of public finance funds refused by a candidate, return of anonymous contributions, certification, contribution and expenditure limits, and registration requirements of candidates who seek more than one office, time of filing tax credit agreements, media advertisements, joint checks, mileage, constituent services, and sample ballots prepared by a candidate;

- To declare a judicial candidate a statewide candidate for purposes of disclosure;

- To provide for a procedure in lieu of registration for federally

registered Minnesota political committees and political funds and non-Minnesota domiciled political committees and political funds;

- To exempt corporations from registering as a political committee or political fund that facilitate the making of voluntary contributions by employees to political committees or political funds;

- To clarify the reporting of a fundraising event;

- To provide procedures for candidates running jointly for governor and lieutenant governor, assessment of late filing fees, recording contributions, reporting and disclosing earmarked contributions and unpaid bills, transfer of responsibilities between treasurers, termination of political committees and political funds, and filing complaints;

- To establish the period for which a tax credit may be taken;

- To require the filing of separate agreements for a tax credit subsidy and public financing; and

- To disallow use of tax credit receipts for special elections.

Free copies of the proposed rules are available and can be obtained from the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, or by calling 296-5148. Additional copies will be available at the hearing. Temporary rules in effect at present may also be obtained.

A Statement of Need explaining why the Board feels the proposed rules are necessary and a Statement of Evidence outlining the testimony they will introduce will be filed with the Hearing Examiner at least 25 days prior to the hearing and will be available for public inspection.

All interested or affected persons will have an opportunity to participate. Statements made orally and written materials may be submitted at the hearing. In addition, written materials may be submitted by mail to Hearing Examiner Peter C. Erickson, Room 300, 1745 University Avenue, St. Paul, Minnesota 55104, either before the hearing, or within (5) five working days following the close of the hearing, or up to 20 days if ordered by the Hearing Examiner.

Please be advised that pursuant to Minn. Stat. 10A.01, subd. 11 (1978) 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 must register with the State Ethical Practices Board as a lobbyist within five days of the commencement of such activity by the individual. The statute provides certain exceptions. Questions should be directed to the State Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, phone (612) 296-5615.

Notice: Any person may request notification of the date on which the Hearing Examiner's Report will be available, after which date the agency may not

take any final action on the rules for a period of five working days. Any person may request notification of the date on which the hearing record has been submitted (or resubmitted) to the Attorney General by the agency. If you desire to be so notified, you may so indicate at the hearing. After the hearing, you may request notification by sending a written request to the Hearing Examiner (in the case of the Hearing Examiner's Report) or to the agency (in the case of the agency's submission or resubmission to the Attorney General.)

Notice is hereby given that 25 days prior to the hearing, a Statement of Need and Reasonableness will be available for review at the agency and at the Office of Hearing Examiners. This Statement of Need and Reasonableness will include a summary of all of the evidence which will be presented by the agency at the hearing justifying both the need for and the reasonableness of the proposed rule/rules. Copies of the Statement of Need and Reasonableness may be obtained from the Office of Hearing Examiners at a minimal charge.

Dated this 5th day of April, 1979.

MINNESOTA STATE ETHICAL PRACTICES BOARD

By Vernon Jensen
Vernon Jensen, Vice Chairperson

Minnesota State Ethical Practices Board
Room 41, State Office Building
Saint Paul, Minnesota 55155

Telephone: 612 - 296-5148

STATE OF MINNESOTA

COUNTY OF RAMSEY

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In the matter of the Proposed Adoption of Rules of the State Ethical Practices Board Governing Campaign Financing (9MCAR 1.0001-1.0043)

PROPOSED RULES GOVERNING

CAMPAIGN FINANCING

NOTICE OF HEARING

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- To clarify provisions concerning loans, allocations of approved expenditures among several candidates, reallocation of public finance funds refused by a candidate, return of anonymous contributions, certification, contribution and expenditure limits, and registration requirements of candidates who seek more than one office, time of filing tax credit agreements, media advertisements, joint checks, mileage, constituent services, and sample ballots prepared by a candidate;
- To declare a judicial candidate a statewide candidate for purposes of disclosure;
- To provide for a procedure in lieu of registration for federally

registered Minnesota political committees and political funds and non-Minnesota domiciled political committees and political funds;

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Notice is hereby given that 25 days prior to the hearing, a Statement of Need and Reasonableness will be available for review at the agency and at the Office of Hearing Examiners. This Statement of Need and Reasonableness will include a summary of all of the evidence which will be presented by the agency at the hearing justifying both the need for and the reasonableness of the proposed rule/rules. Copies of the Statement of Need and Reasonableness may be obtained from the Office of Hearing Examiners at a minimal charge.

Dated this 5th day of April, 1979.

MINNESOTA STATE ETHICAL PRACTICES BOARD

By Vernon Jensen
Vernon Jensen, Vice Chairperson

Minnesota State Ethical Practices Board
Room 41, State Office Building
Saint Paul, Minnesota 55155

Telephone: 612 - 296-5148

STATE OF MINNESOTA

STATE ETHICAL PRACTICES BOARD

COUNTY OF RAMSEY

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In the matter of the Proposed Adoption of Rules of the State Ethical Practices Board Governing Campaign Financing (9MCAR 1.0001-1.0043)

ORDER ADOPTING RULES

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The above-entitled matter came on for hearing before the Hearing Examiner of the State of Minnesota on the 24th day of May, 1979, at 9:30 A.M. in room 22 of the State Office Building, St. Paul, Minnesota, after proper notice required by M.S. 1977, Section 15.0412 was served upon all persons, associations and other interested groups registered with the Secretary of State for that purpose.

After affording interested persons an opportunity to present written and oral data, statements and arguments, having heard all of the testimony, having considered all of the evidence adduced and upon the records, files and proceedings herein, and applicable statutory standards or criteria, and having confirmed the need for the above captioned rules;

NOW, THEREFORE, IT IS ORDERED that these rules identified as 9MCAR 1.0001-1.0043 are adopted this 27th day of July, 1979, pursuant to authority vested in me by Minn. Stat. 10A.02, subd. 13.

MINNESOTA STATE ETHICAL PRACTICES BOARD

By Vernon K Jensen

Vernon Jensen, Chairperson

STATE OF MINNESOTA

COUNTY OF RAMSEY

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In the matter of the Proposed Adoption of Economic Interest Rules (9MCAR 1.0100 - 1.0111) and Campaign Finance Rules (9MCAR 1.0001 - 1.0043) to be promulgated by the State Ethical Practices Board

AFFIDAVIT

OF MAILING

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ELSA M. CARPENTER, BEING FIRST DULY SWORN deposes and says:

That on the 19th day of April, 1979, at the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Notice of Hearing by depositing in the United States mail at said City of St. Paul, a true and correct copy thereof, properly enveloped, with postage prepaid, to all persons and associations at the addresses listed on the attached Certificate of the Secretary of State.

Elsa M. Carpenter

Subscribed and sworn to before me this 19th day of April, 1979.

Jeanne McGree

JEANNE McGREE
NOTARY PUBLIC—MINNESOTA
DAKOTA COUNTY
My Commission Expires Oct. 24, 1984.

STATE OF MINNESOTA
COUNTY OF RAMSEY

CERTIFICATE

In the matter of the Proposed Adoption
of Rules of Ethical Practices Division Board
Governing Economic INterest and Campaign Financing

I hereby certify that the attached 589 labels sheets constitute the complete list of persons, associations, and other interested groups who as of 3:40 o'clock P.M, this 3rd day of April, 1979, have requested pursuant to M.S. 1974, 15.0412, that their names be placed on file with the Secretary of State for the purpose of receiving notice of public hearing on proposed rules on the subject captioned above.

Secretary of State
Joan Anderson Growe

By Donna Scott

Our File No. 533

Lee

B. Allen Clutter
Executive Director
Ethical Practices Board

September 10, 1979

- Campaign Finance Rules

cc: Duane Harves
Marshall Whitlock
Melvin Goldberg
Lee Paddock