

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

RULE REVIEW CHECKLIST

File No. 1344 Docket No. 05-0009-0428

DATE RECEIVED 2/3/87
REVIEW DATE 2/12/87
DUE DATE 2/17/87

APPROVED 2/12/87
DISAPPROVED
WITHDRAWN

ADOPTED W/O HEARING ✓
EMERGENCY RULE

REVISOR APPROVED ✓
REVISOR DISAPPROVED
FILED W/SEC. STATE
RETURNED TO AGENCY

✓ Rule as adopted (4 copies)

___ Notice to Solicit Outside Information/Opinion
___ Date published in State Register
___ Comments

___ Petition for Adoption of a Rule

✓ Board's Authorizing Resolution

✓ Proposed rule
yes Revisor's Certificate

✓ Notice of Intent to Adopt Rule
10A.02 subd 13 Statutory Authority
yes Small business statement
___ Expenditure of public money statement
yes Signature

✓ Statement of Need and Reasonableness

✓ Affidavit of Mailing Notice of Intent to Adopt Rule
12/1/86 Date 30/25 days before adoption

✓ Publication in State Register
12/8/86 Date 30/25 days before adoption

✓ Resolution Adopting

✓ Findings of Fact, Conclusions & Order Adopting
Jan 30, 1987 Date

✓ Written requests, submissions or comments

✓ Declaration of attorney
Martha Causeley Name of SAAG representing agency

✓ Notice of Submission to Attorney General

✓ Affidavit of Mailing Notice to Attorney General

SF-00006-03

STATE OF MINNESOTA

DEPARTMENT

Office Memorandum

ATTORNEY GENERAL

TO:

DATE:

Mary Ann McCoy
Executive Director
FROM: Ethical Practices Board

PHONE:

2/24/87

J. MICHAEL MILES
SUBJECT: Assistant Attorney General

6-6555

In the Matter of the Proposed Adoption of Rules Relating to Ethics in Government.

The above-referenced rule has been approved as to its legality by the Attorney General on February 12, 1987.

Enclosed is the agency's copy of the approved rule. This office has already filed two copies with the Secretary of State, who will forward one copy to the Revisor of Statutes. The fourth is being retained by this division of the Attorney General's Office for its records.

Also enclosed are any petitions, requests, submission or comments received by the agency and any extra copies of documents which the agency submitted to the Attorney General.

In order for a permanent rule without a hearing to become effective, your agency must publish a notice of adoption in the State Register in accordance with Minn. Stat. § 14.27. An emergency rule becomes effective five working days after approval by the Attorney General; however, the agency must publish a notice in the State Register in accordance with Minn. Stat. § 14.34.

If you have any questions in this regard, please contact me.

:nah

Enclosures

cc: Maryanne Hruby
Executive Director
Legislative Commission to Review
Adminsitrative Rules

Duane Harves
Chief Administrative Law Judge
Office of Administrative Hearings

Ethical Practices Board

Adopted Permanent Rules Relating to Ethics in Government

Rules as Adopted

4500.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 1a. **Address.** "Address" means, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 2. to 8. [Unchanged.]

4500.1600 CONTRIBUTIONS FROM ASSOCIATIONS.

Subpart 1. **Optional disclosure.** An association that contributes more than $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 Minnesota Statutes, section 10A.20 for the reporting period in which the contribution was made.

Subp. 2. **Exception.** A Minnesota-domiciled association that makes separate contributions of more than $100 to more than three committees or funds in a calendar year must register with the board.

Subp. 3. **Hennepin County.** In lieu of registration with the board, an association registered with the Hennepin County filing officer under Laws of Minnesota 1980, chapter 362, that makes contributions of more than $100 to a committee or fund in a calendar year may notify the recipient committee of its registration with Hennepin county and instruct the recipient committee to include the notice when the recipient committee

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C Erudeke

discloses receipt of the contribution.

4500.3900 RESPONSIBILITIES OF TREASURERS.

Subpart 1. **Change of treasurer.** The new treasurer or the candidate shall send the board written notice of a change of treasurers within ten days after the change occurs. The notice must include the name and address of the new treasurer and the effective date of the transfer of records and receipts to the new treasurer.

Subp. 2. **Former treasurer.** A former treasurer who transfers committee or fund records and receipts to a new treasurer is relieved of record retention responsibilities.

Subp. 3. **Canceled check.** A copy of a canceled check with an invoice stating the purpose of the expenditure will be treated as a receipted bill.

4500.4100 TAX CREDIT AGREEMENT.

A candidate may file a tax credit agreement at any time after registration of the candidate's principal campaign committee for the office sought or held through December 31. An agreement filed on or after January 1 is not applicable to a preceding calendar year.

4500.4200 TAX CREDIT AGREEMENT AND PUBLIC FINANCING AGREEMENT.

A candidate must file a separate agreement in order to participate in each public financing program.

4500.4400 TERMINATION OF REGISTRATION.

Subpart 1. **Termination report.** A termination report must cover the period from the closing date of the last previous report filed through the date of termination. Any terminated political committee or political fund which subsequently becomes subject to the registration and reporting requirements of the act is required to reregister.

Subp. 2. **Transfer of debts.** An agreement to terminate a candidate's principal committee for one office under Minnesota Statutes, section 10A.241, must be made in writing, signed by the candidate and the committee treasurers, and preserved in the

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records of each committee.

4505.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 1a. **Address.** "Address" means, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 2. to 5. [Unchanged.]

4505.0300 LATE FILING FEES.

The board shall send a delinquency notice by certified mail to a public official or candidate within ten business days after a filing date. A certified letter returned by the post office to the board as refused is considered received by the addressee on the date refused. The late filing fee begins accumulating on the eighth day after refusal. A certified letter returned to the board as undelivered or refused must be forwarded by first class mail to the public official or candidate. An undelivered notice of late filing is considered received by the recipient five business days after the first class mailing. The late filing fee for an undelivered notice begins accumulating on the eighth day after the notice is deposited in first class mail. A late filing fee must be charged through the business day preceding the day of filing of a late statement. A late filing fee may not be assessed for Saturday, Sunday, or legal holidays.

4510.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 1a. **Address.** "Address" means, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip

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code. An individual may provide a business address rather than a home mailing address.

Subp. 2. to 5. [Unchanged.]

4510.1000 LOBBYIST DISBURSEMENTS FOR ADMINISTRATIVE ACTIONS.

A lobbyist who does both legislative and administrative lobbying for the same entity in a reporting period shall disclose disbursements for administrative lobbying and disbursements for legislative lobbying in the categories specified in part 4510.0500, subpart 3, on the applicable lobbyist disbursement report.

4515.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 2. **Address.** "Address" means, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 3. to 7. [Unchanged.]

4520.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 2. **Address.** "Address" means, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 4. to 7. [Unchanged.]

4525.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 1a. **Address.** "Address" means, for an individual, the individual's home mailing address or, for an association,

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the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 2. to 7. [Unchanged.]

4525.0200 COMPLAINTS OF VIOLATIONS.

Subpart 1. **Who may complain.** A person who believes a violation of Minnesota Statutes, chapter 10A or rules of the board has occurred may submit an oral or written complaint to the board.

Subp. 2. **Form.** There is no prescribed form for a written complaint, but all written complaints must be typewritten or handwritten legibly. The name and address of the person making the complaint must be typewritten or hand-printed on the complaint and it must be signed by the complainant. A complainant shall list the alleged violator and describe the complainant's knowledge of the alleged violation. Any evidentiary material should be submitted with the complaint. Complaints are not available for public inspection or copying until after the board makes a finding. No investigations are required if a complaint is frivolous on its face, illegible, too indefinite, does not identify the violator, or is unsigned by the complainant.

Subp. 3. **Oral complaints.** The board need not investigate an oral complaint. No investigation or audit may 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 form for an oral complaint, but all oral complaints must describe in sufficient detail the alleged violator and the violation.

Subp. 4. **Oath.** Before a witness gives testimony in a meeting conducted by the board under part 4525.0500 or this rule, the following oath must be administered to the witness: "Do you solemnly swear or affirm that you will fully and truly

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answer all questions put to you and that all statements made or submitted to this board are true to the best of your knowledge?"

Subp. 5. **Confidentiality.** 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 must be closed to the public. The minutes and tape recordings of ~~the~~ a meeting closed to the public must be kept confidential.

Subp. 6. **Hearings.** At any time during an investigation of a complaint, the board in its discretion, may hold a contested case hearing before making a finding on the complaint.

4525.0500 INVESTIGATIONS AND AUDITS.

Subpart 1. **No complaint.** The board may undertake investigations or audits with respect to statements and reports which are filed or should have been filed under Minnesota Statutes, chapter 10A although no complaint has been filed. Any decision as to whether an investigation should be undertaken must be made at a closed meeting of the board.

Subp. 2. **Conduct.** Investigations and audits must be conducted in an expeditious manner, but with regard for fundamental fairness. Within a reasonable time after undertaking an investigation or audit, the executive director of the board shall inform the person under investigation or audit of the fact of the investigation or audit. The board shall make no final decision on any investigation or audit unless the person under investigation or audit has been informed of the charges and has had the opportunity to make a statement to the board or its employees or agents.

Subp. 3. **Contested case hearing.** At any time during an investigation or audit, the board in its discretion may hold a contested case hearing before making a finding on any investigation or audit.

Subp. 4. **Dispositions.** At the conclusion of an investigation or audit or after a hearing if a hearing has been ordered, the board shall take the action in item A or B or both

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of those actions.

A. The board may make a finding that there is or is not probable cause to conclude that a violation of Minnesota Statutes, chapter 10A has occurred. The board shall report any finding of probable cause to the appropriate law enforcement authorities.

B. The board may authorize the commencement of a civil action for injunctive or other appropriate relief.

Subp. 5. **Board meetings.** Board meetings related to an investigation or audit must be conducted in accordance with part 4525.0200, subparts 3 to 6.

REPEALER. Parts 4500.1300; 4500.3100, subpart 6; 4525.0300; 4525.0400; 4525.0600; 4525.0700; and 4525.0800 are repealed.

APPROVED BY THE
REVISOR OF STATUTES

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
FEB 19 1987
Joan Anderson Growe
Secretary of State
1:45 pm JH

APPROVED AS TO FORM AND LEGALITY
2/12 1987
HUBERT H. HUMPHREY, III
ATTORNEY GENERAL
BY
ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
STATE ETHICAL PRACTICES BOARD
625 NORTH ROBERT STREET
ST. PAUL, MINNESOTA 55101-2520
PHONE: (612) 296-5148

CERTIFICATE OF BOARD'S

AUTHORIZING RESOLUTION

I, Mary Smith, do hereby certify that I am a member and the Chair, of the Board of Ethical Practices, 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 of Ethical Practices duly and properly called and held on the 25th day of September, 1986, that a quorum was present at said meeting, that a majority of those present voted for the resolution and that said resolution is set forth in the minutes of said meeting and has not been rescinded or modified.

"RESOLVED, that Mary Ann McCoy, executive director of the Board of Ethical Practices, be and she hereby is granted the authority and directed to sign an Order of the Board directing that Notice be given of the Board's intent to adopt without a public hearing rules governing Campaign Financing, Economic Interest Disclosure, Lobbyist Registration and Reporting, Conflicts of Interest, Representation Disclosure, and Hearings, to sign the Notice thereof, and to perform any and all acts incidental thereto. In the event a public hearing becomes necessary, she hereby is granted the authority and directed to call a hearing for the purpose of promulgating said rules 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 the Board's representative at all hearings."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 25th day of September, 1986.

Mary Ann McCoy

Ethical Practices Board

Attested by

A. J. Eckstein

Ethical Practices Board

Proposed Permanent Rules Relating to Ethics in Government

Rules as Proposed

4500.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 1a. **Address.** "Address" means, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 2. to 8. [Unchanged.]

4500.1600 CONTRIBUTIONS FROM ~~NON-MINNESOTA-DOMICILED~~ ASSOCIATIONS ~~AND-DOMICILED,-FEDERALLY-REGISTERED-POLITICAL COMMITTEES-OR-POLITICAL-FUNDS.~~

~~Non-Minnesota-domiciled-associations-and-domiciled, federally-registered-political-committees-or-political-funds which-contribute~~ Subpart 1. **Optional disclosure.** An association that contributes more than $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 Minnesota Statutes, section 10A.20 for the reporting period in which the contribution was made.

Subp. 2. **Exception.** A Minnesota-domiciled association that makes separate contributions of more than $100 to more than three committees or funds in a calendar year must register with the board.

Subp. 3. **Hennepin County.** In lieu of registration with the board, an association registered with the Hennepin County filing officer under Laws of Minnesota 1980, chapter 362, that

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makes contributions of more than $100 to a committee or fund in a calendar year may notify the recipient committee of its registration with Hennepin county and instruct the recipient committee to include the notice when the recipient committee discloses receipt of the contribution.

4500.3900 RESPONSIBILITIES OF TREASURERS.

~~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~~

Subpart 1. **Change of treasurer.** The new treasurer or the candidate shall send the board written notice of a change of treasurers within ten days after the change occurs. ~~Such~~ The notice ~~shall~~ must include the name and address of the new treasurer and the effective date of the transfer of records and receipts to the new treasurer.

Subp. 2. **Former treasurer.** A former treasurer who transfers committee or fund records and receipts to a new treasurer is relieved of record retention responsibilities.

Subp. 3. **Canceled check.** A copy of a canceled check with an invoice stating the purpose of the expenditure will be treated as a receipted bill.

4500.4100 TAX CREDIT AGREEMENT.

A candidate may ~~sign~~ file a tax credit agreement at any time after registration of ~~his~~ the candidate's principal campaign committee for the office sought or held through December 31. An agreement ~~signed~~ filed on or after January 1 ~~shall~~ is not be applicable to a preceding calendar year.

4500.4200 TAX CREDIT AGREEMENT AND PUBLIC FINANCING AGREEMENT.

A candidate must ~~sign~~ file a separate agreement in order to participate in each public financing program.

4500.4400 TERMINATION OF REGISTRATION.

Subpart 1. **Termination report.** A termination report ~~shall~~ must cover the period from the closing date of the last previous report filed through the date of termination. Any terminated

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

Subp. 2. **Transfer of debts.** An agreement to terminate a candidate's principal committee for one office under Minnesota Statutes, section 10A.241, must be made in writing, signed by the candidate and the committee treasurers, and preserved in the records of each committee.

4505.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 1a. **Address.** "Address" means, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 2. to 5. [Unchanged.]

4505.0300 LATE FILING FEES.

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~~ is considered received by the addressee on the date refused. The late filing fee ~~will then commence~~ begins accumulating on the eighth day after refusal. A certified letter returned to the board as undelivered or refused ~~shall~~ must be forwarded by first class mail to the public official or candidate. An undelivered notice of late filing is considered received by the recipient five business days after the first class mailing. The late filing fee for an undelivered notice ~~will commence~~ begins accumulating on the eighth day after the notice is deposited in first class mail. A late filing fee ~~will~~ must be charged through the business day preceding the day of filing of a late statement. A late filing fee ~~shall~~ may

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not be assessed for Saturday, Sunday, or legal holidays.

4510.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 1a. **Address.** "Address" means, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 2. to 5. [Unchanged.]

4510.1000 LOBBYIST DISBURSEMENTS FOR ADMINISTRATIVE ACTIONS.

A lobbyist who does both legislative and administrative lobbying ~~may file separate reports for the purpose of segregating those~~ for the same entity in a reporting period shall disclose disbursements ~~which were incurred~~ for administrative lobbying ~~from those~~ and disbursements ~~incurred~~ for legislative lobbying~~. Unless separate reports are filed the board will treat all disbursements as legislative lobbying disbursements~~ in the categories specified in part 4510.0500, subpart 3, on the applicable lobbyist disbursement report.

4515.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 2. **Address.** "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~~, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 3. to 7. [Unchanged.]

4520.0100 DEFINITIONS.

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

Subpart 1. [Unchanged.]

Subp. 2. **Address.** "Address" means ~~street-and-number-(post office-box-or-rural-route,-if-appropriate),-room-number-(if any),-city,-and-zip-code~~, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 4. to 7. [Unchanged.]

4525.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 1a. **Address.** "Address" means, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 2. to 7. [Unchanged.]

4525.0200 ~~FILING-COMPLAINT~~ COMPLAINTS OF VIOLATIONS.

Subpart 1. **Who may complain.** **Any** A person ~~authorized-by law-to-submit-to-the-board-a-complaint-that-any-person-has-not complied-with-the-requirements-of-Minnesota-Statutes-1974, sections-10A.01-to-10A.34~~ who believes a violation of Minnesota Statutes, chapter 10A or rules of the board has occurred may ~~request-that~~ submit an oral or written complaint to the board ~~investigate-the-alleged-noncompliance-by-filing-a-complaint~~.

Subp. 2. **Form.** There is no prescribed form for a written complaint, but all written complaints must be typewritten or handwritten legibly. The name and address of the person making the complaint must be typewritten or hand-printed on the complaint and it must be signed by the complainant. A complainant shall list the alleged violator and describe the

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complainant's knowledge of the alleged violation. Any evidentiary material should be submitted with the complaint. Complaints are not available for public inspection or copying until after the board makes a finding. No investigations are required if a complaint is frivolous on its face, illegible, too indefinite, does not identify the violator, or is unsigned by the complainant.

Subp. 3. **Oral complaints.** The board need not investigate an oral complaint. No investigation or audit may 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 form for an oral complaint, but all oral complaints must describe in sufficient detail the alleged violator and the violation.

Subp. 4. **Oath.** Before a witness gives testimony in a meeting conducted by the board under part 4525.0500 or this rule, the following oath must be administered to the witness: "Do you solemnly swear or affirm that you will fully and truly answer all questions put to you and that all statements made or submitted to this board are true to the best of your knowledge?"

Subp. 5. **Confidentiality.** 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 must be closed to the public. The minutes and tape recordings of the meeting must be kept confidential.

Subp. 6. **Hearings.** At any time during an investigation of a complaint, the board in its discretion, may hold a contested case hearing before making a finding on the complaint.

4525.0500 INVESTIGATIONS AND AUDITS.

~~Upon receipt of a complaint, the board or its employees shall undertake an investigation into the allegations contained therein. Immediately following receipt of a complaint, the executive director of the board shall inform the person complained against that a complaint has been filed against him.~~

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Subpart 1. **No complaint.** The board may ~~also~~ undertake investigations or audits with respect to statements and reports which are filed or should have been filed under ~~the provisions of~~ Minnesota Statutes ~~1974, sections 10A.01 to 10A.34~~, chapter 10A although no complaint has been filed. Any decision as to whether an investigation should be undertaken ~~shall~~ must be made at a closed meeting of the board.

Subp. 2. **Conduct.** ~~All~~ Investigations and audits ~~shall~~ must be conducted in an expeditious manner, but with regard for fundamental fairness. Within a reasonable time after undertaking an investigation or audit, the executive director of the board shall inform the person under investigation or audit of the fact of the investigation or audit. The board shall make no final decision on any investigation or audit unless the person under investigation or audit has been informed of the charges ~~against him~~ and has had the opportunity to make a statement to the board or its employees or agents.

Subp. 3. **Contested case hearing.** At any time during an investigation or audit, the board in its discretion may hold a contested case hearing before making a finding on any investigation or audit.

Subp. 4. **Dispositions.** At the conclusion of an investigation or audit or after a hearing if a hearing has been ordered, the board shall take the action in item A or B or both of those actions.

A. The board may make a finding that there is or is not probable cause to conclude that a violation of Minnesota Statutes, chapter 10A has occurred. The board shall report any finding of probable cause to the appropriate law enforcement authorities.

B. The board may authorize the commencement of a civil action for injunctive or other appropriate relief.

Subp. 5. **Board meetings.** Board meetings related to an investigation or audit must be conducted in accordance with part 4525.0200, subparts 3 to 6.

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

REPEALER. Parts 4500.1300; 4500.3100, subpart 6; 4525.0300; 4525.0400; 4525.0600; 4525.0700; and 4525.0800 are repealed.

APPROVED IN THE
REVISOR OF STATUTES
OFFICE BY:

Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Ethics in Government

AGENCY: Ethical Practices Board

MINNESOTA RULES: Chapters 4500, 4505, 4510, 4515, 4520, and 4525

The attached rules are approved for publication in the State Register

Craig E. Lindeke

Craig E. Lindeke
Senior Assistant Revisor

PROPOSED RULES

Pursuant to Minn. Stat. of 1984, §§ 14.22, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. The notice must advise the public:

1. **that they have 30 days in which to submit comment on the proposed rules;**
2. **that no public hearing will be held unless 25 or more persons make a written request for a hearing within the 30-day comment period;**
3. **of the manner in which persons shall request a hearing on the proposed rules; and**
4. **that the rule may be modified if the modifications are supported by the data and views submitted.**

If, during the 30-day comment period, 25 or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of §§ 14.14-14.20, which state that if an agency decides to hold a public hearing, it must publish a notice of intent in the *State Register*.

Pursuant to Minn. Stat. §§ 14.29 and 14.30, agencies may propose emergency rules under certain circumstances. Proposed emergency rules are published in the *State Register* and, for at least 25 days thereafter, interested persons may submit data and views in writing to the proposing agency.

Ethical Practices Board

Proposed Permanent Rules Relating to Ethics in Government

Notice of Intent to Adopt a Rule without a Public Hearing

Notice is hereby given that the State Ethical Practices Board proposes to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in Minnesota Statutes, sections 14.22 to 14.28. The statutory authority to adopt the rule is Minnesota Statutes, section 10A.02, subd. 13.

All persons have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule. The 30-day period ends January 7, 1987. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw the request in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the Board will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Comments or written requests for a public hearing should be submitted to Mary Ann McCoy, Executive Director, Ethical Practices Board, 625 North Robert Street, St. Paul, MN 55101-2520.

The proposed rule may be modified if the modifications are supported by data and views submitted to the Board and do not result in a substantial change in the proposed rule as noticed.

A copy of the proposed rule is attached to this notice.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Ms. McCoy upon request.

Please be advised that Minn. Stat. Ch. 10A requires each lobbyist to register with the Ethical Practices Board within five days after she or he commences lobbying. A lobbyist is defined in Minn. Stat. § 10A.01, subd. 11 as 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 her or his own traveling expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating with or urging others to communicate with public officials; or (b) who spends more than $250, not including her or his own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating with or urging others to communicate with public officials. The statute provides certain exceptions. Questions should be directed to the Board at the address above, telephone (612) 296-5615.

Minn. Stat. § 14.115 requires the Board to provide an opportunity for small businesses to participate in the rulemaking process.

KEY: 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." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

It appears that the proposed amendments do not directly affect small business, for by definition, the regulations are imposed on individuals. However, small businesses may be affected indirectly by these regulations, for example a lobbyist may disclose information on her or his registration which may affect small businesses. For more information on the possible small business impact, see the Statement of Need and Reasonableness.

If no hearing is required, upon adoption of the rule, the rule and the supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to Ceil Gerlach, at the Board Office address listed above.

Dated: 24 November 1986

Mary Ann McCoy, Executive Director

Rules as Proposed

4500.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 1a. **Address.** "Address" means, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 2. to 8. [Unchanged.]

4500.1600 CONTRIBUTIONS FROM ~~NON-MINNESOTA-DOMICILED~~ ASSOCIATIONS ~~AND DOMICILED, FEDERALLY REGISTERED POLITICAL COMMITTEES OR POLITICAL FUNDS.~~

~~Non-Minnesota domiciled associations and domiciled, federally registered political committees or political funds which contribute~~ Subpart 1. **Optional disclosure.** An association that contributes more than $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 Minnesota Statutes, section 10A.20 for the reporting period in which the contribution was made.

Subp. 2. **Exception.** A Minnesota-domiciled association that makes separate contributions of more than $100 to more than three committees or funds in a calendar year must register with the board.

Subp. 3. **Hennepin County.** In lieu of registration with the board, an association registered with the Hennepin County filing officer under Laws of Minnesota 1980, chapter 362, that makes contributions of more than $100 to a committee or fund in a calendar year may notify the recipient committee of its registration with Hennepin county and instruct the recipient committee to include the notice when the recipient committee discloses receipt of the contribution.

4500.3900 RESPONSIBILITIES OF TREASURERS.

~~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~~

Subpart 1. **Change of treasurer.** The new treasurer or the candidate shall send the board written notice of a change of treasurers within ten days after the change occurs. ~~Such~~ The notice ~~shall~~ must include the name and address of the new treasurer and the effective date of the transfer of records and receipts to the new treasurer.

Subp. 2. **Former treasurer.** A former treasurer who transfers committee or fund records and receipts to a new treasurer is relieved of record retention responsibilities.

Subp. 3. **Canceled check.** A copy of a canceled check with an invoice stating the purpose of the expenditure will be treated as a receipted bill.

4500.4100 TAX CREDIT AGREEMENT.

A candidate may ~~sign~~ file a tax credit agreement at any time after registration of ~~his~~ the candidate's principal campaign committee for the office sought or held through December 31. An agreement ~~signed~~ filed on or after January 1 ~~shall~~ is not ~~be~~ applicable to a preceding calendar year.

4500.4200 TAX CREDIT AGREEMENT AND PUBLIC FINANCING AGREEMENT.

A candidate must ~~sign~~ file a separate agreement in order to participate in each public financing program.

4500.4400 TERMINATION OF REGISTRATION.

Subpart 1. **Termination report.** A termination report ~~shall~~ must cover the period from the closing date of the last previous report filed through the date of termination. Any terminated political committee or political fund which subsequently becomes subject to the registration and reporting requirements of the act is required to reregister.

Subp. 2. **Transfer of debts.** An agreement to terminate a candidate's principal committee for one office under Minnesota Statutes, section 10A.241, must be made in writing, signed by the candidate and the committee treasurers, and preserved in the records of each committee.

4505.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 1a. **Address.** "Address" means, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 2. to 5. [Unchanged.]

4505.0300 LATE FILING FEES.

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~~ is considered received by the addressee on the date refused. The late filing fee ~~will then commence~~ begins accumulating on the eighth day after refusal. A certified letter returned to the board as undelivered or refused ~~shall~~ must be forwarded by first class mail to the public official or candidate. An undelivered notice of late filing is considered received by the recipient five business days after the first class mailing. The late filing fee for an undelivered notice ~~will commence~~ begins accumulating on the eighth day after the notice is deposited in first class mail. A late filing fee ~~will~~ must be charged through the business day preceding the day of filing of a late statement. A late filing fee ~~shall~~ may not be assessed for Saturday, Sunday, or legal holidays.

4510.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 1a. **Address.** "Address" means, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 2. to 5. [Unchanged.]

4510.1000 LOBBYIST DISBURSEMENTS FOR ADMINISTRATIVE ACTIONS.

A lobbyist who does both legislative and administrative lobbying ~~may file separate reports for the purpose of segregating those~~ for the same entity in a reporting period shall disclose disbursements ~~which were incurred~~ for administrative lobbying ~~from those~~ and disbursements ~~incurred~~ for legislative lobbying~~. Unless separate reports are filed the board will treat all disbursements as legislative lobbying disbursements~~ in the categories specified in part 4510.0500, subpart 3, on the applicable lobbyist disbursement report.

4515.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 2. **Address.** "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~~, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 3. to 7. [Unchanged.]

4520.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

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Subp. 2. **Address.** "Address" means ~~street and number (post office box or rural route, if appropriate), room number (if any), city, and zip code,~~ for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 4. to 7. [Unchanged.]

4525.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 1a. **Address.** "Address" means, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 2. to 7. [Unchanged.]

4525.0200 ~~FILING COMPLAINT~~ COMPLAINTS OF VIOLATIONS.

Subpart 1. **Who may complain.** ~~Any~~ A person ~~authorized by law to submit to the board a complaint that any person has not complied with the requirements of Minnesota Statutes 1974, sections 10A.01 to 10A.34~~ who believes a violation of Minnesota Statutes, chapter 10A or rules of the board has occurred may ~~request that~~ submit an oral or written complaint to the board ~~investigate the alleged noncompliance by filing a complaint~~.

Subp. 2. **Form.** There is no prescribed form for a written complaint, but all written complaints must be typewritten or handwritten legibly. The name and address of the person making the complaint must be typewritten or hand-printed on the complaint and it must be signed by the complainant. A complainant shall list the alleged violator and describe the complainant's knowledge of the alleged violation. Any evidentiary material should be submitted with the complaint. Complaints are not available for public inspection or copying until after the board makes a finding. No investigations are required if a complaint is frivolous on its face, illegible, too indefinite, does not identify the violator, or is unsigned by the complainant.

Subp. 3. **Oral complaints.** The board need not investigate an oral complaint. No investigation or audit may 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 form for an oral complaint, but all oral complaints must describe in sufficient detail the alleged violator and the violation.

Subp. 4. **Oath.** Before a witness gives testimony in a meeting conducted by the board under part 4525.0500 or this rule, the following oath must be administered to the witness: "Do you solemnly swear or affirm that you will fully and truly answer all questions put to you and that all statements made or submitted to this board are true to the best of your knowledge?"

Subp. 5. **Confidentiality.** 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 must be closed to the public. The minutes and tape recordings of the meeting must be kept confidential.

Subp. 6. **Hearings.** At any time during an investigation of a complaint, the board in its discretion, may hold a contested case hearing before making a finding on the complaint.

4525.0500 INVESTIGATIONS AND AUDITS.

~~Upon receipt of a complaint, the board or its employees shall undertake an investigation into the allegations contained therein. Immediately following receipt of a complaint, the executive director of the board shall inform the person complained against that a complaint has been filed against him.~~

Subpart 1. **No complaint.** The board may ~~also~~ undertake investigations or audits with respect to statements and reports which are filed or should have been filed under ~~the provisions of~~ Minnesota Statutes ~~1971, sections 10A.01 to 10A.34,~~ chapter 10A although no complaint has been filed. Any decision as to whether an investigation should be undertaken ~~shall~~ must be made at a closed meeting of the board.

Subp. 2. **Conduct.** ~~All~~ Investigations and audits ~~shall~~ must be conducted in an expeditious manner, but with regard for fundamental fairness. Within a reasonable time after undertaking an investigation or audit, the executive director of the board shall inform the person under investigation or audit of the fact of the investigation or audit. The board shall make no final decision on any investigation or audit unless the person under investigation or audit has been informed of the charges ~~against him~~ and has had the opportunity to make a statement to the board or its employees or agents.

Subp. 3. **Contested case hearing.** At any time during an investigation or audit, the board in its discretion may hold a contested case hearing before making a finding on any investigation or audit.

Subp. 4. **Dispositions.** At the conclusion of an investigation or audit or after a hearing if a hearing has been ordered, the board shall take the action in item A or B or both of those actions.

A. The board may make a finding that there is or is not probable cause to conclude that a violation of Minnesota Statutes, chapter 10A has occurred. The board shall report any finding of probable cause to the appropriate law enforcement authorities.

B. The board may authorize the commencement of a civil action for injunctive or other appropriate relief.

Subp. 5. **Board meetings.** Board meetings related to an investigation or audit must be conducted in accordance with part 4525.0200, subparts 3 to 6.

REPEALER. Parts 4500.1300; 4500.3100, subpart 6; 4525.0300; 4525.0400; 4525.0600; 4525.0700; and 4525.0800 are repealed.

Department of Human Services

Proposed Permanent Rules Relating to Hospital Admission Certification

Notice of Intent to Adopt a Rule without a Public Hearing and Notice of Intent to Adopt a Rule with a Public Hearing if Twenty-Five or More Persons Request a Hearing

Notice is hereby given that the State Department of Human Services proposes to adopt the above-entitled rule without a public hearing following the procedures set forth in Minnesota Statutes, section 14.22 to 14.28. The specific statutory authority to adopt the rule is Minnesota Statutes, section 256B.503 and 256D.03, subdivision 7 (b).

Persons interested in this rule shall have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule and comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

The proposed rule may be modified if the modifications are supported by data and views and do not result in a substantial change in the proposed rule as noticed.

A free copy of this rule is available upon request for your review from:

Eleanor Weber
Division of Appeals and Regulations
Department of Human Services
444 Lafayette Road
St. Paul, MN 55101

A copy of the proposed rule may be viewed at any of the county welfare or human service agencies in the State of Minnesota.

The proposed amendments to the rule have the following effects: clarification of the definition of "readmission" in part 9505.0500, subpart 24; provision for a request for retroactive admission certification in part 9505.0520, subpart 14; establishment of criteria for determination of the medical necessity of residential chemical dependency treatment and inpatient psychiatric treatment; clarification of parties who may appeal. In addition several technical amendments are proposed that do not change the substance of the rule.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Eleanor Weber upon request.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, section 14.131 to 14.20. PLEASE NOTE THAT IF TWENTY-FIVE OR MORE PERSONS SUBMIT WRITTEN REQUESTS FOR A PUBLIC HEARING WITHIN THE 30-DAY

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Ethical Practices Board

Proposed Rule Relating to Campaign Financing, Economic Interest Disclosure, Lobbyist Registration and Reporting, Conflicts of Interest, Representation Disclosure, and Hearings

Notice of Intent to Adopt a Rule without a Public Hearing

Notice is hereby given that the State Ethical Practices Board proposes to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in Minnesota Statutes, sections 14.22 to 14.28. The statutory authority to adopt the rule is Minnesota Statutes, section 10A.02, subd.13.

All persons have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule. The 30-day period ends January 7, 1987. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw the request in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the

proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the Board will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Comments or written requests for a public hearing should be submitted to Mary Ann McCoy, Executive Director, Ethical Practices Board, 625 North Robert Street, St. Paul, MN 55101-2520.

The proposed rule may be modified if the modifications are supported by data and views submitted to the Board and do not result in a substantial change in the proposed rule as noticed.

A copy of the proposed rule is attached to this notice.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Ms. McCoy upon request.

Please be advised that Minn.Stat.Ch.10A requires each lobbyist to register with the Ethical Practices Board within five days after she or he commences lobbying. A lobbyist is defined in Minn.Stat.s 10A.01, subd. 11 as 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 her or his own traveling expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by

communicating with or urging others to communicate with public officials; or (b)who spends more than $250, not including her or his own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating with or urging others to communicate with public officials. The statute provides certain exceptions. Questions should be directed to the Board at the address above, telephone (612)296-5615.

Minn. Stat. s 14.115 requires the Board to provide an opportunity for small businesses to participate in the rulemaking process. It appears that the proposed amendments do not directly affect small business, for by definition, the regulations are imposed on individuals. However, small businesses may be affected indirectly by these regulations, for example a lobbyist may disclose information on her or his registration which may affect small businesses. For more information on the possible small business impact, see the Statement of Need and Reasonableness.

If no hearing is required, upon adoption of the rule, the rule and the supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to Ceil Gerlach, at the Board Office address listed above.

Date: December 24, 1986

Mary Ann McCoy

Mary Ann McCoy, Executive Director

STATE OF MINNESOTA
COUNTY OF RAMSEY

ETHICAL PRACTICES BOARD

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In the matter of Proposed Rules governing Campaign Financing (Minnesota Rules parts 4500.0100-4500.4400); Economic Interest Disclosure (Minnesota Rules parts 4505.0100 -4505.1000); Lobbyist Registration and Reporting (Minnesota Rules parts 4510.0100-4510.1400);Conflicts of Interest (Minnesota Rules parts 4515.0100-4515.0800);Representation Disclosure (Minnesota Rules parts 4520.0100-4520.0800); and Hearings (Minnesota Rules parts 4525.0100-4525.1000)

STATEMENT OF NEED AND REASONABLENESS

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The Ethics in Government Act, Minn. Stat.s 10A.02, subd.13, enacted in 1974, authorized the Ethical Practices Board to promulgate rules to carry out the purposes of the Act. Rules have been adopted governing Campaign Financing (Minnesota Rules parts 4500.0100-4500.4400) - adopted 1974; amended 1976, 1978, 1979, 1982); Economic Interest Disclosure (Minnesota Rules parts 4505.0100-4505.1000) - adopted 1974; amended 1976, 1978, 1979, 1982, 1985; Lobbyist Registration and Reporting (Minnesota Rules parts 4510.0100-4510.1400) - adopted 1974; amended 1979, 1982, 1985; Conflicts of Interest (Minnesota Rules parts 4515.0100-4515.0800) - adopted 1975; amended 1982, 1985; Representation Disclosure (Minnesota Rules parts 4520.0100-4520.0800) - adopted 1975;amended 1982, 1985; and Hearings (Minnesota Rules parts 4525.0100-4525.1000) - adopted 1976; amended 1982.

The need to amend these rules arises in order to implement registration and reporting requirements of Minn. Stat. ch. 10A enacted in Laws of 1st Special Session 1986 Chapter 3; 2nd District Court order, July, 1982; enable the Board to provide direction to individuals and associations required to register and file statements and reports with the Board; guide the Board in providing forms and monitoring compliance; provide the public with information regarding the data collected by Minn. Stat. ss 10A.01-10A.34;and remove obsolete provisions and language from existing rules.

The following material describes the need for and reasonableness of each rule proposed. To assist members of the public who are not trained in the law or in political activities and who are involved in endeavors regulated and administered by Minn. Stat. ch. 10A, rules which consolidate and interpret statutory language are crucial to the understanding of the rules.

Minnesota Rules chapter 4500: CAMPAIGN FINANCING

4500.0100 DEFINITIONS

Subpart 1b. Address. This rule is needed to ensure that statutory mailings under Sec. 10A.02, subd. 8 (b) are sent properly; provide access to correct information, as required by law; and assist in enforcement matters.

4500.1600 CONTRIBUTIONS FROM ASSOCIATIONS. The present rule is inconsistent with Sec. 10A.22, subd. 7, which provides the option of furnishing a report to a recipient committee or fund, along with the contribution. The proposed rule does not restrict the option to non-Minnesota and domiciled, federally registered committees or funds. Clarifies current Board procedures regarding Hennepin County-registered committees or funds. Proposed subpart 2, however, limits most Minnesota-domiciled associations' excessive use of the option, which use could be deemed contrary to the registration requirements imposed by Sec. 10A.14.

4500.3900 RESPONSIBILITIES OF TREASURERS. This rule is needed to clarify the procedures to be followed when there is a change in treasurers and to ensure timely accurate information for purposes of Board notification under Sec. 10A.02, subd. 8 (b) and access to required information; makes reference to the time period in which changed information must be submitted in writing under Sec. 10A.23.

4500.4100 TAX CREDIT AGREEMENT. This rule is needed to clarify that the agreement must be filed within the time required; "file" is defined at part 4500.0100, subp. 4.

4500.4200 TAX CREDIT AGREEMENT AND PUBLIC FINANCING AGREEMENT. This rule is needed to clarify that each agreement must be filed within the time required; "file" is defined at part 4500.0100, subp. 4.

4500.4400 TERMINATION OF REGISTRATION. This rule is needed to clarify procedures which treasurers and candidates must follow when applying the provisions of Laws of 1st Special Session 1986 Chapter 3; incorporates the Board's response to a candidate's inquiry about transfer of debts, October, 1985.

Minnesota Rules chapter 4505: ECONOMIC INTEREST DISCLOSURE

4505.0100 DEFINITIONS.
Subpart 1b. Address. This rule is needed to ensure that statutory mailings under Sec.10A.02, subd. 8(b) are sent properly; provide access to correct information, as required by law; and assist in enforcement matters.

4505.0300 LATE FILING FEES. The proposed amendment provides uniform reference to the administration of late filing notices which is consistent with late filing fee provisions in other chapters of Board rules.

Minnesota Rules chapter 4510: LOBBYIST REGISTRATION AND REPORTING

4510.0100 DEFINITIONS.
Subpart 2. Address. This rule is needed to ensure that statutory mailings under Sec. 10A.02, subd. 8(b) are sent properly; provide access to correct information, as required by law; and assist in law enforcement.

4510.1000 LOBBYIST DISBURSEMENTS FOR ADMINISTRATIVE ACTIONS. This rule is needed to clarify that reporting of actual disbursements incurred for administrative lobbying is required, not optional, as current rule may appear to infer.

Minnesota Rules chapter 4515: CONFLICTS OF INTEREST

4515.0100 DEFINITIONS.
Subpart 2. Address. The proposed amendment to this rule provides uniform reference consistent with other proposed rules to ensure that statutory mailings under Sec. 10A.08, subd. 8(b) are sent properly; provides access to correct information, as required by law; amd assist in enforcement matters.

Minnesota Rules chapter 4520: REPRESENTATION DISCLOSURE

4520.0100 DEFINITIONS.
Subpart 2. Address. The proposed amendment to this rule provides uniform reference consistent with other proposed rules to ensure that statutory mailings under Sec. 10A.08, subd. 8(b) are sent properly; provides access to correct information, as required by law; and assist in enforcement matters.

Minnesota Rules chapter 4525: HEARINGS

4525.0100 DEFINITIONS.
Subpart 1b. Address. This rule is needed to ensure that statutory mailings under Sec.10A.08, subd. 8(b) are sent properly; provides access to correct information, as required by law; and assist in enforcement matters.

4525.0200 COMPLAINTS OF VIOLATIONS. This rule is needed to establish consistent procedures for complaints of potential violations of Minn. Stat. ch. 10A. Subparts 2, 3, 5, and 6 are presently in effect in parts 4500.1300, 4525.0200, 4525.0300, and 4525.0400. Subpart 4 incorporates Board practice since 1981, on advice of counsel, since testimony on a complaint, investigation, or audit may become part of findings which may be introduced in court, depending upon whether the findings are of probable cause. The proposed rule eliminates obsolete language and unnecessary repetition of statutes in present rules. Subpart 5 incorporates tape recordings along with minutes to clarify confidentiality under Sec. 10A.02, subd. 11.

4525.0500 INVESTIGATIONS AND AUDITS. This rule is needed to establish consistent procedures for investigations and audits of potential violations of Minn. Stat. ch. 10A. Subparts 3, 4. and 5 are presently in effect in parts 4500.1300, 4525.0600, 4525.0700, and 4525.0800. The proposed rule eliminates obsolete language and unnecessary repetition of statutes in present rules.

REPEALER

4500.1300 COMPLAINTS OF VIOLATIONS. This rule is repealed and is proposed with amendments as part 4525.0200 to clarify its application to potential violations of Minn. Stat. ch. 10A.

4500.3100 NONCAMPAIGN DISBURSEMENTS;CONSTITUENT SERVICES.
Subpart 6. Print media report. This rule is repealed because it is inconsistent with Sec. 10A.01, subds. 7 and 10, as noted in a 2nd District Court order, July, 1982.

4525.0300 CONTENTS OF COMPLAINT. This rule is repealed to remove obsolete language and repetition of statutory language in Sec. 10A.02. Substance of the rule is proposed as an amendment to part 4525.0200.

4525.0400 INFORMAL NOTIFICATION OF VIOLATIONS. Substance of the rule is proposed as an amendment to part 4525.0200.

4525.0600 CONTESTED CASE HEARING. Substance of the rule is proposed as an amendment to parts 4525.0200 and 4525.0500.

4525.0700 BOARD ACTION FOLLOWING INVESTIGATION, AUDIT, OR HEARING. This rule is repealed to remove obsolete language. Substance of the rule is proposed as an amendment to part 4525.0500.

4525.0800 CONFIDENTIALITY. This rule is repealed to remove obsolete language and repetition of statutory languate in Sec. 10A.02. Substance of the rule is proposed as an amendment to parts 4525.0200 and 4525.0500.

SMALL BUSINESS CONSIDERATIONS IN RULEMAKING
When an agency amends an existing rule which may affect small businesses, Minn. Stat. s 14.115 requires that the agency consider certain methods for reducing the impact of the rule and to provide certain notices to small businesses.

It appears that the proposed amendments do not directly impact or affect small businesses, therefore, Minn.Stat. s 14.115 does not apply. Each amendment proposed regulates, by definition, individuals. Specifically, for part 4500.0100, subpt. 1b, individuals file registrations or reports of political committees or political funds. The amendments in chapters 4505, 4515, and 4520, which cover economic interest disclosure, conflicts of interest, and representation disclosure, govern candidates or public officials only (ss 10A.01, subd. 18; 10A.07; 10A.08; and 10A.09). The amendments in chapter 4510, affect lobbyists (s 10A.03), which can be only individuals (s 10A.01, subd. 11). The amendments in Chapter 4525, which cover hearings, govern individuals' actions.

However, these individuals' acts in complying with these regulations may affect small businesses, thus small business may be indirectly impacted by the regulatins. To this end, the Board considered all of the methods for reducing the impact of the amendments on small businesses listed in Minn. Stat. s 14.115, subd. 2.

However, none of the proposed amendments establish more stringent deadlines or regulations. In any case, the Board's position is that amending the rule to reduce the impact on small businesses would be contrary to the statutory objectives of chapter 10A to promote public confidence in state government decision-making through development and administration of disclosure to ensure public access to information filed with the Board.

Dated: November 24, 1986

Mary Ann McCoy
Mary Ann McCoy, Executive Director

In the matter of the Porposed Adoption of the Rule of the State Ethical Practices Board Governing Campaign Financing, Economic Interest Disclosure, Lobbyist Registration and Reporting, Conflicts of Interest, Representation Disclosure and Hearings

AFFIDAVIT OF MAILING THE NOTICE OF INTENT TO ADOPT A RULE WITHOUT A PUBLIC HEARING AND CERTIFICATE OF MAILING LIST

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

Cecilia Gerlach, being sworn says:

I hereby certify that the list of persons and associations who have requested, pursuant to Minnesota Statutes, sections 14.14, subdivision 1a and 14.22 or 14.30, that their names be placed on the Ethical Practices Board rulemaking list is accurate, complete, and current as of this first day of December, 1986.

That on the first day of December, 1986, at the City of St. Paul, County of Ramsey, State of Minnesota, I mailed the attached Notice of Intent to Adopt A Rule Without a Public Hearing by depositing in the State of Minnesota Central Mail System for United States mailing, a copy thereof, with postage prepaid, to all persons and associations on the aforementioned mailing list.

Cecilia Gerlach
Cecilia Gerlach

Administrative Secretary

Subscribed and sworn to before me
this first day of December, 1986.

Mary Ann McCoy
Mary Ann McCoy

MARY ANN McCOY
NOTARY PUBLIC-MINNESOTA
HENNEPIN COUNTY
My Comm. Expires June 30, 1990

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Ethical Practices Board

Proposed Rule Relating to Campaign Financing, Economic Interest Disclosure, Lobbyist Registration and Reporting, Conflicts of Interest, Representation Disclosure, and Hearings

Notice of Intent to Adopt a Rule without a Public Hearing

Notice is hereby given that the State Ethical Practices Board proposes to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in Minnesota Statutes, sections 14.22 to 14.28. The statutory authority to adopt the rule is Minnesota Statutes, section 10A.02, subd.13.

All persons have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule. The 30-day period ends January 7, 1987. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw the request in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the

proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the Board will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Comments or written requests for a public hearing should be submitted to Mary Ann McCoy, Executive Director, Ethical Practices Board, 625 North Robert Street, St. Paul, MN 55101-2520.

The proposed rule may be modified if the modifications are supported by data and views submitted to the Board and do not result in a substantial change in the proposed rule as noticed.

A copy of the proposed rule is attached to this notice.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Ms. McCoy upon request.

Please be advised that Minn.Stat.Ch.10A requires each lobbyist to register with the Ethical Practices Board within five days after she or he commences lobbying. A lobbyist is defined in Minn.Stat.s 10A.01, subd. 11 as 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 her or his own traveling expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by

communicating with or urging others to communicate with public officials; or (b)who spends more than $250, not including her or his own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating with or urging others to communicate with public officials. The statute provides certain exceptions. Questions should be directed to the Board at the address above, telephone (612)296-5615.

Minn. Stat. s 14.115 requires the Board to provide an opportunity for small businesses to participate in the rulemaking process. It appears that the proposed amendments do not directly affect small business, for by definition, the regulations are imposed on individuals. However, small businesses may be affected indirectly by these regulations, for example a lobbyist may disclose information on her or his registration which may affect small businesses. For more information on the possible small business impact, see the Statement of Need and Reasonableness.

If no hearing is required, upon adoption of the rule, the rule and the supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to Ceil Gerlach, at the Board Office address listed above.

Date: December 24, 1986

Mary Ann McCoy

Mary Ann McCoy, Executive Director

Ethical Practices Board

Proposed Permanent Rules Relating to Ethics in Government

Rules as Proposed

4500.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 1a. **Address.** "Address" means, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 2. to 8. [Unchanged.]

4500.1600 CONTRIBUTIONS FROM ~~NON-MINNESOTA-DOMICILED ASSOCIATIONS AND-DOMICILED,-FEDERALLY-REGISTERED-POLITICAL COMMITTEES-OR-POLITICAL-FUNDS.~~

~~Non-Minnesota-domiciled-associations-and-domiciled, federally-registered-political-committees-or-political-funds which-contribute~~ Subpart 1. **Optional disclosure.** An association that contributes more than $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 Minnesota Statutes, section 10A.20 for the reporting period in which the contribution was made.

Subp. 2. **Exception.** A Minnesota-domiciled association that makes separate contributions of more than $100 to more than three committees or funds in a calendar year must register with the board.

Subp. 3. **Hennepin County.** In lieu of registration with the board, an association registered with the Hennepin County filing officer under Laws of Minnesota 1980, chapter 362, that makes contributions of more than $100 to a committee or fund in a calendar year may notify the recipient committee of its registration with Hennepin county and instruct the recipient committee to include the notice when the recipient committee discloses receipt of the contribution.

4500.3900 RESPONSIBILITIES OF TREASURERS.

~~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~~

Subpart 1. **Change of treasurer.** The new treasurer or the candidate shall send the board written notice of a change of treasurers within ten days after the change occurs. ~~Such~~ The notice ~~shall~~ must include the name and address of the new treasurer and the effective date of the transfer of records and receipts to the new treasurer.

Subp. 2. **Former treasurer.** A former treasurer who transfers committee or fund records and receipts to a new treasurer is relieved of record retention responsibilities.

Subp. 3. **Canceled check.** A copy of a canceled check with an invoice stating the purpose of the expenditure will be treated as a receipted bill.

4500.4100 TAX CREDIT AGREEMENT.

A candidate may ~~sign~~ file a tax credit agreement at any time after registration of ~~his~~ the candidate's principal campaign committee for the office sought or held through December 31. An agreement ~~signed~~ filed on or after January 1 ~~shall~~ is not be applicable to a preceding calendar year.

4500.4200 TAX CREDIT AGREEMENT AND PUBLIC FINANCING AGREEMENT.

A candidate must ~~sign~~ file a separate agreement in order to participate in each public financing program.

4500.4400 TERMINATION OF REGISTRATION.

Subpart 1. **Termination report.** A termination report ~~shall~~ must cover the period from the closing date of the last previous report filed through the date of termination. Any terminated political committee or political fund which subsequently becomes subject to the registration and reporting requirements of the act is required to reregister.

Subp. 2. **Transfer of debts.** An agreement to terminate a candidate's principal committee for one office under Minnesota Statutes, section 10A.241, must be made in writing, signed by the candidate and the committee treasurers, and preserved in the records of each committee.

4505.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 1a. **Address.** "Address" means, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 2. to 5. [Unchanged.]

4505.0300 LATE FILING FEES.

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~~ is considered received by the addressee on the date refused. The late filing fee ~~will-then-commence~~ begins accumulating on the eighth day after refusal. A certified letter returned to the board as undelivered or refused ~~shall~~ must be forwarded by first class mail to the public official or candidate. An undelivered notice of late filing is considered received by the recipient five business days after the first class mailing. The late filing fee for an undelivered notice ~~will-commence~~ begins accumulating on the eighth day after the notice is deposited in first class mail. A late filing fee ~~will~~ must be charged through the business day preceding the day of filing of a late statement. A late filing fee ~~shall~~ may not be assessed for Saturday, Sunday, or legal holidays.

4510.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 1a. **Address.** "Address" means, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 2. to 5. [Unchanged.]

4510.1000 LOBBYIST DISBURSEMENTS FOR ADMINISTRATIVE ACTIONS.

A lobbyist who does both legislative and administrative

lobbying ~~may file separate reports for the purpose of segregating those~~ for the same entity in a reporting period shall disclose disbursements ~~which were incurred~~ for administrative lobbying ~~from those~~ and disbursements ~~incurred~~ for legislative lobbying~~. Unless separate reports are filed the board will treat all disbursements as legislative lobbying disbursements~~ in the categories specified in part 4510.0500, subpart 3, on the applicable lobbyist disbursement report.

4515.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 2. **Address.** "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~~, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 3. to 7. [Unchanged.]

4520.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 2. **Address.** "Address" means ~~street and number (post office box or rural route, if appropriate), room number (if any), city, and zip code~~, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than a home mailing address.

Subp. 4. to 7. [Unchanged.]

4525.0100 DEFINITIONS.

Subpart 1. [Unchanged.]

Subp. 1a. **Address.** "Address" means, for an individual, the individual's home mailing address or, for an association, the place where the association conducts its business, including the street and number, the post office box or rural route, if appropriate, the room number, and the city, state, and zip code. An individual may provide a business address rather than

a home mailing address.

Subp. 2. to 7. [Unchanged.]

4525.0200 ~~FILING-COMPLAINT~~ COMPLAINTS OF VIOLATIONS.

Subpart 1. **Who may complain.** ~~Any~~ A person ~~authorized-by-law-to-submit-to-the-board-a-complaint-that-any-person-has-not-complied-with-the-requirements-of-Minnesota-Statutes-1974,-sections-10A.01-to-10A.34~~ who believes a violation of Minnesota Statutes, chapter 10A or rules of the board has occurred may ~~request-that~~ submit an oral or written complaint to the board ~~investigate-the-alleged-noncompliance-by-filing-a-complaint~~.

Subp. 2. **Form.** There is no prescribed form for a written complaint, but all written complaints must be typewritten or handwritten legibly. The name and address of the person making the complaint must be typewritten or hand-printed on the complaint and it must be signed by the complainant. A complainant shall list the alleged violator and describe the complainant's knowledge of the alleged violation. Any evidentiary material should be submitted with the complaint. Complaints are not available for public inspection or copying until after the board makes a finding. No investigations are required if a complaint is frivolous on its face, illegible, too indefinite, does not identify the violator, or is unsigned by the complainant.

Subp. 3. **Oral complaints.** The board need not investigate an oral complaint. No investigation or audit may 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 form for an oral complaint, but all oral complaints must describe in sufficient detail the alleged violator and the violation.

Subp. 4. **Oath.** Before a witness gives testimony in a meeting conducted by the board under part 4525.0500 or this rule, the following oath must be administered to the witness: "Do you solemnly swear or affirm that you will fully and truly answer all questions put to you and that all statements made or submitted to this board are true to the best of your knowledge?"

Subp. 5. **Confidentiality.** 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 must be closed to the public. The minutes and tape recordings of the meeting must be kept confidential.

Subp. 6. **Hearings.** At any time during an investigation of a complaint, the board in its discretion, may hold a contested case hearing before making a finding on the complaint.

4525.0500 INVESTIGATIONS AND AUDITS.

~~Upon receipt of a complaint, the board or its employees shall undertake an investigation into the allegations contained therein. Immediately following receipt of a complaint, the executive director of the board shall inform the person complained against that a complaint has been filed against him.~~

Subpart 1. **No complaint.** The board may ~~also~~ undertake investigations or audits with respect to statements and reports which are filed or should have been filed under ~~the provisions of~~ Minnesota Statutes ~~1974, sections 10A.01 to 10A.34,~~ chapter 10A although no complaint has been filed. Any decision as to whether an investigation should be undertaken ~~shall~~ must be made at a closed meeting of the board.

Subp. 2. **Conduct.** ~~All~~ Investigations and audits ~~shall~~ must be conducted in an expeditious manner, but with regard for fundamental fairness. Within a reasonable time after undertaking an investigation or audit, the executive director of the board shall inform the person under investigation or audit of the fact of the investigation or audit. The board shall make no final decision on any investigation or audit unless the person under investigation or audit has been informed of the charges ~~against him~~ and has had the opportunity to make a statement to the board or its employees or agents.

Subp. 3. **Contested case hearing.** At any time during an investigation or audit, the board in its discretion may hold a contested case hearing before making a finding on any investigation or audit.

Subp. 4. **Dispositions.** At the conclusion of an investigation or audit or after a hearing if a hearing has been ordered, the board shall take the action in item A or B or both of those actions.

A. The board may make a finding that there is or is not probable cause to conclude that a violation of Minnesota Statutes, chapter 10A has occurred. The board shall report any finding of probable cause to the appropriate law enforcement authorities.

B. The board may authorize the commencement of a civil action for injunctive or other appropriate relief.

Subp. 5. **Board meetings.** Board meetings related to an investigation or audit must be conducted in accordance with part 4525.0200, subparts 3 to 6.

REPEALER. Parts 4500.1300; 4500.3100, subpart 6; 4525.0300; 4525.0400; 4525.0600; 4525.0700; and 4525.0800 are repealed.

STATE OF MINNESOTA
COUNTY OF RAMSEY

ETHICAL PRACTICES BOARD

- -

In the matter of Proposed Rules governing Campaign Financing (Minnesota Rules parts 4500.0100-4500.4400); Economic Interest Disclosure (Minnesota Rules parts 4505.0100 -4505.1000); Lobbyist Registration and Reporting (Minnesota Rules parts 4510.0100-4510.1400);Conflicts of Interest (Minnesota Rules parts 4515.0100-4515.0800);Representation Disclosure (Minnesota Rules parts 4520.0100-4520.0800); and Hearings (Minnesota Rules parts 4525.0100-4525.1000)

STATEMENT OF NEED AND REASONABLENESS

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The Ethics in Government Act, Minn. Stat.s 10A.02, subd.13, enacted in 1974, authorized the Ethical Practices Board to promulgate rules to carry out the purposes of the Act. Rules have been adopted governing Campaign Financing (Minnesota Rules parts 4500.0100-4500.4400) - adopted 1974; amended 1976, 1978, 1979, 1982); Economic Interest Disclosure (Minnesota Rules parts 4505.0100-4505.1000) - adopted 1974; amended 1976, 1978, 1979, 1982, 1985; Lobbyist Registration and Reporting (Minnesota Rules parts 4510.0100-4510.1400) - adopted 1974; amended 1979, 1982, 1985; Conflicts of Interest (Minnesota Rules parts 4515.0100-4515.0800) - adopted 1975; amended 1982, 1985; Representation Disclosure (Minnesota Rules parts 4520.0100-4520.0800) - adopted 1975;amended 1982, 1985; and Hearings (Minnesota Rules parts 4525.0100-4525.1000) - adopted 1976; amended 1982.

The need to amend these rules arises in order to implement registration and reporting requirements of Minn. Stat. ch. 10A enacted in Laws of 1st Special Session 1986 Chapter 3; 2nd District Court order, July, 1982; enable the Board to provide direction to individuals and associations required to register and file statements and reports with the Board; guide the Board in providing forms and monitoring compliance; provide the public with information regarding the data collected by Minn. Stat. ss 10A.01-10A.34;and remove obsolete provisions and language from existing rules.

The following material describes the need for and reasonableness of each rule proposed. To assist members of the public who are not trained in the law or in political activities and who are involved in endeavors regulated and administered by Minn. Stat. ch. 10A, rules which consolidate and interpret statutory language are crucial to the understanding of the rules.

Minnesota Rules chapter 4500: CAMPAIGN FINANCING

4500.0100 DEFINITIONS

Subpart 1b. Address. This rule is needed to ensure that statutory mailings under Sec. 10A.02, subd. 8 (b) are sent properly; provide access to correct information, as required by law; and assist in enforcement matters.

4500.1600 CONTRIBUTIONS FROM ASSOCIATIONS. The present rule is inconsistent with Sec. 10A.22, subd. 7, which provides the option of furnishing a report to a recipient committee or fund, along with the contribution. The proposed rule does not restrict the option to non-Minnesota and domiciled, federally registered committees or funds. Clarifies current Board procedures regarding Hennepin County-registered committees or funds. Proposed subpart 2, however, limits most Minnesota-domiciled associations' excessive use of the option, which use could be deemed contrary to the registration requirements imposed by Sec. 10A.14.

4500.3900 RESPONSIBILITIES OF TREASURERS. This rule is needed to clarify the procedures to be followed when there is a change in treasurers and to ensure timely accurate information for purposes of Board notification under Sec. 10A.02, subd. 8 (b) and access to required information; makes reference to the time period in which changed information must be submitted in writing under Sec. 10A.23.

4500.4100 TAX CREDIT AGREEMENT. This rule is needed to clarify that the agreement must be filed within the time required; "file" is defined at part 4500.0100, subp. 4.

4500.4200 TAX CREDIT AGREEMENT AND PUBLIC FINANCING AGREEMENT. This rule is needed to clarify that each agreement must be filed within the time required; "file" is defined at part 4500.0100, subp. 4.

4500.4400 TERMINATION OF REGISTRATION. This rule is needed to clarify procedures which treasurers and candidates must follow when applying the provisions of Laws of 1st Special Session 1986 Chapter 3; incorporates the Board's response to a candidate's inquiry about transfer of debts, October, 1985.

Minnesota Rules chapter 4505: ECONOMIC INTEREST DISCLOSURE

4505.0100 DEFINITIONS.
Subpart 1b. Address. This rule is needed to ensure that statutory mailings under Sec.10A.02, subd. 8(b) are sent properly; provide access to correct information, as required by law; and assist in enforcement matters.

4505.0300 LATE FILING FEES. The proposed amendment provides uniform reference to the administration of late filing notices which is consistent with late filing fee provisions in other chapters of Board rules.

Minnesota Rules chapter 4510: LOBBYIST REGISTRATION AND REPORTING

4510.0100 DEFINITIONS.
Subpart 2. Address. This rule is needed to ensure that statutory mailings under Sec. 10A.02, subd. 8(b) are sent properly; provide access to correct information, as required by law; and assist in law enforcement.

4510.1000 LOBBYIST DISBURSEMENTS FOR ADMINISTRATIVE ACTIONS. This rule is needed to clarify that reporting of actual disbursements incurred for administrative lobbying is required, not optional, as current rule may appear to infer.

Minnesota Rules chapter 4515: CONFLICTS OF INTEREST

4515.0100 DEFINITIONS.
Subpart 2. Address. The proposed amendment to this rule provides uniform reference consistent with other proposed rules to ensure that statutory mailings under Sec. 10A.08, subd. 8(b) are sent properly; provides access to correct information, as required by law; amd assist in enforcement matters.

Minnesota Rules chapter 4520: REPRESENTATION DISCLOSURE

4520.0100 DEFINITIONS.
Subpart 2. Address. The proposed amendment to this rule provides uniform reference consistent with other proposed rules to ensure that statutory mailings under Sec. 10A.08, subd. 8(b) are sent properly; provides access to correct information, as required by law; and assist in enforcement matters.

Minnesota Rules chapter 4525: HEARINGS

4525.0100 DEFINITIONS.
Subpart 1b. Address. This rule is needed to ensure that statutory mailings under Sec.10A.08, subd. 8(b) are sent properly; provides access to correct information, as required by law; and assist in enforcement matters.

4525.0200 COMPLAINTS OF VIOLATIONS. This rule is needed to establish consistent procedures for complaints of potential violations of Minn. Stat. ch. 10A. Subparts 2, 3, 5, and 6 are presently in effect in parts 4500.1300, 4525.0200, 4525.0300, and 4525.0400. Subpart 4 incorporates Board practice since 1981, on advice of counsel, since testimony on a complaint, investigation, or audit may become part of findings which may be introduced in court, depending upon whether the findings are of probable cause. The proposed rule eliminates obsolete language and unnecessary repetition of statutes in present rules. Subpart 5 incorporates tape recordings along with minutes to clarify confidentiality under Sec. 10A.02, subd. 11.

4525.0500 INVESTIGATIONS AND AUDITS. This rule is needed to establish consistent procedures for investigations and audits of potential violations of Minn. Stat. ch. 10A. Subparts 3, 4. and 5 are presently in effect in parts 4500.1300, 4525.0600, 4525.0700, and 4525.0800. The proposed rule eliminates obsolete language and unnecessary repetition of statutes in present rules.

REPEALER

4500.1300 COMPLAINTS OF VIOLATIONS. This rule is repealed and is proposed with amendments as part 4525.0200 to clarify its application to potential violations of Minn. Stat. ch. 10A.

4500.3100 NONCAMPAIGN DISBURSEMENTS;CONSTITUENT SERVICES.
Subpart 6. Print media report. This rule is repealed because it is inconsistent with Sec. 10A.01, subds. 7 and 10, as noted in a 2nd District Court order, July, 1982.

4525.0300 CONTENTS OF COMPLAINT. This rule is repealed to remove obsolete language and repetition of statutory language in Sec. 10A.02. Substance of the rule is proposed as an amendment to part 4525.0200.

4525.0400 INFORMAL NOTIFICATION OF VIOLATIONS. Substance of the rule is proposed as an amendment to part 4525.0200.

4525.0600 CONTESTED CASE HEARING. Substance of the rule is proposed as an amendment to parts 4525.0200 and 4525.0500.

4525.0700 BOARD ACTION FOLLOWING INVESTIGATION, AUDIT, OR HEARING. This rule is repealed to remove obsolete language. Substance of the rule is proposed as an amendment to part 4525.0500.

4525.0800 CONFIDENTIALITY. This rule is repealed to remove obsolete language and repetition of statutory languate in Sec. 10A.02. Substance of the rule is proposed as an amendment to parts 4525.0200 and 4525.0500.

SMALL BUSINESS CONSIDERATIONS IN RULEMAKING

When an agency amends an existing rule which may affect small businesses, Minn. Stat. s 14.115 requires that the agency consider certain methods for reducing the impact of the rule and to provide certain notices to small businesses.

It appears that the proposed amendments do not directly impact or affect small businesses, therefore, Minn.Stat. s 14.115 does not apply. Each amendment proposed regulates, by definition, individuals. Specifically, for part 4500.0100, subpt. 1b, individuals file registrations or reports of political committees or political funds. The amendments in chapters 4505, 4515, and 4520, which cover economic interest disclosure, conflicts of interest, and representation disclosure, govern candidates or public officials only (ss 10A.01, subd. 18; 10A.07; 10A.08; and 10A.09). The amendments in chapter 4510, affect lobbyists (s 10A.03), which can be only individuals (s 10A.01, subd. 11). The amendments in Chapter 4525, which cover hearings, govern individuals' actions.

However, these individuals' acts in complying with these regulations may affect small businesses, thus small business may be indirectly impacted by the regulatins. To this end, the Board considered all of the methods for reducing the impact of the amendments on small businesses listed in Minn. Stat. s 14.115, subd. 2.

However, none of the proposed amendments establish more stringent deadlines or regulations. In any case, the Board's position is that amending the rule to reduce the impact on small businesses would be contrary to the statutory objectives of chapter 10A to promote public confidence in state government decision-making through development and administration of disclosure to ensure public access to information filed with the Board.

Dated: November 24, 1986

Mary Ann McCoy

Mary Ann McCoy, Executive Director

STATE OF MINNESOTA
STATE ETHICAL PRACTICES BOARD
625 NORTH ROBERT STREET
ST. PAUL, MINNESOTA 55101-2520
PHONE: (612) 296-5148

CERTIFICATE OF BOARD'S

RESOLUTION ADOPTING RULE WITHOUT A PUBLIC HEARING

I, Mary Smith, do hereby certify that I am a member and the Chair of the Board of Ethical Practices, 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 January, 1987, that a quorum was present, and that a majority of those present voted for the resolution which has not been rescinded or modified.

"RESOLVED, that the rule relating to Campaign Financing, Economic Interest Disclosure, Lobbyist Registration and Reporting, Conflicts of Interest, Representation Disclosure, and Hearings is approved and adopted, pursuant to authority vested in Board by Minnesota Statutes, section 10A.02, subd. 13. Mary Ann McCoy, the executive director of the Board of Ethical Practices, is authorized to sign the findings of fact, conclusions, and order adopting the rule and further is authorized to modify the rule if necessary to obtain the approval of the rule by the attorney general and to perform the necessary acts to provide that the rule shall have the force and effect of law."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 30th day of January, 1987.

Attested by

Mary Hill Smith

STATE OF MINNESOTA

ETHICAL PRACTICES BOARD

In the Matter of the Proposed Adoption of the Rule of the State Ethical Practices Board Governing Campaign Financing (Minnesota Rules parts 4500.0100-4500.4400); Economic Interest Disclosure (Minnesota Rules parts 4505.0100-4505.1000); Lobbyist Registration and Reporting (Minnesota Rules parts 4510.0100-4510.1400); Conflicts of Interest (Minnesota Rules parts 4515.0100-4515.0800); Representation Disclosure (Minnesota Rules parts 4520.0100-4520.0800); and Hearings (Minnesota Rules parts 4525.0100-4525.1000)

FINDINGS OF FACT, CONCLUSIONS, AND ORDER ADOPTING RULE WITHOUT PUBLIC HEARING

Notice of the Board's intent to adopt the above-entitled rule was published in the **State Register** on December 8, 1986 and was sent by United States mail to all persons on the list maintained by the agency pursuant to Minnesota Statutes, sections 14.14, subdivision 1a and 14.22 on December 1, 1986. The statement of need and reasonableness was prepared before the notice of intent to adopt a rule without a public hearing was mailed to all persons on the rulemaking mailing list and published in the **State Register** and was available to the public.

All persons were given the opportunity to submit comment on the rule for 30 days after notice of proposed rulemaking. No requests for a public hearing on the rule were received by the agency. No requests for notice of submission to the attorney general were received by the agency.

Based on the comments and evidence in the record before the agency, the Board finds the following:

Minn. Rules pt. 4525.0200, subpart 5. The sentence beginning "The minutes and tape recordings ...." should be changed to read "The minutes and tape recordings of ~~the~~ a meeting closed to the public must be kept confidential." The language added is needed to clarify that minutes and tape recordings of the portion of a Board meeting which is closed to the public under Minn. Stat. §10A.02, subd. 11 must be kept confidential and that minutes and tape recordings of the portion of the meeting that is open to the public are not confidential. The amendment is noncontroversial and does not change the substance of the rule as proposed.

The above-captioned rule is needed and reasonable.

NOW, THEREFORE, IT IS ORDERED that the rule identified as modified is adopted this 30th day of January, 1987, pursuant to authority vested in the Board by Minnesota Statutes, section 10A.02, subd. 13.

Mary Ann McCoy

Mary Ann McCoy
Executive Director

In the Matter of the Proposed Adoption of the Rule of the State Ethical Practices Board Governing Campaign Financing (Minnesota Rules parts 4500.0100-4500.4400); Economic Interest Disclosure (Minnesota Rules parts 4505.0100-4505.1000); Lobbyist Registration and Reporting (Minnesota Rules parts 4510.0100-4510.1400); Conflicts of Interest (Minnesota Rules parts 4515.0100-4515.0800); Representation Disclosure (Minnesota Rules parts 4520.0100-4520.0800); and Hearings (Minnesota Rules parts 4525.0100-4525.1000)

DECLARATION OF COUNSEL

I, Martha J. Casserly, Special Assistant Attorney General do hereby declare that I have examined the above-captioned rule, and the supporting rulemaking record, and that, based on my examination, the Administrative Procedure Act and Minnesota Rules, chapter 2010 have been followed. Any exceptions are listed below. For Attorney General billing purposes, the four-digit docket client code is 0428.

Dated: February 3, 1987

Martha J Casserly

MARTHA J. CASSERLY
Special Assistant
Attorney General

In the Matter of the Proposed Adoption of the Rule of the State Ethical Practices Board Governing Campaign Financing (Minnesota Rules parts 4500.0100-4500.4400); Economic Interest Disclosure (Minnesota Rules parts 4505.0100-4505.1000); Lobbyist Registration and Reporting (Minnesota Rules parts 4510.0100-4510.1400); Conflicts of Interest (Minnesota Rules parts 4515.0100-4515.0800): Representation Disclosure (Minnesota Rules parts 4520.0100-4520.0800) and Hearings (Minnesota Rules parts 4525.0100-4525.1000)

NOTICE OF SUBMISSION OF RULE ADOPTED WITHOUT PUBLIC HEARING TO THE ATTORNEY GENERAL

Pursuant to your request and in accordance with Minnesota Statutes, section 14.26:

PLEASE TAKE NOTICE that the above-captioned rule as adopted has been submitted to the Office of the Attorney General on the date of this notice, February 3, 1987, for review as to legality and form to the extent form relates to legality. The proposed rule, the rule as adopted, all the notices, the Statement of Need and Reasonableness, all written comments and requests for a hearing received, and other required documents also have been submitted to the Attorney General.

The proposed rule which was published in the **State Register** and made available to the public on December 8, 1986, has been modified. A copy of the rule as modified and the findings of fact, conclusions, and order explaining the amendments and adopting the rule are enclosed with this notice.

The rule must be approved or disapproved by the Attorney General within 14 calendar days of the date of sumission to the attorney general. You may submit written comments to the attorney general on the legality of the rule. Any written comments must be submitted within eight calendar days of the date of submission of the rule to the Attorney General. Your comments must address only the issue of legality of the rule or the legality of the specific parts or subparts of the rule. The attorney general standards for review are set forth in Minnesota Rules, part 2010.1000. You may receive a copy of the attorney general decision upon written request to the attorney general. Your comments or requests for the decision must be directed to:

The Office of the Attorney General
204 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Telephone Number: (612) 296-1288

Any written comments submitted to the Attorney General must be submitted simultaneously to:

Mary Ann McCoy
625 North Robert Street
Saint Paul, Minnesota 55101-2520

Dated: February 3, 1987

Mary Ann McCoy
Executive Director

In the Matter of the Proposed Adoption of the Rule of the State Ethical Practices Board Governing Campaign Financing (Minnesota Rules parts 4500.0100-4500.4400); Economic Interest Disclosure (Minnesota Rules parts 4505.0100-4505.1000); Lobbyist Registration and Reporting (Minnesota Rules parts 4510.0100-4510.1400); Conflicts of Interest (Minnesota Rules parts 4515.0100-4515.0800); Representation Disclosure (Minnesota Rules parts 4520.0100-4520-0800); and Hearings (Minnesota Rules parts 4525.0100-4525.1000)

AFFIDAVIT OF MAILING THE NOTICE OF SUBMISSION OF RULE ADOPTED WITHOUT PUBLIC HEARING TO THE ATTORNEY GENERAL

STATE OF MINNESOTA)
)
COUNTY OF RAMSEY)

Cecilia Gerlach, being sworn says:

That on the 3rd day of February, 1987, in the City of St. Paul, County of Ramsey, State of Minnesota, I mailed the attached Notice of Submission to the Attorney General by depositing in the State of Minnesota Central Mail System for United States mailing, a copy thereof, with postage prepaid, to all persons and associations who requested notice that the rule in the above-entitled matter has been submitted to the Attorney General.

Cecilia Gerlach
Cecilia Gerlach
Administrative Secretary

Subscribed and sworn to before me
this 3rd day of February, 1987.

Mary Ann McCoy

MARY ANN McCOY
NOTARY PUBLIC-MINNESOTA
HENNEPIN COUNTY
My Comm. Expires June 30, 1990

SF-00006-03

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL-Administration

Office Memorandum

TO: J. MICHAEL MILES, Assistant Attorney General
RITA DESMOND, Legal Assistant

DATE: 2-2-87

FROM: MARTHA J. CASSERLY
Special Assistant
Attorney General

PHONE: 296-4692

SUBJECT: In the Matter of the Adoption of the Ethical Practices Board Rule

The Ethical Practices Board is submitting the enclosed rule for your review pursuant to Minn. Stat. § 14.26 (1986). Enclosed are the following documents supporting this submission:

1. Certificate of the Board's authorizing resolution;
2. Copy of the proposed rule as approved by the revisor of statutes;
3. Notice of intent to adopt the rule without a public hearing (as mailed);
4. Statement of Need and Reasonableness;
5. Affidavit of mailing notice of intent to adopt the rule;
6. Copy of the notice of intent to adopt the rule as published in the State Register;
7. Four copies of the rule as adopted;
8. Certificate of the Board's resolution adopting the rule;
9. Findings of fact, conclusions and order adopting the rule;
10. All written requests, submissions, and comments received by the Board;
11. Declaration of Counsel;
12. Notice of submission of the rule to the Attorney General;
13. Affidavit of mailing the notice of submission of the rule to the Attorney General.

The Board neither solicited outside opinion nor received a petition for adoption of the rule.

If you have any questions or concerns about the rule, please let me know.

MJC:tt

cc: Mary Ann McCoy

RECEIVED
FEB 2 1987
ATTORNEY GENERAL
ADMINISTRATIVE AGENCIES

SF-00006-03

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL-Administration

Office Memorandum

TO: MARY ANN MCCOY
Executive Director
Ethical Practices Board

DATE: 12-17-86



FROM: MARTHA J. CASSERLY
Special Assistant
Attorney General

PHONE: 296-4692

SUBJECT: Comment on Ethical Practices Board Proposed Rules

In your absence, on December 10, 1986, I received a phone call from Sue Holbert from the Historical Society, Archives Center, who had a number of questions regarding the Ethical Practices Board's proposed rule subpart 4525.0200 subp. 5. Most of her questions concerned the Board's authority to provide that certain information is confidential. I referred Ms. Holbert to Minn. Stat. § 10A.02, subd. 11 and we discussed this statute and rule in some length.

I believe I answered Ms. Holbert's questions and resolved her concerns to her satisfaction with one exception. Ms. Holbert suggests that the last sentence in subpart 5 be clarified. The sentence provides that the minutes and tape recordings of the meeting must be kept confidential. Ms. Holbert is concerned that the rule could be construed to provide that the minutes and tape recordings of the public portion of the meeting also be confidential. I assured Ms. Holbert that this was certainly not the intention or practice.

Nevertheless, Ms. Holbert requested that I forward her suggestion that the sentence be expressly limited to the portion of the meeting which is closed to the public. Let me know if you wish to discuss this further.

MJC:tt

MMA
MINNESOTA MEDICAL ASSOCIATION
612/378-1875

James F. Knapp, M.D.
PRESIDENT
L. Ashley Whitesell, M.D.
PRESIDENT-ELECT
Robert D. Christensen, M.D.
CHAIRMAN OF THE BOARD
Steven D. Carter
CHIEF EXECUTIVE OFFICER



January 12, 1987

Ceil Gerlach
Ethical Practices Board
625 N. Robert Street
St. Paul, MN 55101-2520

Dear Ms. Gerlach:

Please send me notification of the date of submission to the Attorney General of the proposed amendments to the Ethical Practices Board Rules. Also please send me a copy of the adopted rules.

Thank you very much.

Sincerely yours,

Robert Eelkema

Robert Eelkema
Senior Policy Analyst

RE:laf

Notice of Intent - OK

Rule

may notify p2 ln 2

may file p2 ln 23 - not dangerous

10A.02 OK