

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

DEPARTMENT: Office of the Attorney General

STATE OF MINNESOTA

OFFICE MEMORANDUM

DATE: December 12, 1990

TO: MARY ANN MCCOY
Ethical Practices Board

FROM: CHARLENE HATCHER
Special Assistant Attorney General
525 Park Street, Suite 500 (55103)

PHONE: 296-9422

SUBJECT: In the Matter of the Adopted Rule Relating to Campaign Financing

The above-referenced rule has been approved as to its legality by the Attorney General on December 10, 1990.

Enclosed is your 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, submissions or comments along with any extra copies of documents which you submitted to the Attorney General.

Your next step is to arrange for publication of the Notice of Adoption in the State Register. In a day or two, you should receive from the Revisor's Office three copies of tne notice of adoption of your rule. You should submit two copies of the Notice of Adoption to the State Register for publication. A permanent rule without a hearing does not become effective until five days after a notice of adoption is published 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.

CH:sc
Enclosures
cc: William Brown, Chief Judge
MaryAnn Hruby
Martha J. Casserly

CH

RULE REVIEW CHECKLIST

File No. 1761
DATE RECEIVED 11-26-90
REVIEW DATE 12-5-90
DUE DATE 12-10-90
(DIS)APPROVED 12-10-90
WITHDRAWN _____

Docket No. 05.0009.0428
ADOPTED W/O HEARING _____
EMERGENCY RULE _____
TO REVISOR ON 11-28-90
REVISOR (DIS)APPROVED _____
FILED W/SEC. OF STATE 12-11-90
RETURNED TO AGENCY _____

✓ Rule as adopted (4 copies)

_____ Notice to Solicit Outside Information/Opinion (if applicable)
_____ Date published in State Register
_____ Comments

_____ Petition for Adoption of a Rule

✓ Board's Authorizing Resolution
July 26, 1990 Date adopted

✓ Proposed Rule
✓ Revisor's Certificate

✓ Notice of Intent to Adopt Rule
10A.02 subd 13 Statutory Authority
_____ Small Business Statement
_____ Expenditure of public money statement
August 30, 1990 Signature

✓ Statement of Need and Reasonableness (if applicable)
_____ Small Business Statement
August 20, 1990 Fees - § 16A.128

✓ Affidavit of Mailing Notice of Intent to Adopt Rule
August 20, 1990 Dated 30/25 days before adoption
✓ Notice attached indicates it is attached
_____ Copy of rule or summary attached

✓ Publication in State Register
Sept 4, 1990 Date 30/25 days before adoption

✓ 180-day deadline from:
NA Effective date of law requiring rule (14.12) (both rules) amendments don't apply
NA end of comment period (§ 14.26) (rules without hearing)
_____ effective date of statutory authority (§ 14.29) (emergency rules)

✓ Resolution Adopting
Oct 25, 1990 Date adopted

_____ Findings of Fact, Conclusions & Order Adopting
_____ Date

_____ Written Requests, Submissions or Comments

✓ Declaration of Attorney
Marty Casserly Name of SAAG representing agency

_____ Notice of Submission to Attorney General (if applicable)

_____ Affidavit of Mailing Notice to Attorney General (if applicable)

Ethical Practices Board

Adopted Permanent Rules Relating to Campaign Financing

Rules as Adopted

CAMPAIGN FINANCING

4500.0100 DEFINITIONS.

[For text of subps 1 to 3, see M.R.]

Subp. 4. **File, filed, filing.** "File," "filed," and "filing" mean delivery to the office of the board of a document bearing the original signature of the individual who submits the document by 4:30 p.m. on the prescribed filing date or postmarked on the filing date. If the filing date is a Saturday, Sunday, or legal holiday, the filing date is the next regular business day.

[For text of subps 5 to 8, see M.R.]

4500.1100 CERTIFICATION.

Subpart 1. **Signature.** The original signature of the treasurer or deputy treasurer of record is sufficient certification on forms prescribed by the board. A candidate may sign forms that the treasurer or deputy treasurer of the committee is required to file.

Subp. 2. **Notarization.** Notarization is not required, except for the affidavit of contributions in Minnesota Statutes, section 10A.323.

4500.1200 CHANGE OF OFFICE SOUGHT BY CANDIDATE.

[For text of subpart 1, see M.R.]

Subp. 1a. **Exception.** A candidate with principal campaign committees for more than one statewide office who signs a public subsidy agreement for one of the offices must aggregate the campaign expenditures of all of the committees for statewide office for purposes of the application of the limits on campaign expenditures under Minnesota Statutes, section 10A.25, subdivision 2, clauses (a) to (c).

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[For text of subp 2, see M.R.]

Subp. 3. **Public subsidy agreement.** A candidate may sign a public subsidy agreement for the office for which the candidate files an affidavit of candidacy in the general election year, as provided in part 4500.3500.

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 committee or fund with a report of receipts and expenditures containing all information required by Minnesota Statutes, sections 10A.20 and 10A.22, subdivision 7. If an association uses this option, the report must include the association's transactions covering at least the 30 days immediately preceding and through the end of the business day on which the contribution is made.

Subp. 2. **Exception.** An 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.

[For text of subp 3, see M.R.]

4500.1700 CONTRIBUTION LIMITS; POLITICAL PARTY DEFINITION.

Subpart 1. **List of categories.** The registration and statement of organization of a political party under Minnesota Statutes, section 10A.14, subdivision 2, clause (f), must include the list of the names of the party units organized within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

Subp. 2. **Aggregate political party contribution limit.** For purposes of determining an aggregate political party contribution limit, the organization of a political party does not include a political party ward organization; a social club of a political party in a congressional district, legislative district, municipality, or precinct; an auxiliary committee of a

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political party unit defined by Minnesota Statutes, section 10A.27, subdivision 4; or an association as defined in Minnesota Statutes, section 10A.01, subdivision 3, that uses a political party name and is not listed in Minnesota Statutes, section 10A.27, subdivision 4.

4500.2200 FUNDRAISING EVENT.

Subpart 1. **Fundraising event held for one or two candidates.** The expenses of a fundraising event held by the state or local committee of a political party for one or two candidates are a donation in kind and, except for food and beverage consumed at the fundraising event and the payment for entertainment and facility rental for the fundraising event, must be reported as a campaign expenditure by the candidate or candidates under the following conditions: the fundraising event is expressly or implicitly approved by the candidate or the candidate's treasurer or agent to be held on behalf of the candidate; and the candidate or candidates are clearly identified in advertisements, tickets, or any advance publicity for the fundraising event; and the candidate receives proceeds, if any, from the fundraising event. "Clearly identified" means that the name of the candidate is used, or a photograph or drawing of the candidate appears, or the identity of the candidate is apparent by unambiguous reference.

Subp. 2. **Joint fundraising event.** A separate committee may be established by two or more candidates to report the contributions and expenditures as required by the act for a fundraising event held jointly. The expenses of the fundraising event must be allocated among the candidates on a reasonable proportionate basis as donations in kind, and, except for food and beverage consumed at a fundraising event and the payment for entertainment and facility rental for the fundraising event, as campaign expenditures. A transfer of funds to a candidate combined with the value of donations in kind from that committee may not exceed the applicable contribution limit for an individual, political committee, or political fund set forth in

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Minnesota Statutes, section 10A.27, subdivision 1.

Subp. 3. **Sessional fundraising.** If the board makes a public finding that there is probable cause to believe a violation of Minnesota Statutes, section 10A.065, has occurred, in lieu of pursuing or enforcing a judgment, the board may attempt to negotiate a settlement agreement with the candidate, political committee, or political fund for payment of the civil fine.

4500.2500 JOINT LIMITS FOR GOVERNOR AND LIEUTENANT GOVERNOR.

Subpart 1. **Public subsidy agreement.** Following their joint endorsement or filing for office, candidates for governor and lieutenant governor must jointly sign the public subsidy agreement if they wish to receive a public subsidy.

[For text of subps 2 to 4, see M.R.]

4500.2900 USE OF CREDIT CARDS.

Subpart 1. **Contributions.** A candidate or treasurer of a political committee or political fund may approve the solicitation and collection of campaign contributions through the use of credit cards. An organization that issues credit cards, when acting in the ordinary course of business by collecting and disbursing funds designated by the card holders for contributions to a committee or fund, is not required to register or report.

Subp. 2. **Expenditures; disbursements.** A treasurer who reimburses a credit card company for campaign expenditures or noncampaign disbursements that require itemization on a report of receipts and expenditures under Minnesota Statutes, section 10A.20, must disclose the purpose and the name and address of the vendor supplying the good or service for which payment is made.

4500.3200 MISCELLANEOUS NONCAMPAIGN DISBURSEMENTS.

Other expenses that are to be reported as miscellaneous noncampaign disbursements if paid for by the principal campaign committee of the candidate include but are not limited to:

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costs for child care for the candidate's children when campaigning, fees, transportation, and lodging paid to attend a campaign school, costs of a postelection party during the election year when a candidate's name will no longer appear on a ballot or the general election is concluded, whichever occurs first, interest on loans paid by a principal campaign committee on outstanding loans, filing fees, if permitted by other Minnesota law, and thank-you notes or advertisements in the news media following a general election.

4500.3300 ORGANIZATION OF POLITICAL COMMITTEES AND POLITICAL FUNDS.

[For text of subpart 1, see M.R.]

Subp. 1a. **Principal campaign committee.** A candidate may be chair or treasurer of the candidate's own principal campaign committee. All candidates are ultimately responsible for the principal campaign committee's compliance with Minnesota Statutes, chapter 10A.

[For text of subps 2 to 4, see M.R.]

4500.3500 PUBLIC SUBSIDY.

Subpart 1. **Expenditure limits.** A candidate or officeholder who signs an agreement to participate in the state elections campaign fund is bound by the expenditure limits in an election year and nonelection year whether or not the candidate actually receives funds from the state elections campaign fund.

Subp. 2. **Filing date.** To be effective, a public subsidy agreement must bear the original signature of the candidate and must be received in the office of the Ethical Practices Board or postmarked no later than September 1 of the general election year. For a special election for which the filing period does not coincide with a general election, the candidate must submit the agreement to the board not later than the day after filing an affidavit of candidacy or nominating petition for the office sought.

Subp. 3. **Contribution refund receipts.** The board shall provide to a political party upon request or to a candidate with

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an effective public subsidy agreement a supply of official contribution receipt forms. A contributor who is given a receipt form may be eligible to claim a refund of the contribution by filing a claim with the Department of Revenue under Minnesota Statutes, section 290.06, subdivision 23.

Subp. 4. **Affidavit of contributions.** To be eligible to receive payment of a public subsidy, a candidate who has timely signed and filed a public subsidy agreement must file with the board an affidavit stating that the candidate has accumulated contributions equal to 20 percent or more of the August 15 estimate of what the candidate would receive from the state elections campaign fund. The affidavit must be notarized and received by the board on or before or postmarked on October 1 of the general election year. For a special election for which the filing period does not coincide with a general election, the candidate must submit the affidavit not later than five days after filing an affidavit of candidacy or nominating petition for the office sought.

4500.4300 SPECIAL ELECTIONS.

[For text of subps 1 and 2, see M.R.]

Subp. 4. **Public subsidy.** A candidate in a special election who wishes to be eligible to receive a public subsidy must sign and file with the board a public subsidy agreement and affidavit of contributions as provided in Minnesota Statutes, section 10A.315, and according to part 4500.3500, subparts 2 and 4.

Subp. 5. **Contribution refund receipts.** A candidate in a special election who has signed and timely filed a public subsidy agreement may issue contribution receipt forms to contributors according to part 4500.3500, subpart 3.

4500.4400 TERMINATION OF REGISTRATION.

[For text of subpart 1, see M.R.]

Subp. 1a. **Exception.** A committee or fund with debts more than six years old that receives no contribution or makes no expenditure during a reporting period and has disposed of all

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by Revisor _____

APPROVED AS TO LEGALITY

Dec. 10, 19 90

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

BY Charlene H. Hatcher
SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

DEC 11 1990

Joan Anderson Growe
Secretary of State

4:20

Stat Auth. 10A.02 subd 13
The provisions of chapter 14 apply to the board. The may promulgate rules to carry out the purposes of sections 10A.01 to 10A.34

Indicates in the Notice of Intent comment period should end October 4, 1990

Rules

p. 4 lines 6-12 why the board may attempt to negotiate a settlement = why not always or what circumstances do they negotiate

In the matter of the Proposed Adoption of the Rule of the State Ethical Practices Board Governing Campaign Financing and Economic Interest Disclosure

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)

Brenda Turnquist, being sworn says:

I hereby certify that the list of persons and associations who have requested, pursuant to Minnesota Statutes, sections 14.14, subdivision 1(a) and 14.22 or 14.30, that their names be placed on the state Ethical Practices Board rulemaking mailing list is accurate, complete, and current as of this 20th day of August, 1990.

That on the 20th day of August, 1990, 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.

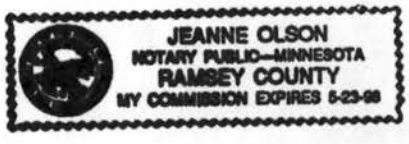
Brenda Turnquist

Brenda Turnquist
Administrative Secretary

Subscribed and sworn to before me
this 20th day of August, 1990

Jeanne Olson

Jeanne Olson



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ETHICAL PRACTICES BOARD
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PHONE: (612) 296-5148

**CERTIFICATE OF THE
ETHICAL PRACTICES BOARD'S
RESOLUTION ADOPTING THE RULE**

I, Douglas R. Ewald, 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 October, 1990,, 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 is approved and adopted, pursuant to authority vested in the 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.

BE IT FURTHER RESOLVED, that the rules relating to Economic Interest Disclosure, Lobbyist Registration and Reporting, and Conflicts of Interest as published in the State Register on September 4, 1990, for adoption without a public hearing received more than 25 written requests for a public hearing and are hereby withdrawn."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 25th day of October, 1990.

Douglas R. Ewald, Chair
Ethical Practices Board

Attest by one other Board Member

The Minnesota

State Register

Department of Administration—Print Communications Division

RECEIVED
SEP 4 1990
ETHICAL
PRACTICES
BOARD



Rules edition
Published every Monday

Tuesday 4 September 1990

Volume 15, Number 10

Pages 545-604

State Register

Judicial Notice Shall Be Taken of Material Published in the *State Register*

The *State Register* is the official publication of the State of Minnesota, containing executive and commissioners' orders, proposed and adopted rules, official notices, state and non-state contracts, contract awards, grants, supreme court decisions, and a monthly calendar of cases to be heard by the state supreme court.

***A Contracts Supplement* is published every Thursday and contains additional state contracts and advertised bids, and the most complete source of state contract awards available in one source.**

Printing Schedule and Submission Deadlines

Vol. 15 Issue Number	*Submission deadline for Adopted and Proposed Rules, Commissioners' Orders**	*Submission deadline for Executive Orders, Contracts, and Official Notices**	Issue Date
10	Monday 20 August	Monday 27 August	Tuesday 4 September
11	Monday 27 August	Friday 31 August	Monday 10 September
12	Friday 31 August	Monday 10 September	Monday 17 September
13	Monday 10 September	Monday 17 September	Monday 24 September

*Deadline extensions may be possible at the editor's discretion; however, none will be made beyond the second Wednesday (12 calendar days) preceding the issue date for rules, proposed rules and executive orders, or beyond the Wednesday (5 calendar days) preceding the issue date for official notices. Requests for deadline extensions should be made only in valid emergency situations.

**Notices of public hearings on proposed rules and notices of intent to adopt rules without a public hearing are published in the Proposed Rules section and must be submitted two weeks prior to the issue date.

Instructions for submission of documents may be obtained from the ***State Register*** editorial offices, 504 Rice Street, St. Paul, Minnesota 55103, (612) 296-4273.

The ***State Register*** is published every Monday (Tuesday when Monday is a holiday) by the State of Minnesota, Department of Administration, Print Communications Division, 117 University Avenue, St. Paul, Minnesota 55155, pursuant to *Minnesota Statutes* § 14.46. A ***State Register*** *Contracts Supplement* is published every Thursday. The Monday edition is the vehicle for conveying all information about state agency rulemaking, including official notices; hearing notices; proposed, adopted and emergency rules. It also contains executive orders of the governor; commissioners' orders; state contracts and advertised bids; professional, technical and consulting contracts; non-state public contracts; state grants; decisions of the supreme court; a monthly calendar of scheduled cases before the supreme court; and other announcements. The Thursday edition contains additional state contracts and advertised bids, and the most complete listing of contract awards available in one source.

In accordance with expressed legislative intent that the ***State Register*** be self-supporting, the following subscription rates have been established: the Monday edition costs $140.00 per year and includes an index issue published in August (single issues are available at the address listed above for $3.50 per copy); the combined Monday and Thursday editions cost $195.00 (subscriptions are not available for just the *Contracts Supplement)*; trial subscriptions are available for $60.00, include both the Monday and Thursday edition, last for 13 weeks, and may be converted to a full subscription anytime by making up the price difference. No refunds will be made in the event of subscription cancellation.

Both editions are delivered postpaid to points in the United States, second class postage paid for the Monday edition at St. Paul, MN, first class for the Thursday edition. Publication Number 326630 (ISSN 0146-7751).

Subscribers who do not receive a copy of an issue should notify the ***State Register*** circulation manager immediately at (612) 296-0931. Copies of back issues may not be available more than two weeks after publication.

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Room 175 State Office Building, St. Paul, MN 55155
(612) 296-2146

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NOTICE: How to Follow State Agency Rulemaking in the *State Register*

The ***State Register*** is the official source, and only complete listing, for all state agency rulemaking in its various stages. State agencies are required to publish notice of their rulemaking action in the ***State Register***. Published every Monday, the ***State Register*** makes it easy to follow and participate in the important rulemaking process. Approximately 75 state agencies have the authority to issue rules. Each agency is assigned specific ***Minnesota Rule*** chapter numbers. Every odd-numbered year the ***Minnesota Rules*** are published. This is a ten-volume bound collection of all adopted rules in effect at the time. Supplements are published to update this set of rules. Proposed and adopted emergency rules do not appear in this set because of their short-term nature, but are published in the ***State Register***.

If an agency seeks outside opinion before issuing new rules or rule amendments, it must publish a NOTICE OF INTENT TO SOLICIT OUTSIDE OPINION in the ***Official Notices*** section of the ***State Register***. When rules are first drafted, state agencies publish them as **Proposed Rules**, along with a notice of hearing, or notice of intent to adopt rules without a hearing in the case of noncontroversial rules. This notice asks for comment on the rules as proposed. Proposed emergency rules and withdrawn proposed rules are also published in the ***State Register***. After proposed rules have gone through the comment period, and have been rewritten into their final form, they again appear in the ***State Register*** as **Adopted Rules**. These final adopted rules are not printed in their entirety in the ***State Register,*** only the changes made since their publication as Proposed Rules. To see the full rule, as adopted and in effect, a person simply needs two issues of the ***State Register***, the issue the rule appeared in as proposed, and later as adopted. For a more detailed description of the rulemaking process, see the ***Minnesota Guidebook to State Agency Services.***

The ***State Register*** features partial and cumulative listings of rules in this section on the following schedule: issues 1-13 inclusive; issues 14-25 inclusive; issue 26, cumulative for issues 1-26; issues 27-38 inclusive; issue 39, cumulative for 1-39; issues 40-51 inclusive; and issue 52, cumulative for 1-52. An annual subject matter index for rules appears in August. For copies of the ***State Register***, a subscription, the annual index, the ***Minnesota Rules*** or the ***Minnesota Guidebook to State Agency Services***, contact the Print Communications Division, 117 University Avenue, St. Paul, MN 55155 (612) 297-3000 or toll-free in Minnesota 1-800-9747.

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Proposed Rules

Pursuant to Minn. Stat. §§ 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.

Board of Chiropractic Examiners

Proposed Permanent Rules Relating to Board Fees

Notice of Intent to Adopt Rules Without a Public Hearing

NOTICE IS HEREBY GIVEN that the Minnesota Board of Chiropractic Examiners, hereinafter "Board", intends to adopt the above entitled rule without a public hearing following the procedures set forth in the Administration Procedure Act for adopting rules without a public hearing in *Minnesota Statutes* 14.22 to 14.28 (1988). The statutory authority to adopt the rule is *Minnesota Statutes* 148.08, Subdivision 3.

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. 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 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 Board will proceed pursuant to *Minnesota Statutes* 14.131 to 14.20 (1988).

Comments or written requests for a public hearing must be submitted to:

Executive Director
Minnesota Board of Chiropractic Examiners
2700 University Avenue, Suite 20
St. Paul, MN 55114

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.

The rule proposed for adoption relates to the following matter: Board Fees. A free copy of the rule is available upon request from the Executive Director at the above address.

A STATEMENT OF NEED AND REASONABLENESS that describes the need for and the 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 the Executive Director at the above address upon request.

Promulgation of the proposed rule will not result in the expenditure of public monies by local public bodies nor have an impact on agricultural land; therefore, no further information need be provided under *Minnesota Statutes* Sec. 14.11 (1988). It is the position of the Board that it is not subject to *Minnesota Statutes* Sec. 14.115 (1988) regarding small business considerations in rulemaking. The basis for this position, and the Board's evaluation of the applicability of the methods contained in *Minnesota Statutes* Sec. 14.115, subd. 2 (1988), for reducing the impact of the proposed rules, should it be determined that the Board is governed by Section 14.115 are addressed in the Statement of Need and Reasonableness.

If no hearing is required, upon adoption of the rule, the rule and the required 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 the Executive Director at the above address.

Dated: 22 August 1990

Dr. Joel B. Wulff
Executive Director

Rules as Proposed (all new material)

2500.1150 FEES.

The fees charged by the board are fixed at the following rates:

A. peer review fee to be paid by a requesting doctor or by a requesting insurance company, $100;

B. licensing examination regrade fee, $30;

C. copy of a board order or stipulation fee, $10 each;

D. certificate of good standing or licensure verification to other states, $10 each;

E. duplicate of the original license or of an annual renewal, $10;

F. miscellaneous copying fee, 25 cents per page;

G. independent medical examination registration fee, $150;

H. independent medical examination annual renewal fee, $100; and

I. continuing education seminar approval and registration fee, $100.

Board of Chiropractic Examiners

Proposed Permanent Rules Relating to Graduate Preceptorship Program

Notice of Intent to Adopt Rules Without a Public Hearing

NOTICE IS HEREBY GIVEN that the Minnesota Board of Chiropractic Examiners, hereinafter "Board", intends 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* 14.22 to 14.28 (1988). The statutory authority to adopt the rule is *Minnesota Statutes* 148.08, Subdivision 3.

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. 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 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 Board will proceed pursuant to *Minnesota Statutes* 14.131 to 14.20 (1988).

Comments or written requests for a public hearing must be submitted to:

Executive Director
Minnesota Board of Chiropractic Examiners
2700 University Avenue, Suite 20
St. Paul, MN 55114

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.

The rule proposed for adoption relates to the following matter: Graduate Preceptorship Program. A free copy of the rule is available upon request from the Executive Director at the above address.

A STATEMENT OF NEED AND REASONABLENESS that describes the need for and the 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 the Executive Director at the above address upon request.

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.

Promulgation of the proposed rule will not result in the expenditure of public monies by local public bodies nor have an impact on agricultural land; therefore, no further information need be provided under *Minnesota Statutes* Sec. 14.11 (1988). It is the position of the Board that it is not subject to *Minnesota Statutes* Sec. 14.115 (1988) regarding small business considerations in rulemaking. The basis for this position, and the Board's evaluation of the applicability of the methods contained in *Minnesota Statutes* Sec. 14.115, subd. 2 (1988), for reducing the impact of the proposed rules, should it be determined that the Board is governed by Section 14.115 are addressed in the Statement of Need and Reasonableness.

If no hearing is required, upon adoption of the rule, the rule and the required 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 the Executive Director at the above address.

Dated: 22 August 1990

Dr. Joel B. Wulff
Executive Director

Rules as Proposed (all new material)

2500.2500 DEFINITIONS.

Subpart 1. **Scope.** The definitions in this part apply to parts 2500.2500 to 2500.2530.

Subp. 2. **Board.** "Board" means the Minnesota Board of Chiropractic Examiners.

Subp. 3. **Diagnosis.** "Diagnosis" means the physical, clinical, and laboratory examination of the patient, and the use of x-ray for diagnostic purposes within the scope of practice described in *Minnesota Statutes*, sections 148.01 to 148.10.

Subp. 4. **Intern.** "Intern" means an unlicensed graduate of a board-approved chiropractic college who assists in the care of patients outside the confines of the clinic of a chiropractic college.

Subp. 5. **License.** "License" means a license issued by the board to practice chiropractic including an original license or renewal license.

Subp. 6. **Practice of chiropractic.** "Practice of chiropractic" means the diagnosis, prognosis, and treatment by chiropractic methods that include those procedures preparatory to and complementary to an adjustment and the normal chiropractic regimen and rehabilitation of the patient as taught in accredited chiropractic schools and colleges.

Subp. 7. **Preceptor.** "Preceptor" means a supervising licensed chiropractic physician approved by the board.

Subp. 8. **Preceptorship training program.** "Preceptorship training program" means a board-approved program by which an intern may practice chiropractic under the direct supervision of a licensed chiropractic physician for one nine-month period.

Subp. 9. **Private practice.** "Private practice" means a privately owned chiropractic business held individually or by incorporation operating without the interest of any hospital, teaching facility, or insurance company.

2500.2505 PROGRAM ADMINISTRATOR.

The preceptorship training program is administered by the Executive Director, Minnesota Board of Chiropractic Examiners, 2700 University Avenue West, Suite 20, St. Paul, Minnesota 55114.

2500.2510 ROLE OF THE PRECEPTOR.

Preceptors shall follow the procedures in items A to C when supervising an intern.

A. The preceptor shall meet with the intern on a regular basis, at least one hour per week, to provide valuable feedback and interaction for one another regarding the intern's performance as an associate doctor and the preceptor's performance as an educator. Patient care shall be discussed as outlined in item B.

B. The preceptor shall involve the intern in sharing patient care responsibilities, including:

(1) completing the history and examination;

(2) conducting x-ray examinations, preparing reports, and conducting laboratory tests, if applicable;

(3) having the intern maintain patient records and convey information to the preceptor's practice; and

(4) treatment of patients.

C. The preceptor shall approve the intern's treatment plan before implementing the treatment of a patient.

2500.2515 ELIGIBILITY AND RESPONSIBILITIES OF PRECEPTOR.

Subpart 1. **Eligibility.** The preceptor must:

A. be licensed by the board;

B. have actively practiced chiropractic continuously for the preceding five years;

C. have actively practiced chiropractic in Minnesota for at least the last three years;

D. be in good standing with the board; and

E. be in private practice only.

Subp. 2. **Doctor to intern ratio.** The doctor to intern ratio shall be one to one unless special authorization is granted by the board's executive director and at least one board member. Special authorization shall not exceed a doctor to intern ratio of one to two in any situation. An authorization for a doctor to intern ratio greater than one to one lasts only for the duration of that specified intern's preceptorship training program. Special authorization shall be given under the following circumstances:

A. when a preceptor is removed from the program while an intern is under the preceptor's supervision and the intern needs to be placed with another registered preceptor; or

B. when one intern has failed to pass the board licensing examination and that intern's preceptorship training program time overlaps into another intern's expected starting date.

Subp. 3. **Fees.** If preceptor application is approved, a $100 fee shall be assessed. In addition, the preceptor shall be assessed a $100 annual fee for participation in the preceptorship training program.

Subp. 4. **Application.** An applicant for preceptorship must complete and file with the board a preceptor application, a sworn affidavit, and a preceptor/intern agreement on forms prescribed by the board. The affidavit must:

A. state that the applicant has been practicing continuously for the immediately preceding five years and in Minnesota for the immediately preceding three years;

B. state that the applicant has never been disciplined by the board or any state board and is not currently the subject of any professional disciplinary action in any state;

C. include the applicant's Minnesota license number and year of issuance; and

E. include the name, current mailing address, birth date, and physical description of the intern.

Subp. 5. **Continuing requirements.** A preceptor whose application has been approved must follow the requirements of items A to E.

A. The preceptor shall notify the board of any malpractice or disciplinary action that occurs subsequent to board approval of participation in the preceptorship training program.

B. The preceptor shall act as a teacher to the graduate within the practice environment.

C. The preceptor must be within the environment in which an intern is working at all times. Failure to maintain this requirement shall result in immediate dissolution of the preceptorship agreement. In the event of a vacation or illness of the preceptor, the intern may only continue with the intern's duties under the guidance of a licensed doctor of chiropractic who has been approved to serve as a preceptor.

D. The preceptor must direct the intern only in treatment care that is within the educational background and experience of the preceptor.

E. The preceptor must provide all patients with the following standard policy statement that informs them of the possibility of an intern performing various services:

Patient care, examinations, and treatment are administered by Dr. (preceptor's name or the name of the board-approved chiropractic intern).

Please notify office staff if you have any questions or concerns regarding this Office Policy Statement. If you are in agreement with this statement, please sign your name and date on the space provide below.

Patient Name: _____

Date: _____

2500.2520 ELIGIBILITY AND RESPONSIBILITIES OF INTERN.

Subpart 1. **Eligibility and limitations.** An intern must be a graduate of an accredited chiropractic college.

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Subp. 2. **Malpractice insurance.** An intern must submit to the board proof of application and acceptance to an authorized malpractice insurance carrier for coverage during the term of the preceptorship training program.

The intern must contact the insurance carrier of the preceptor doctor and fulfill the carrier's requirements to obtain malpractice insurance coverage during the entirety of the intern's preceptorship program.

The intern should be aware that documents required may take some time to obtain. Therefore, it is suggested that the intern initiate this procedure within an appropriate amount of time before application for inclusion in the preceptorship training program.

All documents verifying malpractice coverage must be received by the board before approval of participation in the preceptorship training program will be given.

Subp. 3. **Application.** An applicant for internship must:

A. complete and file with the board an application in a form prescribed by the board; and

B. submit a certified copy of the applicant's final chiropractic college transcript showing a date of graduation within six months immediately preceding the next scheduled license examination.

Subp. 4. **Continuing requirements.** An intern whose application has been approved may only participate in treatment care that is within the educational background and experience of the preceptor.

2500.2525 MINIMUM REQUIREMENTS OF A PRECEPTORSHIP TRAINING PROGRAM.

The following requirements must be met for board approval of a preceptorship training program:

A. An intern shall not function in the program without written approval of the board; and

B. A licensed doctor shall not function in the program without written approval of the board.

2500.2530 TERMINATION OF THE PRECEPTORSHIP PROGRAM.

A preceptorship training program must terminate no later than nine months after the intern's graduation from a board-approved chiropractic college. It must be terminated before that time if:

A. the board finds that either the intern or the preceptor failed to comply with *Minnesota Statutes*, chapter 148, or part 2500.2100;

B. a letter of termination is received by the board with either the signature of the preceptor or the intern;

C. upon completion of the nine-month preceptorship program if the intern fails to pass the board licensure examination for a second time; or

D. the preceptor is removed from the preceptorship training program because of activities that result in disciplinary action by the board that did not involve the intern. Board staff shall make every effort to place the intern with another preceptor in order for the intern to complete the preceptorship training program with little or no interruption.

Ethical Practices Board

Proposed Permanent Rules Relating to Campaign Financing

Notice of Intent to Adopt a Rule Without a Public Hearing

NOTICE IS HEREBY GIVEN that the State Ethical Practices Board intends 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 4:30 p.m., October 4, 1990. 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 their request in writing. Any person requesting a public hearing should state the person's 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; (612) 296-1720.

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 *Minnesota Statutes* Chapter 10A requires each lobbyist to register with the Ethical Practices Board within five days after the lobbyist commences lobbying. A lobbyist is defined in *Minnesota Statutes* § 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 the individual's 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; or (b) who spends more than $250, not including the individual's 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) 296-5148.

Minnesota Statutes § 14.115 requires the Board to provide an opportunity for small businesses to participate in the rulemaking process. For the most part, the proposed amendments do not affect small businesses directly, rather individuals must file the various reports. Small business may be subject to the rules if they establish a political fund to support or oppose a state constitutional amendment. In addition, if a small business spends more than $500 in a calendar year to engage a lobbyist or spends at least $50,000 in any calendar year on efforts to influence legislative action or administrative action or the official action of a Metropolitan Governmental Unit, the business may be subject to the rules. However, all of these impacts are mandated by state law, not additional requirements proposed by rulemaking. For more information on the possible small business impact and the discussion of the efforts considered to reduce the impact on small businesses, see the Statement of Need and Reasonableness. The proposed amendments will not require expenditures of public money by local public bodies, therefore, Sections 3.982 and 14.11 do not apply.

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 Brenda Turnquist, at the Board Office address listed above.

Dated: 15 August 1990

Mary Ann McCoy, Executive Director

Rules as Proposed

CAMPAIGN FINANCING

4500.0100 DEFINITIONS.

[For text of subps 1 to 3, see M.R.]

Subp. 4. **File, filed, filing.** "File," "filed," and "filing" mean delivery to the office of the board of a document bearing the original signature of the individual who submits the document by 4:30 p.m. on the prescribed filing date or postmarked on the filing date. If the filing date is a Saturday, Sunday, or legal holiday, the filing date is the next regular business day.

[For text of subps 5 to 8, see M.R.]

4500.1100 CERTIFICATION.

Subpart 1. **Signature.** The original signature of the treasurer or deputy treasurer of record ~~shall be~~ is sufficient certification on forms prescribed by the board. ~~Notarization is not required.~~ A candidate may sign forms that the treasurer or deputy treasurer of the committee is required to file.

Subp. 2. **Notarization.** Notarization is not required, except for the affidavit of contributions in *Minnesota Statutes*, section 10A.323.

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4500.1200 CHANGE OF OFFICE SOUGHT BY CANDIDATE.

[For text of subpart 1, see M.R.]

Subp. 1a. **Exception.** A candidate with principal campaign committees for more than one statewide office who signs a public subsidy agreement for one of the offices must aggregate the campaign expenditures of all of the committees for statewide office for purposes of the application of the limits on campaign expenditures under *Minnesota Statutes*, section 10A.25, subdivision 2, clauses (a) to (c).

[For text of subp 2, see M.R.]

Subp. 3. **Public ~~financing~~ subsidy agreement.** A candidate may sign a public ~~financing~~ subsidy agreement for the office for which the candidate files an affidavit of candidacy in the general election year, as provided in part 4500.3500.

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~~ sections 10A.20 and 10A.22, subdivision 7. If an association uses this option, the ~~disclosure~~ report must include the association's transactions ~~from the beginning of the reporting period~~ covering at least the 30 days immediately preceding and through the end of the business day on which the contribution is made.

Subp. 2. **Exception.** ~~A Minnesota-domiciled~~ An 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.

[For text of subp 3, see M.R.]

4500.1700 CONTRIBUTION LIMITS; POLITICAL PARTY DEFINITION.

Subpart 1. **List of categories.** The registration and statement of organization of a political party under Minnesota Statutes, section 10A.14, subdivision 2, clause (f), must include the list of the names of the party units organized within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

Subp. 2. **Aggregate political party contribution limit.** For purposes of determining an aggregate political party contribution limit, the organization of a political party does not include a political party ward organization; a social club of a political party in a congressional district, legislative district, municipality, or precinct; an auxiliary committee of a political party unit defined by *Minnesota Statutes*, section 10A.27, subdivision 4; or an association as defined in *Minnesota Statutes*, section 10A.01, subdivision 3 ~~which~~, that uses a political party name and is not listed in *Minnesota Statutes*, section 10A.27, subdivision 4.

4500.2200 FUNDRAISING EVENT.

Subpart 1. **Fundraising event held for one or two candidates.** The expenses of a fundraising event held by the state or local committee of a political party for one or two candidates are a donation in kind and, except for food and beverage consumed at the fundraising event and the payment for entertainment and facility rental for the fundraising event, ~~shall~~ must be reported as a campaign expenditure by the candidate or candidates under the following conditions: the fundraising event is expressly or implicitly approved by the candidate~~,~~ ~~his~~ or the candidate's treasurer~~,~~ or agent to be held on behalf of the candidate; and the candidate or candidates are clearly identified in advertisements, tickets, or any advance publicity for the fundraising event; and the candidate receives proceeds, if any, from the fundraising event. "Clearly identified" means that the name of the candidate is used, or a photograph or drawing of the candidate appears, or the identity of the candidate is apparent by unambiguous reference.

Subp. 2. **Joint fundraising event.** A separate committee may be established by two or more candidates to report the contributions and expenditures as required by the act for a fundraising event held jointly. The expenses of the fundraising event ~~shall~~ must be allocated among the candidates on a reasonable proportionate basis as donations in kind, and, except for food and beverage consumed at a fundraising event and the payment for entertainment and facility rental for the fundraising event, as campaign expenditures. A transfer of funds to a candidate combined with the value of donations in kind from that committee may not exceed the applicable contribution limit for an individual, political committee, or political fund set forth in *Minnesota Statutes*, section 10A.27, subdivision 1.

Subp. 3. **Sessional fundraising.** If the board makes a public finding that there is probable cause to believe a violation of *Minnesota Statutes*, section 10A.065, has occurred, in lieu of pursuing or enforcing a judgment, the board may attempt to negotiate a settlement agreement with the candidate, political committee, or political fund for payment of the civil fine.

4500.2500 JOINT LIMITS FOR GOVERNOR AND LIEUTENANT GOVERNOR.

Subpart 1. **Public ~~financing~~ subsidy agreement.** Following their joint endorsement or filing for office, candidates for governor and lieutenant governor must jointly sign the public ~~financing~~ subsidy agreement if they wish to ~~participate in~~ receive a public ~~financing~~ subsidy.

[For text of subps 2 to 4, see M.R.]

4500.2900 USE OF CREDIT CARDS.

Subpart 1. **Contributions.** A candidate or treasurer of a political committee or political fund may approve the solicitation and collection of campaign contributions through the use of credit cards. An organization ~~which~~ that issues credit cards, when acting in the ordinary course of business by collecting and disbursing funds designated by the card holders for contributions to a ~~political~~ committee or ~~political~~ fund, is not required to register or report.

Subp. 2. **Expenditures; disbursements.** A treasurer who reimburses a credit card company for campaign expenditures or noncampaign disbursements that require itemization on a report of receipts and expenditures under *Minnesota Statutes*, section 10A.20, must disclose the purpose and the name and address of the vendor supplying the good or service for which payment is made.

4500.3200 MISCELLANEOUS NONCAMPAIGN DISBURSEMENTS.

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

4500.3300 ORGANIZATION OF POLITICAL COMMITTEES AND POLITICAL FUNDS.

[For text of subpart 1, see M.R.]

Subp. 1a. **Principal campaign committee.** A candidate may be ~~his~~ chair or treasurer of the candidate's own ~~chairman and/or treasurer~~ principal campaign committee. All candidates are ultimately responsible for the principal campaign committee's compliance with *Minnesota Statutes*, chapter 10A.

[For text of subps 2 to 4, see M.R.]

4500.3500 PUBLIC ~~FINANCING~~ SUBSIDY.

Subpart 1. **Expenditure limits.** A candidate or officeholder who signs an agreement to participate in the state elections campaign fund is bound by the expenditure limits in an election year and nonelection year whether or not the candidate actually receives funds from the state elections campaign fund.

Subp. 2. **Filing date.** To be effective, a public ~~finance~~ subsidy agreement must bear the original signature of the candidate and must be received in the office of the Ethical Practices Board or postmarked no later than September 1 of the general election year. For a special election for which the filing period does not coincide with a general election, the candidate must submit the agreement to the board not later than the day after filing an affidavit of candidacy or nominating petition for the office sought.

Subp. 3. **Contribution refund receipts.** The board shall provide to a political party upon request or to a candidate with an effective public subsidy agreement a supply of official contribution receipt forms. A contributor who is given a receipt form may be eligible to claim a refund of the contribution by filing a claim with the Department of Revenue under *Minnesota Statutes*, section 290.06, subdivision 23.

Subp. 4. **Affidavit of contributions.** To be eligible to receive payment of a public subsidy, a candidate who has timely signed and filed a public subsidy agreement must file with the board an affidavit stating that the candidate has accumulated contributions equal to 20 percent or more of the August 15 estimate of what the candidate would receive from the state elections campaign fund. The affidavit must be notarized and received by the board on or before or postmarked on October 1 of the general election year. For a special election for which the filing period does not coincide with a general election, the candidate must submit the affidavit not later than five days after filing an affidavit of candidacy or nominating petition for the office sought.

4500.4300 SPECIAL ELECTIONS.

[For text of subps 1 and 2, see M.R.]

Subp. 4. **Public subsidy.** A candidate in a special election who wishes to be eligible to receive a public subsidy must sign and file with the board a public subsidy agreement and affidavit of contributions as provided in *Minnesota Statutes*, section 10A.315, and according to part 4500.3500, subparts 2 and 4.

Subp. 5. **Contribution refund receipts.** A candidate in a special election who has signed and timely filed a public subsidy agreement may issue contribution receipt forms to contributors according to part 4500.3500, subpart 3.

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4500.4400 TERMINATION OF REGISTRATION.

[For text of subpart 1, see M.R.]

Subp. 1a. **Exception.** A committee or fund with debts more than six years old that receives no contribution or makes no expenditure during a reporting period and has disposed of all its assets may file a termination report under Minnesota Statutes, section 10A.24, subdivision 2. The treasurer must send notice by certified mail to any remaining creditors and furnish to the board a copy of the notice when filing the termination report.

[For text of subp 2, see M.R.]

Subp. 3. **Dissolution of inactive committee or fund.** An inactive committee or fund that must dissolve according to *Minnesota Statutes*, section 10A.242, must liquidate available assets to pay its debts. If unable to pay the debts, the treasurer may propose to the board a payment schedule to settle the debts. Upon establishment of the schedule, the board may allow the committee or fund to defer dissolution until all debts are paid.

ECONOMIC INTEREST DISCLOSURE

4505.0100 DEFINITIONS.

[For text of subps 1 and 1a, see M.R.]

Subp. 1b. **Candidate.** For the purposes of parts 4505.0100 to 4505.1000, unless otherwise specified, "candidate" means an individual who seeks nomination or election to a state legislative or executive office or to a local elective office in a metropolitan governmental unit.

[For text of subps 2 to 6, see M.R.]

Subp. 7. **Public official.** "Public official" has the meaning given in *Minnesota Statutes*, section 10A.01, subdivision 18.

Subp. 8. **Local official.** "Local official" has the meaning given in *Minnesota Statutes*, section 10A.01, subdivision 25. However, only a local official in a metropolitan governmental unit, as defined in *Minnesota Statutes*, section 10A.01, subdivision 26, is required to file under the economic interest provisions of *Minnesota Statutes*, section 10A.09, and parts 4505.0100 to 4505.1000.

Subp. 9. **Major decisions.** "Major decisions" regarding the expenditure or investment of public money are decisions made by an elected local official or an employee in a political subdivision with authority to make final recommendations to a public body.

Subp. 10. **Population over 50,000.** For the purpose of determining that a city located in the seven-county metropolitan area qualifies as a metropolitan governmental unit, "population over 50,000" means the population figures from the latest Metropolitan Council estimates or the latest United States Census, whichever is the more current figure.

4505.0200 ACTING OR PART-TIME LOCAL OR PUBLIC OFFICIAL.

An individual who is employed or appointed as an acting local or public official or who is employed part time as a local or public official is required to file a statement of economic interest.

4505.0300 LATE FILING FEES.

Subpart 1. **Notice to board.** The city clerk, county auditor, or the chief administrative officer of a metropolitan governmental unit must notify the board within five business days after a candidate or local official fails to file a statement of economic interest required by *Minnesota Statutes*, section 10A.09. The notice must include the name and address of the individual, the office held or sought, and the date that the statement was due.

Subp. 2. **Notice to official.** The board shall send a delinquency notice by certified mail to a local official in a metropolitan governmental unit, a public official, or a 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 local or public official or candidate. An undelivered notice of late filing is considered received by the recipient five business days after the first class mailing. 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.

4505.0600 OCCUPATION AND PRINCIPAL PLACE OF BUSINESS.

When asked to give a statement of occupation, an individual shall state his or her principal occupation.

"Principal occupation" means the occupation at which an individual spends the most working hours or which provides the individual's major source of compensation. "Source of compensation" means the corporation, partnership, or other entity from which the individual receives compensation. A self-employed individual is required to list only a description of the occupation in which the individual is self-employed, for example, farming or practice of law, and is not required to list the names of corporations, partnerships, or other entities which pay compensation to the local official in a metropolitan governmental unit, a public official, or a candidate as a self-employed individual.

"Principal place of business" means the name of the entity providing the individual's principal occupation.

4505.0700 REAL PROPERTY.

For the purpose of determining the value of an individual's interest in real property, the value of the property shall be the market value shown on the property tax statement. For the purpose of an original statement of economic interest, the individual shall disclose only those real properties owned on the date of appointment as a local or public official or filing as a candidate. For the purpose of a supplementary statement of economic interest, the individual shall disclose any real property owned at any time between the end of the period covered by the preceding statement of economic interest and through the last day of the month preceding the current filing or the last day of employment, if no longer a local or public official.

4505.0900 FILING.

Subpart 1. **Delivery ~~to board.~~** A statement of economic interest, bearing the original signature of a public official or state candidate, is considered filed if it is delivered to the office of the board by 4:30 p.m. on the prescribed filing date or postmarked on the filing date. If the filing date is a Saturday, Sunday, or legal holiday, the filing date is the next regular business day. A statement of economic interest, bearing the original signature of a local official or candidate for elective office in a metropolitan governmental unit, is considered filed if it is delivered to the office of the governing body of the appropriate political subdivision by 4:30 p.m. on the prescribed filing date or postmarked on the filing date.

[For text of subp 2, see M.R.]

Subp. 3. **Statement after period when no statement required.** A local or public official or candidate, who previously filed a statement of economic interest and who is required to file a new statement of economic interest following a period when no statement was required, shall file an original statement.

Subp. 4. **Termination ~~as a public official~~ statement.** An individual shall file a statement of economic interest to cover the period for which the individual served as a local official in a metropolitan governmental unit or a public official even though at the time the statement is filed, the individual is no longer holding that office as local or a public official.

Subp. 5. **Option.** An individual whose term as a local or public official has ended after April 1 and before March 31 shall file either a supplementary statement on the next following April 15 through the last date of service or file a statement of termination as a local or public official through the last date of service. The latter statement may be filed at any time after the term ends and before the next following April 15.

[For text of subp 6, see M.R.]

Subp. 7. **Change of local official position.** A local official in a metropolitan governmental unit who leaves one local position and is appointed to another local official position within the year between the time when the individual filed either an original statement or a supplementary statement and April 15 of the following year shall file a termination statement for the former office within ten days after leaving that office. The individual shall file an original statement relative to the new office within the time imposed by Minnesota Statutes, section 10A.09, subdivision 1.

4505.1000 JOINT INTERESTS.

A local official in a metropolitan governmental unit or a public official or a candidate who holds a joint interest in a security, or in a partnership, shall disclose ownership in the security or the partnership if the official's proportionate share of the holding is valued at $2,500 or more.

LOBBYIST REGISTRATION AND REPORTING

4510.0100 DEFINITIONS.

[For text of subps 1 and 1a, see M.R.]

Subp. 1b. **Association.** "Association" includes a political subdivision as defined in *Minnesota Statutes*, section 10A.01, subdivision 27.

[For text of subp 2, see M.R.]

Subp. 3. **File; filed; filing.** "File," "filed," and "filing" mean delivery to the office of the board of a document bearing the original signature of the individual who submits the document by 4:30 p.m. on the prescribed filing date or postmarked on the filing date. If the filing date is a Saturday, Sunday, or legal holiday, the filing date is the next regular business day.

Subp. 4. **Lobbyist.** "Lobbyist" means an individual as set forth in *Minnesota Statutes*, section 10A.01, subdivision 11. "Lobbyist"

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does not include an individual who merely communicates with a local or public official to obtain information or request an interpretation of a law, rule, or agency action.

Subp. 4a. **Local official.** "Local official" has the meaning given in *Minnesota Statutes*, section 10A.01, subdivision 25. A lobbyist must report disbursements on lobbying to influence the official actions of local officials in a metropolitan governmental unit, as defined in Minnesota Statutes, section 10A.01, subdivision 26.

Subp. 4b. **Public higher education system.** "Public higher education system" means any public post-high-school educational system.

Subp. 4c. **Public official.** "Public official" has the meaning given in *Minnesota Statutes*, section 10A.01, subdivision 18.

Subp. 5. ~~**Urging/urges**~~ **Urging or urges others to communicate.** "~~Urging/urges~~ Urging or urges others to communicate" means any written or oral communication by a lobbyist which requests that an individual or association advocate a particular position to a local or public official concerning any legislative ~~action~~ or administrative action or the official action of a metropolitan governmental unit, or which requests an individual or association to advocate a local or public official initiate any particular legislative or administrative action or the official action of a metropolitan governmental unit. The term does not include mere presentation of factual material without comment.

4510.0300 OBLIGATION TO REGISTER.

Subpart 1. **Compliance.** An individual shall register as a lobbyist as required by *Minnesota Statutes*, sections 10A.01, subdivision 11, and 10A.03~~, subject to the following~~. The lobbyist shall identify on the registration form whether the lobbyist is attempting to influence legislative action, administrative action, the official action of a metropolitan unit, or any combination of the three kinds of lobbying.

Subp. 2. **Attendance at ~~legislative or administrative~~ hearings.** For purposes of determining time calculation necessary to require registration as a lobbyist, mere attendance at a public hearing without testifying or communicating with a local or public official ~~shall~~ must not be considered time spent attempting to influence a legislative or administrative action or the official action of a metropolitan governmental unit.

Subp. 3. **Paid expert witness registration.** An individual who is hired or paid by a lobbyist as an expert witness and whose testimony is requested by a legislative committee, or an agency defined by *Minnesota Statutes*, section 14.02, subdivision 2, or a state administrative law judge, or a metropolitan governmental unit defined in *Minnesota Statutes*, section 10A.26, shall not be required to register as a lobbyist if the committee, agency, ~~or~~ administrative law judge, or unit, by order, resolution, recorded vote, or other formal means requests such expert testimony. This exclusion is applicable only to the extent of preparing or delivering the requested testimony.

4510.0400 OBLIGATION TO REPORT.

[For text of subpart 1, see M.R.]

Subp. 2. **Alternative report.** Notwithstanding subpart 1, a lobbyist whose reportable disbursements in a reporting period total less than $100 and whose disclosure under part 4510.0600 would be less than ~~$20~~ $50 may file a statement to that effect in lieu of a lobbyist disbursement report. All previously unreported disbursements shall be disclosed annually on the ~~October~~ January 15 report, even though the total for the year is less than $100.

Subp. 3. **Termination report.** A lobbyist who ~~terminates his registration as a lobbyist prior to~~ ceases lobbying activities for an individual or association whom the lobbyist represents before a reporting date shall file a lobbyist disbursement report through the date of termination. If ~~an~~ the individual subsequently renews lobbyist activity, the individual shall reregister as required by *Minnesota Statutes*, section 10A.03, subdivision 1.

Subp. 4. **Principal's report.** Each principal, as defined in *Minnesota Statutes*, section 10A.01, subdivision 28, shall report which of the dollar categories include the total amount spent during the preceding calendar year to influence legislative action, administrative action, and the official action of metropolitan governmental units. Each principal shall report this information annually by March 15. The first report of each principal is due March 15, 1992, covering calendar year 1991.

4510.0500 DISBURSEMENT REPORTS.

Subpart 1. **Lobbyists covered by report.** A lobbyist shall identify the names and, if known, the registration numbers of other lobbyists ~~for whom he is reporting~~ whose disbursements are included in the report.

Subp. 2. **Names and addresses of directors and officers.** On January 15 of each year a lobbyist shall file a current list of names and addresses of directors and officers of the association ~~that he represents~~ represented if there have been changes in the membership of said boards during the preceding calendar year.

Subp. 3. **Total disbursements.** A lobbyist disbursement report ~~shall~~ must include the total disbursements for the reporting period by the lobbyist, and any employer, principal, or employee of the lobbyist, for ~~lobbyist~~ lobbying activities, separately listing disbursements to influence legislative action, administrative action, and the official actions of a metropolitan governmental unit.

Subp. 4. **Categories.** A report must include total disbursements for the three kinds of lobbying activities listed in subpart 3 in each of the following categories:

A. preparation and distribution of lobbying materials. This category ~~shall include~~ includes all disbursements for preparation and distribution of printed material, publication, film, slide, recording and video tape. "Lobbying material" means any material, except media advertising, ~~which is~~ prepared or purchased ~~by a lobbyist~~ for a lobbying purpose. The cost of researching and writing reports from which data ~~is~~ are used in preparing lobbying materials is ~~not~~ reportable as a lobbyist disbursement ~~even if the individual preparing the research material is a registered lobbyist~~. The cost of preparation, printing, and distribution of a newsletter or other publication, including ~~but not limited to~~ a reasonable estimate of pro rata office expenses and compensation paid to employees for the preparation of such a publication or a portion of the publication, ~~shall~~ must be reported ~~as a lobbyist disbursement~~ if used for a lobbying purpose. Only the cost of that portion of a newsletter or publication ~~which~~ that is lobbying material ~~shall~~ must be reported ~~as a lobbyist disbursement.~~;

B. media advertising. ~~This category shall include~~, including only ~~lobbyist~~ disbursements for billboards, newspapers, radio and television time purchased for a lobbying purpose. ~~The term~~ "Media advertising" does not include mere presentation of factual material without comment.;

C. telegraph and telephone. ~~The cost includes~~, including a reasonable estimate of a pro rata share of business office telephone expense incurred for lobbying purposes.;

D. postage.;

E. fees and allowances. ~~This category shall include~~, including disbursements for consulting fees, or other fees, for services done or to be done, as well as expenses incurred in rendering such services. This category ~~shall~~ does not include compensation paid to the lobbyist by ~~his~~ the lobbyist's employer or principal for services rendered as a lobbyist on behalf of the employer. or principal;

F. entertainment. ~~This category shall include lobbyist~~, including disbursements for entertainment provided to local or public officials including but not limited to sporting, theatrical, and musical events, ~~as well as~~. In addition, this category includes the cost of entertainment for the lobbyist, and the employer, principal, or employee of the lobbyist, when in the company of the local or public official for a lobbying purpose.;

G. food and beverages. ~~This category shall include:~~, including all disbursements for food and beverages provided to local or public officials, ~~as well as~~. In addition, this category includes food and beverages for the lobbyist, and any employer, principal, or employee of the lobbyist, when in the company of a local or public official for a lobbying purpose; ~~all disbursements for food and beverages provided to public officials who are invited to conferences, conventions, banquets, legislative days, or other similar functions for a lobbying purpose;~~. This category includes the cost of food and beverages provided by a lobbyist, the employer, principal, or employee of the lobbyist, at meetings or conferences for the purpose of urging others to communicate with local or public officials; ~~the cost of food and beverages~~ or provided to expert witnesses by a lobbyist, the employer, principal, or employee of the lobbyist, when paid expert witnesses are brought to testify before legislative committees, metropolitan governmental units, or in hearings conducted pursuant to *Minnesota Statutes*, sections 14.05 to 14.36, if the paid expert witness does not register as a lobbyist.;

H. travel and lodging. ~~This category shall include:~~, including all disbursements for travel and lodging ~~of~~ provided to local or public officials. In addition, this category includes the cost of travel and lodging for the lobbyist, any employer, principal, or employee of the lobbyist, ~~or those provided to a public official, for a lobbying purpose, except those incurred for the purpose of enabling the lobbyist, or any employer or employee of the lobbyist, to attend a meeting of or to appear before a committee of the legislature, or a state board, commission, or agency;~~ when in the company of a local or public official. This category includes the cost of travel and lodging for the lobbyist, ~~the~~ any employer, principal, or employee of the lobbyist ~~when in the company of a public official for a lobbying purpose; the cost of travel and lodging paid by a lobbyist, the employer or employee of the lobbyist~~ when urging others to communicate with local or public officials; the cost of travel and lodging ~~paid by a lobbyist, the employer or employee of the lobbyist, to bring~~ for paid expert witnesses to testify before legislative committees, metropolitan governmental units, or in hearings conducted pursuant to *Minnesota Statutes*, sections 14.05 to 14.36, ~~if the paid expert witness does not register as a lobbyist~~; and the cost of travel and lodging paid by a lobbyist or any employer, principal, or employee of the lobbyist to transport individuals for the purpose of lobbying.; and

I. other disbursements. ~~This category shall include~~, including a reasonable estimate of a pro rata share of compensation paid to clerical employees incurred for the purpose of lobbying if not reported in the categories in items A to H.

Subp. 5. **Exception.** A lobbyist need not disclose under subpart 4, item H, the cost of travel and lodging to enable a lobbyist, any

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employer, principal, or employee of the lobbyist, or a paid expert witness who registers as a lobbyist, to attend a meeting of or to appear before a committee of the legislature or a state board, commission, agency, or a metropolitan governmental unit.

Subp. 6. **Principal's total disbursements.** Each principal as defined in *Minnesota Statutes*, section 10A.01, subdivision 28, shall report by March 15 which of the dollar categories specified in *Minnesota Statutes*, section 10A.04, subdivision 6, includes the total amount spent during the preceding calendar year to influence legislative action, administrative action, and the official action of metropolitan governmental units in Minnesota. The report must include the names of all lobbyists registered to represent the principal.

Subp. 7. **Costs of regulation.** The costs incurred by a principal to research and prepare a rate case, including pro rata payments for in-house expert witnesses, to comply with state or federal laws regulating public utilities may be excluded from the principal's report of total disbursements. However, the principal must include total expenditures for the purpose of attempting to influence public opinion or influence the decisions of local or public officials with respect to legislative action, administrative action, or the official action of a metropolitan governmental unit.

4510.0600 DISCLOSURE OF GIFTS, LOANS, HONORARIUMS, ITEMS, OR BENEFITS.

Subpart 1. **General requirements.** The lobbyist shall report the name and address of each local or public official receiving any gift, honorarium, loan, item, or benefit from the lobbyist, or any employer, principal, or employee of the lobbyist, equal in value to $50 or more in a single transaction, to include the amount, the date on which it was received, and a description of the transaction, whether or not it was given for lobbying purposes, in the following categories.

Subp. 2. **Gifts or benefits.** ~~The~~ "Gifts or benefits ~~category shall include~~" includes, but is not ~~be~~ limited to, entertainment, food, beverage, travel, and lodging as defined in parts 4510.0500 to 4510.0700, given or paid voluntarily by the lobbyist, or any employer, principal, or employee of the lobbyist, to a local or public official without the ~~public~~ official's providing full and adequate consideration. This category ~~shall~~ does not include campaign contributions.

Subp. 3. **Loans.** ~~The~~ "Loans ~~category shall include~~" includes loans, given or paid voluntarily by the lobbyist, or any employer, principal, or employee of the lobbyist, to a local or public official which the ~~public~~ official agrees to return at some future time or to repay with something of value, except loans from financial institutions made in the ordinary course of business on substantially the same terms as those prevailing for comparable transactions with other persons.

Subp. 4. **Honorariums.** ~~The~~ "Honorariums ~~category shall include~~" includes a payment paid voluntarily by the lobbyist, or the employer, principal, or employee of the lobbyist, to a local or public official for services for which there is no obligation to make repayment; for example, honorariums paid for speeches, articles, or similar services.

Subp. 5. **From personal funds.** A lobbyist must disclose separately any payments from the lobbyist's personal funds that are not attributable to or reimbursed by any employer or principal of the lobbyist, for gifts, loans, honorariums, items, or benefits to a local or public official according to subpart 1.

4510.0700 ORIGINAL SOURCE OF FUNDS.

Subpart 1. **General requirements.** The lobbyist shall report the following information as to ~~the~~ each original source of funds in excess of $500 in the calendar year used for the purpose of lobbying~~:~~ to influence legislative action, administrative action, and the official action of metropolitan governmental units.

Subp. 2. **Report.** For each original source of funds listed in subpart 1, the lobbyist shall report the name, address, and employer, or if self-employed, the occupation and principal place of business, of each original source of funds in excess of $500. ~~It~~ The lobbyist shall not ~~include~~ report the amount paid.

Subp. 3. **Payment to lobbyist.** For reporting purposes, "original source of funds" ~~shall mean~~ means any individual or association who disburses more than $500 ~~or more~~ in any year directly to the lobbyist, or to any employer or principal of the lobbyist, to be used for purposes of lobbying, including fees or salary paid to a lobbyist as compensation.

4510.0800 LOBBYIST RETAINED BY MORE THAN ONE EMPLOYER OR PRINCIPAL.

A lobbyist retained by or representing more than one employer or principal shall submit a separate lobbyist registration form and separate lobbyist disbursement report for each employer or principal by whom the lobbyist is retained. If a disbursement has been made on behalf of more than one employer or principal, the lobbyist must report a reasonable allocation for each employer or principal.

4510.1500 RECORD RETENTION.

Subpart 1. **Records to maintain.** An individual required to file a report under this chapter shall maintain records on the matters required to be disclosed, including vouchers, canceled checks, bills, invoices, worksheets, and receipts, which will provide in sufficient detail the necessary information from which the filed report may be verified, explained, clarified, and checked for accuracy and completeness.

Subp. 2. **Duration.** The individual shall keep the records available for audit, inspection, or examination by the board or its authorized representatives for four years from the date of filing of the report or of changes or corrections to the report.

CONFLICTS OF INTEREST

4515.0100 DEFINITIONS.

[For text of subps 1 to 5, see M.R.]

Subp. 5a. **Local official.** "Local official" has the meaning given in *Minnesota Statutes*, section 10A.01, subdivision 25. However, only a local official in a metropolitan governmental unit, as defined in *Minnesota Statutes*, section 10A.01, subdivision 26, may be required to file under the potential conflicts of interest provisions of Minnesota Statutes, section 10A.07, and this chapter.

[For text of subp 6, see M.R.]

Subp. 7. **Superior for purposes of notification of a potential conflict of interest.** "Superior for purposes of notification of a potential conflict of interest" means:

A. if the public official is a member of a board or commission having rulemaking authority~~, or a member of a metropolitan agency~~, the ~~chairman~~ chair of ~~such~~ the board~~,~~ or commission~~, or agency~~, or, if the potential conflict of interest involves the ~~chairman~~ chair, the superior ~~shall be deemed to be~~ is considered the appointing authority for that office;

B. if the local official is appointed by a metropolitan governmental unit, the chair of the unit, or, if the potential conflict involves the chair, the superior is considered the appointing authority;

C. if the public official is an employee of a state agency, the department head of that agency or, if the potential conflict of interest involves the department head, the superior ~~shall be deemed to be~~ is considered the appointing authority for that office;

~~C.~~ D. if the local or public official is a member of the legislature or of the governing body of a metropolitan governmental unit, the presiding officer of the body in which the local or public official serves, or if the potential conflict of interest involves the presiding officer, the acting presiding officer; and

~~D.~~ E. if the public official is a member of the staff of the legislature, the chief clerk of the house or the secretary of the senate ~~shall be deemed to be~~ is considered the superior, or, if the potential conflict should involve the chief clerk of the house or the secretary of the senate, the presiding officer of the legislative body which the public official serves.

4515.0300 APPLICABILITY OF THE CONFLICTS OF INTEREST PROVISIONS.

Any local or public official who, in the discharge of official duties, would be required to take action or make a decision which would substantially affect the official's financial interests, or those of an associated business, as that term is defined in *Minnesota Statutes*, section 10A.01, subdivision 4, must ~~file a~~ disclose the matter and describe the potential conflict of interest ~~notice~~, unless the effect on the official is no greater than on other members of the official's business classification, profession, or occupation.

4515.0400 NOTICE OF POTENTIAL CONFLICT OF INTEREST.

Subpart 1. **Normal procedure.** ~~Whenever~~ If a local or public official is required to ~~file~~ disclose a potential conflict of interest ~~statement he,~~ the official shall prepare a potential conflict of interest notice describing the matter requiring action or decision and the nature of ~~his~~ the potential conflict of interest. The local or public official shall deliver ~~copies of~~ the potential conflict of interest notice to ~~the board and to his~~ the official's immediate superior.

Subp. 2. **Insufficient time available.** If a potential conflict of interest presents itself and there is insufficient time to comply with the provisions of subpart 1, the local or public official shall orally inform his or her immediate superior of the potential conflict. ~~He shall file a potential conflict of interest notice with the board within one week after the potential conflict presents itself. This notice shall indicate the reason for noncompliance with the provisions of subpart 1.~~

4515.0500 REMOVAL FROM CONFLICT OF INTEREST.

Subpart 1. ~~Nonlegislator~~ **Nonelected official.** ~~If the public official is not a legislator,~~ Subsequent to the ~~filing~~ delivery of a potential conflict of interest notice, or subsequent to oral notice of a potential conflict of interest by a local or public official, ~~his~~ the official's immediate superior shall assign the matter, if possible, to another employee who does not have a potential conflict of interest. If the local or public official who has a potential conflict of interest does not have an immediate superior except for notification purposes, the local or public official ~~shall do one of the following. Where the public official having the potential conflict of interest is,~~ if not required by law to determine the matter, ~~he~~ shall ~~either assign the matter to a subordinate for disposition or request the appointing authority to designate another to determine the matter~~ abstain, if possible, in the manner provided in subpart 3, from influence over the action or decision in question. ~~Where~~ If the public official having the potential conflict of interest is required by law to determine the matter, ~~he~~ the public official shall ~~so~~ notify by certified mail all known affected parties ~~known to him~~ by providing

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these parties with copies of the potential conflict of interest notice. A public official having the potential conflict of interest shall not chair a meeting, participate in any vote, or offer any motion on the matter giving rise to ~~his~~ the potential conflict of interest.

Subp. 2. **Legislator Elected official.** If the local or public official is a legislator or an elected official in a metropolitan governmental unit, the ~~house~~ body of which ~~he~~ the official is a member may, at ~~his~~ the official's request, excuse ~~him~~ the official from taking part in the action or decision in question.

Subp. 3. **Nonelected official; no immediate superior.** If the local or public official is required by law to determine the matter, the official shall notify by certified mail all affected parties known to the official by providing these parties with copies of the potential conflict of interest notice. An official having the potential conflict of interest shall not chair a meeting, participate in any vote, or offer any motion on the matter giving rise to the potential conflict of interest.

Subp. 4. **Unable to abstain.** An elected or nonelected local or public official who is not permitted or is otherwise unable to abstain from action in the matter presenting the potential conflict must file a statement describing the potential conflict and the action taken. A public official must file the statement with the board, and a local official must file the statement with the official's political subdivision. The statement required by this subpart must bear the original signature of the official who submits the statement and must be filed within one week of the action taken.

4515.0600 OBTAINING AND FILING FORMS.

All potential conflict of interest notices ~~shall~~ must be on the forms made available by the board ~~and must be filed with the board~~. A local official shall file the potential conflict of interest notice and the notice of inability to abstain with the governing body of the official's political subdivision. An appointed public official shall file the notice with the official's immediate superior. A legislator shall file the notice with the presiding officer of the body of service. A public official, including a legislator, shall file the notice of inability to abstain with the board.

4515.0700 CHANGES AND CORRECTIONS.

Any material changes in information contained in a potential conflict of interest notice or a notice of inability to abstain previously submitted, and any corrections, ~~shall~~ must be reported in writing to the body or board with which the original document was filed within ten days following the date of the event prompting the change or the date upon which the ~~person~~ local or public official filing became aware of the inaccuracy. The change or correction ~~shall~~ must identify the form and paragraph containing the information to be changed or corrected and ~~shall~~ must be signed and certified to be true by the ~~person~~ official filing it.

4515.0800 FILING OF FALSE STATEMENTS.

Any statement or notice required by parts 4515.0100 to 4515.0800 ~~shall~~ must be signed and certified to be true by the ~~person~~ local or public official required to file the statement or notice. Any ~~person~~ official who signs and certifies to be true a statement or notice which ~~he~~ the official knows contains false information or who knowingly omits required information is guilty of a gross misdemeanor.

EFFECTIVE DATE. The amendments to *Minnesota Rules*, parts 4505.0100, subparts 1b, 8, 9, and 10; 4505.0200; 4505.0300; 4505.0600; 4505.0700; 4505.0900; 4505.1000; 4510.0100, subparts 1b, 4, 4a, 4b, 4c, 5; 4510.0300; 4510.0400, subpart 4; 4510.0500, subparts 3, 4, 6, 7; 4510.0600; 4510.0700; 4510.0800; 4510.1000; 4510.1500; 4515.0100, subparts 5a and 7; 4515.0300; 4515.0400; 4515.0500; 4515.0600; 4515.0700; and 4515.0800 are effective January 1, 1991.

REPEALER. *Minnesota Rules*, part 4510.1000, is repealed.

Department of Public Safety

Proposed Permanent Rules Relating to Fees for Emergency Response Commission

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 Public Safety 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 299K.09.

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.

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 COMMENT PERIOD, A HEARING WILL BE HELD ON WEDNESDAY, OCTOBER 31, 1990, UNLESS A SUFFICIENT NUMBER WITHDRAW THEIR REQUEST, IN ACCORDANCE WITH THE NOTICE OF PUBLIC HEARING ON THESE SAME RULES PUBLISHED IN THIS *STATE REGISTER* AND MAILED TO PERSONS REGISTERED WITH THE DEPARTMENT OF PUBLIC SAFETY. To verify whether a hearing will be held, please call the Emergency Response Commission from October 5, 1990, to October 30, 1990, between 8:00 a.m. and 4:30 p.m. at (612) 643-3000.

People who want to submit comments or a written request for a public hearing must submit such comments or requests to:

Emergency Response Commission
290 Bigelow Building
450 Syndicate Street
St. Paul, MN 55104
(612) 643-3000

Comments or requests for a public hearing must be received by the Commission by 4:30 p.m. on October 4, 1990.

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 on request for your review from the Commission at the address or telephone number listed above.

The proposed rule sets fees to be paid by a facility when the owner or operator submits its emergency and hazardous chemical inventory form required under section 1102 of the federal Emergency Planning and Community Right to Know Act, *United States Code*, title 42. The fees are designed to cover the costs for all data management, including administration of fees, incurred by the Commission and regional review committees.

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 on to support the proposed rule has been prepared and is available from the Emergency Response Commission on request.

YOU ARE HEREBY ADVISED, pursuant to *Minnesota Statutes*, section 14.115 (1988), "Small business considerations in rulemaking," that the proposed rules may affect small businesses. The rule addresses small business considerations by structuring the fee schedule to apply the lowest fee against the majority of small businesses.

The adoption of these rules will not require the expenditure of public money by local public bodies nor have a direct impact on agricultural land. Therefore, *Minnesota Statutes*, section 14.11 (1988) is not applicable to this rulemaking proceeding.

If no hearing is required on adoption of the rule, the rule and the required supporting documents will be delivered 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:

Katherine Burke Moore
Rules Coordinator
Department of Public Safety
211 Transportation Building
St. Paul, MN 55155

Dated: 16 August 1990

Paul J. Tschida, Commissioner
Department of Public Safety

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Notice of Hearing and Notice of Intent to Cancel Hearing If Fewer than Twenty-Five Persons Request a Hearing in Response to Notice of Intent to Adopt Rules Without a Public Hearing

NOTICE IS HEREBY GIVEN that a public hearing on the above-entitled matter will be held in Conference Room D, 5th Floor, Veterans Services Building, 20 West 12th Street, St. Paul, MN, on Wednesday, October 31, 1990, commencing at 9:00 a.m. and continuing until all interested or affected persons have an opportunity to participate. The proposed rules may be modified as a result of the hearing process. Therefore, if you are affected in any manner by the proposed rule, you are urged to participate in the rule hearing process.

PLEASE NOTE, however, that the hearing will be cancelled if fewer than twenty-five persons request a hearing in response to the notice of indent to adopt these same rules without a public hearing published in this *State Register* and mailed to persons registered with the Department of Public Safety. To verify whether a hearing will be held, please call the Emergency Response Commission from October 5, 1990, to October 30, 1990, between 8:00 a.m. and 4:30 p.m. at (612) 643-3000.

Following the agency's presentation at the hearing, all interested or affected persons will have an opportunity to participate. Such persons may present their views either orally at the hearing or in writing at any time prior to the close of the hearing. All evidence presented should be pertinent to the matter at hand. Written material not submitted at the time of the hearing which is to be included in the hearing record may be mailed to Administrative Law Judge Steve M. Mihalchick, Office of Administrative Hearings, 500 Flour Exchange Building, 310 Fourth Avenue South, Minneapolis, MN 55415, (612) 349-2544 either before the hearing or within five working days after the public hearing ends. The Administrative Law Judge may at the hearing, order the record be kept open for a longer period not to exceed 20 calendar days. The comments received during the comment period shall be available for review at the Office of Administrative Hearings. Following the close of the comment period the agency and all interested persons have three business days to respond in writing to any new information submitted during the comment period. During the three-day period, the agency may indicate in writing whether there are amendments suggested by other persons which the agency is willing to adopt. No additional evidence may be submitted during the three-day period. The written responses shall be added to the rulemaking record. Upon the close of the record the Administrative Law Judge will write a report as provided for in *Minnesota Statutes*, sections 14.15 to 14.50. The rule hearing is governed by *Minnesota Statutes*, sections 14.14 to 14.20 and by *Minnesota Rules*, parts 1400.0200 to 1400.1200. Questions about procedure may be directed to the Administrative Law Judge at the address or telephone number listed above.

The Commission requests that any person submitting written views or data to the Administrative Law judge prior to the hearing or during the comment period also submit a copy to Lee Tischler at the Commission address above.

The proposed rule sets fees to be paid by a facility when the owner or operator submits its emergency and hazardous chemical inventory form required under section 1102 of the federal Emergency Planning and Community Right to Know Act, *United States Code*, title 42. The fees are designed to cover the costs for all data management, including administration of fees, incurred by the Commission and regional review committees.

The agency's authority to adopt the proposed rules is contained in *Minnesota Statutes*, section 299K.09.

YOU ARE HEREBY ADVISED, pursuant to *Minnesota Statutes*, section 14.115 (1988), "Small business considerations in rulemaking," that the proposed rules may affect small businesses. The rule addresses small business considerations by structuring the fee schedule to apply the lowest fee against the majority of small businesses affected.

The adoption of these rules will not require the expenditure of public money by local public bodies nor have a direct impact on agricultural land. Therefore, *Minnesota Statutes*, section 14.11 (1988) is not applicable to this rulemaking proceeding.

Copies of the proposed rules are now available and at least one free copy may be obtained by writing to the Emergency Response Commission, 290 Bigelow Building, 450 N. Syndicate Street, St. Paul, MN 55104.

Additional copies will be available at the hearing. If you have any questions on the content of the rule contact the Emergency Response Commission at (612) 643-3000 or the address listed above.

NOTICE: Any person may request notification of the date on which the Administrative Law Judge's report will be available, after which date the agency may not take any final action on the rules for a period of five working days. If you desire to be notified, you may so indicate at the hearing. After the hearing, you may request notification by sending a written request to the Administrative Law Judge. Any person may request notification of the date on which the rules were adopted and filed with the Secretary of State. The notice must be mailed on the same day the rules are filed. If you want to be so notified you may so indicate at the hearing or send a request in writing to the agency at any time prior to the filing of the rules with the Secretary of State.

NOTICE IS HEREBY GIVEN that a Statement of Need and Reasonableness is now available for review at the agency and at the Office of Administrative Hearings. The Statement of Need and Reasonableness includes a summary of all the evidence and argument which the agency anticipates presenting at the hearing justifying both the need for and reasonableness of the proposed rules. Copies of the Statement of Need and Reasonableness may be reviewed at the Commission or the Office of Administrative Hearings and copies may be obtained from the Office of Administrative Hearings at the cost of reproduction.

Minnesota Statutes, chapter 10A, requires each lobbyist to register with the State Ethical Practices Board within five days after he or she commences lobbying. A lobbyist is defined in *Minnesota Statutes*, section 10A.01, subdivision 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 travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communication or urging others to communicate with public officials; or

(b) who spends more than $250, not including his own traveling expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

The statute provides certain exceptions. Questions should be directed to the Ethical Practices Board, 625 North Robert Street, St. Paul, Minnesota 55101, telephone (612) 296-5148.

Dated: 16 August 1990

Paul J. Tschida, Commissioner
Department of Public Safety

Rules as Proposed (all new material)

EMERGENCY AND HAZARDOUS CHEMICAL INVENTORY FEES

7507.0100 SCOPE.

This chapter applies to all persons required to submit emergency and hazardous chemical inventory reports to the Department of Public Safety, Emergency Response Commission, under the federal Emergency Planning and Community Right-to-Know Act, United States Code, title 42, sections 11021 and 11022, and to facilities added under *Minnesota Statutes*, section 299K.08, subdivision 2.

7507.0200 DEFINITIONS.

For the purposes of this chapter the terms used have the meanings given in *Minnesota Statutes*, section 299K.01.

7507.0300 PAYMENT OF FEES.

A person submitting a fee must make the fee payable to the Minnesota Department of Public Safety and submit it to the director of the Emergency Response Commission.

7507.0400 MATERIAL SAFETY DATA SHEET FEE.

A person must pay a $10 fee per material safety data sheet when the person submits material safety data sheets in lieu of a hazardous chemical report form as provided for under United States Code, title 42, section 11021.

7507.0500 PROCESSING FEE.

Subpart 1. **Persons required to pay fee.** A person must pay a processing fee based upon the schedule in subpart 2. The fee must be paid by March 1, beginning in 1991 and annually thereafter, for each facility for which an owner or operator is required to submit an emergency and hazardous chemical inventory form under United States Code, title 42, section 11022. If a person periodically moves the hazardous chemical stored at one facility to another facility during the same calendar year as part of normal operations, and if the hazardous chemicals stored at these facilities are the same, then that person must pay a fee for only one facility.

Subp. 2. **Processing fee schedule.** The following fees must be paid for a facility:

A. one to nine chemicals reported at the facility, $25;

B. ten to 49 chemicals reported at the facility, $100; and

C. 50 or more chemicals reported at the facility, $1,000.

7507.0600 NOTIFICATION OF ERROR.

The commission must review the fees paid for a specific facility and must provide a written notice of error to the person who submits an incorrect fee payment. If the error resulted in underpayment, the person must submit correct payment within 60 days or late payment fees will be assessed. If the error resulted in overpayment, the overpayment must be refunded to the payee.

A person who thinks that the fee paid is in error must provide written notice to the director of the commission. If the director of the commission finds, upon reviewing the data, that the fee was in error, the overpayment must be refunded.

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7507.0700 LATE PAYMENT FEE.

A person must pay a late payment fee of 100 percent of the payment due for failure to make payment within 60 days of a payment date. A person must pay an additional 100 percent of the original payment due for failure to make payment within 120 days of a payment date.

Board of Social Work

Proposed Permanent Rules Relating to Social Worker Licenses

Alternative Notices: Notice of Intent to Adopt a Rule Without a Public Hearing, Notice of Intent to Adopt Rules With a Public Hearing if 25 or More Persons Request a Hearing, and Notice of Intent to Cancel Hearing if Fewer than 25 Persons Request a Hearing

I. Explanation of Alternative Notices

The Minnesota Board of Social Work (hereinafter "Board") is hereby giving notice of its intent to adopt rules without public hearing under the noncontroversial rulemaking procedure of *Minnesota Statutes* sections 14.22 to 14.28 (1988). However, in the event that 25 or more persons request a hearing, thus necessitating that one be held pursuant to *Minnesota Statutes* section 14.25 (1988), and in order to expedite the rulemaking process should that occur, the Board is at the same time hereby giving notice of hearing on the proposed rules pursuant to *Minnesota Statutes* sections 14.131 to 14.20 (1988). The hearing will, of course, be cancelled if 25 or more people do not request that a hearing be held. The comment period will close on October 2, 1990. This period will give interested persons ample time to contact the Board to find out whether the hearing will be cancelled and to plan accordingly.

II. Notice of Intent to Adopt Rules Without a Public Hearing

NOTICE IS HEREBY GIVEN that the State of Minnesota Board of Social Work (hereinafter "Board") intends to adopt the above-captioned rules without a public hearing unless 25 or more persons submit written requests for a public hearing. The board has determined that the proposed changes will be noncontroversial in nature and has elected to follow the procedures set forth in *Minnesota Statutes* sections 14.22 to 14.28 (1988).

All persons have 30 days from the date this notice is published in the *State Register* 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 days will expire October 2, 1990. 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 submitted to the agency and do not result in a substantial change in the proposed rule as noticed.

Any person may make a written request for a public hearing on the proposed rules 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 not required, the agency will proceed pursuant to *Minnesota Statutes*, sections 14.131 to 14.20 (1988) and the hearing notice provided below.

Comments or written requests for a public hearing must be submitted to:

Patricia Puetz, Executive Director
State of Minnesota Board of Social Work
2700 University Avenue, Suite 225
St. Paul, MN 55114
(612) 643-2580

The statutory authority to adopt the rule is contained in *Minnesota Statutes* Sections 148B.17, 148B.20, Subd. 1 (a), (b), (f), (h), 148B.21 Subd. 2, 148B.22, Subd. 1, 148B.23 Subd. 3, and 214.06 (1988).

If adopted, the proposed rules would establish definitions, set forth education, experience and supervision requirements for licensure, establish license examination requirements, define standards for reciprocity licensure, license renewal and reinstatement, continuing education and variances, formulate and implement a code of ethics, and set fees.

The proposed rules will be published in the *State Register* issue of September 3, 1990, Volume 15, Number 10, and a free copy of the rules may be obtained from the Board by writing or telephoning the Board at the address or telephone number listed above.

A STATEMENT OF NEED AND REASONABLENESS that describes the need for and reasonableness of the proposed rules and identifies the data and information relied upon to support the proposed changes has been prepared and may be obtained from the Board by writing or telephoning the Board at the address and telephone number listed above.

Promulgation of the proposed rules will not result in the expenditure of public monies by public bodies nor have an impact on agricultural land - see *Minnesota Statutes* Section 14.11 (1988). It is the position of the Board that it is not subject to *Minnesota Statutes* section 14.115 (1988) regarding small business considerations in rulemaking. The basis for this position, and the Board's evaluation of the applicability of the methods contained in *Minnesota Statutes* section 14.115, subdivision 2 for reducing the impact of the proposed rules, should it be determined that the Board is governed by sections 14.115, are addressed in the Statement of Need and Reasonableness.

Upon completion of the proposed rules without a public hearing, the rules as proposed, this notice, the Statement of Need and Reasonableness, all written comments received, the rules as adopted, and a statement explaining any differences between the rules as proposed and as adopted will be delivered to the Attorney General for review as to form and legality, including the issue of substantial change. 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 rules as adopted should submit a written request to the Board at the address listed above.

III. Notice of Intent to Adopt Rules With a Public Hearing if 25 or More Persons Request a Hearing

PLEASE NOTE that if 25 or more persons submit written requests for a public hearing with respect to the above-captioned rules within the 30-day comment period pursuant to the notice given in part II above, a hearing will be held on October 29, 1990 in accordance with the following notice of public hearing.

NOTICE IS HEREBY GIVEN that a public hearing in the above-captioned matter will be held pursuant to *Minnesota Statutes* sections 14.131 to 14.20 (1988), in room 225, Colonial Office Park, 2700 University Avenue West, St. Paul, MN 55114, on October 29, 1990, commencing at 9:00 a.m.

All interested or affected persons, including representatives of associations or other interested groups, will have an opportunity to participate. Such persons may present their views either orally at the hearing or in writing at any time prior to the close of the hearing record. All evidence presented should be pertinent to the matter at hand. Written material not submitted at the time of the hearing which is to be included in the hearing record may be mailed to George A. Beck, Administrative Law Judge, Office of Administrative Hearings, 500 Flour Exchange Building, 310 Fourth Avenue South, Minneapolis, MN 55415, telephone (612) 341-7601. Unless a longer period not to exceed 20 calendar days is ordered by the administrative law judge at the hearing, the hearing record will remain open for the inclusion of written material for five working days after the hearing ends. Written material received during this period will be available for review at the Office of Administrative Hearings. The Board and interested persons may respond in writing within three business days after the submission period ends to any new information submitted. No additional evidence may be submitted during the three day period. This rule hearing procedure is governed by *Minnesota Statutes* Sections 14.131 to 14.20 (1988) and by *Minnesota Rules* Parts 1400.0200 to 1400.1200 (1989). Questions about procedure may be directed to the administrative law judge.

If adopted, the proposed rules would establish definitions, set forth education, experience and supervision requirements for licensure, establish license examination requirements, define standards for reciprocity licensure, license renewal and reinstatement, continuing education and variances, formulate and implement a code of ethics, and set fees.

The proposed rules will be published in the *State Register* issue of September 3, 1990, Volume 15, Number 10, and a free copy of the rules may be obtained from the Board by writing or telephoning the Board at the address or telephone number listed above.

The statutory authority to adopt the rule is contained in *Minnesota Statutes* Sections 148B.17, 148B.20 subd. 1 (a), (b), (f), (h), 148B.21 Subd. 2, 148B.22, Subd. 1, 148B.23 Subd. 3, and 214.06 (1988).

The proposed rules may be modified as a result of the rule hearing process. Those who are potentially affected in any manner by the substance of the proposed rules are therefore advised to participate in the process.

Minnesota Statutes Chapter 10A requires each lobbyist to register with the State Ethical Practices Board within five days after she or he commences lobbying. A lobbyist is defined in *Minnesota Statutes* section 10A.01, Subdivision 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 his or her own travel expenses or membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or

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(b) who spends more that $250, not including his/her own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

The statute provides certain exceptions. Questions should be directed to the Ethical Practices Board, 625 North Robert, St. Paul, MN 55101, telephone number (612) 296-5615.

NOTICE IS HEREBY GIVEN THAT A STATEMENT OF NEED AND REASONABLENESS is now available for review at the Board and at the Office of Administrative Hearings. This Statement of Need and Reasonableness includes a summary of all the evidence which the Board anticipates presenting at the hearing justifying both the need for and the reasonableness of the proposed rules. Copies of the Statement of Need and Reasonableness may be reviewed at the Board or the Office of Administrative Hearings and copies may be obtained from the Office of Administrative Hearings at the cost of reproduction.

PLEASE NOTE that any person may request notification of the date on which the administrative law judge's report will be available, after which date the Board may not take any final action on the rules for a period of five working days. If you desire to be so notified, you may so indicate at the hearing. After the hearing, you may request notification by sending a written request to the administrative law judge. Any person may request notification of the date on which the rules were adopted and filed with the Secretary of State. The notice must be mailed on the same day the rules are filed. If you want to be notified, you may so indicate at the hearing or send a request in writing to the Board at any time prior to the filing of the rules with the Secretary of State.

Promulgation of the proposed rules will not result in the expenditure of public monies by local public bodies nor have any impact on agricultural land—see *Minnesota Statutes* Section 14.11 (1988).

It is the position of the Board that it is not subject to *Minnesota Statutes* section 14.115 (1988) regarding small business considerations in rule-making. The basis for this position, and the Board's evaluation of the applicability of the methods contained in *Minnesota Statutes* section 14.115, subdivision 2 (1988) for reducing the impact of the proposed rules, should it be determined that the Board is governed by sections 14.115, are addressed in the Statement of Need and Reasonableness.

IV. NOTICE OF INTENT TO CANCEL HEARING IS FEWER THAN 25 PERSONS REQUEST A HEARING

PLEASE NOTE THAT THE HEARING, notice of which is given in part III above, will be cancelled if fewer than 25 persons request a hearing in response to the notice given in part II above.

To be informed whether the hearing notice in Part III above will be held, please call or write the Board before October 22, 1990 and leave your name, address, and telephone number. You will be notified as soon as possible after this date and prior to the hearing, if the hearing has been cancelled.

Dated: 17 August 1990

William Anderson, Chairperson
Board of Social Work
(612) 643-2580

Rules as Proposed (all new material)

4740.0100 PURPOSE.

Parts 4740.0100 to 4740.0310 protect the public by:

A. setting standards of qualifications, training, and experience for those who seek to represent themselves to the public as social workers; and

B. promoting high standards of professional performance for those engaged in the practice of social work.

Parts 4740.0110 to 4740.0310 contain procedures and guidelines for licensing and regulating social workers.

4740.0110 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of this chapter, unless the context otherwise requires, the following terms have the meanings given.

Subp. 2. **Advertising.** "Advertising" means a communication to a potential client about the availability, nature, or terms of services within the scope of social work practice. Advertising includes business solicitations, with or without limiting qualifications, in a card, sign, or device issued to a person; in a sign or marking in or on a building; in a newspaper, magazine, or other print media; or via live or recorded electronic media.

Subp. 3. **Applicant.** "Applicant" means an individual seeking a license as a social worker, graduate social worker, independent social worker, or independent clinical social worker from the Board of Social Work.

Subp. 4. **Approval date.** "Approval date" means the date on which the board approves an applicant for licensure because that applicant meets the qualifications for licensure under *Minnesota Statutes*, section 148B.21 or 148B.23, except for payment of the fee.

Subp. 5. **Board.** "Board" means the Board of Social Work created in *Minnesota Statutes*, section 148B.19.

Subp. 6. **Clinical social work.** "Clinical social work" means social work that is consistent with the definition of social work practice for licensed independent clinical social workers under *Minnesota Statutes*, section 148B.18, subdivision 11, paragraph (c).

Subp. 7. **Continuing education.** "Continuing education" means 30 continuing education hours within the biennial licensure period. Continuing education is education obtained by a professional social worker licensee to maintain, improve, or expand skills and knowledge related to the practice of social work as defined in parts 4740.0100 to 4740.0310.

Subp. 8. **Council on social work education.** "Council on social work education" means the national accreditation body for social work education as recognized by the United States Department of Education and the National Commission on Accreditation.

Subp. 9. **Effective date.** "Effective date" means the date the applicant, after having paid the required fee, has been issued a number.

Subp. 10. **Emeritus.** "Emeritus" means retired from active practice but retaining one's license and title.

Subp. 11. **Examination.** "Examination" means a national examination that follows the uniform guidelines on employee selection procedures issued by the equal employment opportunity commission, civil service commission, and United States Department of Labor and Justice.

Subp. 12. **Examination application.** "Examination application" means the form supplied by the board, or the agency specified by the board, used in applying for the licensing examination.

Subp. 13. **Face-to-face supervision.** "Face-to-face supervision" means direct in-person supervision. Supervision via telephone or other live electronic media is acceptable supervision if it is logged or recorded and does not account for more than one-quarter of the total number of hours required under part 4740.0130.

Subp. 14. **Group supervision.** "Group supervision" means two or more supervisees with one supervisor. Group supervision must not exceed eight hours of the supervisory time required under part 4740.0130.

Subp. 15. **Inactive status.** "Inactive status" means holding a valid inactive status license and not engaging in the practice of social work.

Subp. 16. **Independent social work.** "Independent social work" means social work that is consistent with the definition of social work practice for licensed independent social workers under *Minnesota Statutes*, section 148B.18, subdivision 11, paragraph (b).

Subp. 17. **Interdisciplinary supervision.** "Interdisciplinary supervision" means team intervention or collaboration, which includes members of different professions or disciplines. Interdisciplinary supervision must not exceed eight hours of the total supervisory time required under part 4740.0130.

Subp. 18. **Licensee.** "Licensee" means a person holding a license issued by the board.

Subp. 19. **Peer supervision.** "Peer supervision" means collegial supervision. Peer supervision must not exceed eight hours of the total supervisory time required under part 4740.0130.

Subp. 20. **Qualified professional.** "Qualified professional" means an individual who has the authority to direct the practice of the licensee, including but not limited to an agency director, a consulting supervisor, a school principal, or a nursing home administrator whom the board considers appropriate when a social work supervisor, as required, is unobtainable.

Subp. 21. **Supervisee.** "Supervisee" means an individual who is engaged in professional practice under the direction of a supervisor.

Subp. 22. **Supervisor.** "Supervisor" means a social worker who is licensed or was eligible for licensure during the transition period and under the emergency rules and who has the authority to direct the practice of the licensee. The supervisor must have completed the two years or 4,000 hours of supervised social work experience required under part 4740.0130 prior to providing supervision.

Subp. 23. **Supervisor's verification.** "Supervisor's verification" means a form supplied by the board attesting to the hours of supervision.

Subp. 24. **Transition period.** "Transition period" means the period of time from July 1, 1987, through June 30, 1989, during which a social worker applied for initial licensure by the board.

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Subp. 25. **Variance.** "Variance" means board authorized permission to comply with a rule in a manner other than that generally specified in the rule.

4740.0120 PROCEDURES FOR APPLICATION.

Subpart 1. **Information required.** A person seeking a license from the board must submit to the board the information and documents in items A to E.

A. An application completed, signed, and notarized on the forms provided by the board. The applicant must furnish all documentation requested on the application.

B. The required, nonrefundable fee as specified in part 4740.0290, payable to the Board of Social Work.

C. An official copy of the transcript, including verification of the degree granted required for the level of licensure being applied for. Transcripts should be sent directly to the board office from the institution granting the degree.

D. Where applicable, verification of two years or 4,000 hours of supervised experience in the practice of social work to be completed before the date of application.

E. A form provided by the board signed by the applicant's supervisor that states that the requirements for supervision under part 4740.0130 have been met. If an applicant cannot provide a signed statement from the supervisor, the board may accept alternative verification of supervision. The burden of proof of the required supervision rests with the applicant.

Subp. 2. **Taking examination prior to graduation.** A person enrolled in an accredited program of social work who expects to graduate within six months after the date of an examination may take the examination before graduation if, prior to the exam date, the board receives from that person:

A. a letter from the department chair or advisor that the person is in good standing in an accredited program of social work;

B. verification of the expected graduation date; and

C. verification that the person is majoring in social work.

Subp. 3. **Verification; board authority.** An applicant, by submitting an application, authorizes the board to investigate or contact persons to verify information in the application. The board may request that the applicant provide additional verification or documentation to aid in the board's decision making.

4740.0130 SUPERVISION REQUIREMENTS.

Subpart 1. **General.** An applicant for a license by the board must show that the applicant has the supervised experience required under the appropriate subpart 3 to 6. The supervised work experience required for a licensee at the licensed social worker (LSW) level under subpart 3 must be documented by the licensee's first biennial renewal. The continuing supervision required for a licensee at the licensed graduate social worker (LGSW) level under subpart 4 must be documented at each license renewal. The supervised work experience required for licensure at the licensed independent social worker (LISW) level under subpart 5 and at the licensed independent clinical social worker (LICSW) level under subpart 6 must be documented at the time of application for those levels.

Subp. 2. **Unobtainable supervision.** Supervision shall be determined to be unobtainable if the applicant or licensee provides evidence satisfactory to the board that the applicant or licensee has conducted a thorough search for the supervision required under this part and that the search was unsuccessful. The evidence must be in writing on a variance form supplied by the board.

Subp. 3. **Licensed social worker (LSW).** For a licensed social worker (LSW), supervision qualifying an applicant as a licensed social worker consists of face-to-face, group, peer, or interdisciplinary supervision sessions for a minimum of 50 hours of supervision during two years or 4,000 hours of social work practice. Supervision must be or have been provided by a licensed social worker or a social worker licensed at a higher level than the applicant. The applicant must provide verification of that supervision. If that supervision is found by the board to be unobtainable, the board may accept supervision from another qualified professional as defined under part 4740.0110, subpart 20. The burden of proof of the required supervision rests with the licensee. Experience required under this subpart does not include internships or volunteer work. The experience must have been obtained after the applicant received a bachelor's degree and must be supervised, paid, social work experience.

Subp. 4. **Licensed graduate social worker (LGSW).** For a licensed graduate social worker (LGSW), supervision qualifying an applicant as a licensed graduate social worker consists of face-to-face, group, peer, or interdisciplinary supervision sessions for a minimum of 50 hours at each two-year renewal. Supervision must be or have been provided by a licensed social worker at least at the level of the applicant or at a higher level than the applicant. The applicant must provide verification of supervision. If that supervision is found by the board to be unobtainable, the board may accept supervision from another qualified professional as defined under part 4740.0110, subpart 20. The burden of proof of the required supervision rests with the licensee. Experience required under this subpart does not include internships or volunteer work. The experience must have been obtained after the applicant received a master's or doctorate degree and must be supervised, paid, social work experience.

Subp. 5. **Licensed independent social worker (LISW).** For a licensed independent social worker (LISW), supervision qualifying

an applicant as a licensed independent social worker consists of face-to-face, group, or interdisciplinary supervision sessions for a minimum of 50 hours for two years or 4,000 hours of supervised social work practice. The supervision must have been obtained after the applicant received a master's or doctorate degree. The supervision must be or have been provided by a licensed independent social worker or licensed independent clinical social worker. Experience required under this subpart does not include internships or volunteer work. The applicant must provide verification of supervision. If that supervision is found by the board to be unobtainable, the board may accept supervision from another qualified professional as defined under part 4740.0110, subpart 20. The burden of proof of the required supervision rests with the licensee.

Subp. 6. **Licensed independent clinical social worker (LICSW).** For a licensed independent clinical social worker (LICSW), supervision qualifying an applicant for an independent clinical social worker license includes review of a social worker's interaction with clients, with the goal of improving the social worker's clinical skills. Supervision must be conducted face-to-face or in group or interdisciplinary supervision sessions. The content may include but not be limited to discussion of case presentations, review of audio tapes, and direct observation of the social worker-client interaction by the supervisor. Supervision must have been provided for a minimum of 50 hours for the two years or 4,000 hours of supervised social work practice, in order to qualify the social worker for this level of licensure. The supervision must have been obtained after the applicant received a master's or doctorate degree. The supervision must have been provided by a licensed independent clinical social worker. Experience required under this subpart does not include internships or volunteer work. The applicant must provide verification of supervision. If that supervision is found by the board to be unobtainable, the board may accept supervision from a qualified mental health professional as defined in *Minnesota Statutes*, section 148B.18, subdivision 10. The burden of proof of the required supervision rests with the licensee.

4740.0140 EXAMINATION APPLICATION AND REEXAMINATION.

A. An applicant who otherwise qualifies for a license must take the examination required by this part.

B. An applicant shall obtain an examination application from the board or an agency specified by the board. The application fee and examination fee must be submitted either to the board or to the agency specified by the board, each time an applicant wants to be scheduled to take an examination.

C. The examination required for each of the categories of licensing described in *Minnesota Statutes*, section 148B.21, subdivisions 1 to 6, is the examination of the American Association of State Social Work Boards.

D. The examination shall be scheduled at least twice a year, at times and places the board determines.

E. The board, or the agency specified by the board, shall notify applicants in writing of the time and place of the examination.

F. There is no limit on the number of times an applicant may take the examination.

G. A licensee granted a licensed graduate social worker (LGSW) license during the transition period who did not have a Masters in Social Work degree from an accredited social work program may take the examination required for either the licensed independent social worker (LISW) license or the licensed independent clinical social worker license (LICSW) upon completion of supervision as required in part 4740.0130, subparts 5 and 6.

H. A licensee granted a licensed independent social worker (LISW) license during the transition period who did not have a Masters in Social Work degree from an accredited social work program may take the examination required for the licensed independent clinical social worker (LICSW) license upon completion of supervision as required in part 4740.0130, subpart 6.

I. A licensee granted a licensed independent clinical social worker (LICSW) license during the transition period who did not have a Masters in Social Work degree from an accredited social work program may take the examination required for the licensed independent social worker (LISW) license upon completion of supervision as required in part 4740.0130, subpart 5.

4740.0145 DENIAL OF LICENSE.

If an applicant fails to meet the requirements in *Minnesota Statutes*, section 148B.21, including but not limited to passing the examination, or fails to complete the required forms and provide information to the board, the board shall deny the application for a license according to the procedures in items A and B.

A. The board shall notify the applicant, in writing, of the denial and the reason for the denial.

B. An application submitted following denial is a new application which must be accompanied by the appropriate fee in part 4740.0290.

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4740.0150 RECIPROCITY.

The board may grant a license to an applicant who provides satisfactory verification that the applicant is licensed under the laws of states or territories of the United States that at the time of original licensure imposed substantially the same requirements as parts 4740.0100 to 4740.0310. To obtain a license under parts 4740.0100 to 4740.0310, the applicant must meet the conditions in items A to D.

A. The applicant must submit a completed, signed, notarized application for reciprocity that includes the applicant's affirmation that the statements in the application are true and correct to the best knowledge of the applicant. The application must identify all states or territories in which the applicant has ever held a professional license.

B. The applicant must provide the board with a copy of the rules and statutes governing licensing at the time of the original licensure in the other states where the applicant is licensed. The board shall determine substantial comparability of requirements by considering education and training, supervision, scope of practice, continuing education requirements, and code of conduct.

C. If the applicant fails to provide satisfactory verification of supervision of the level applied for, or the board determines that the requirements imposed by the other states at the time of original licensure are not comparable to parts 4740.0100 to 4740.0310, then the applicant must pass the examination required by part 4740.0140.

D. The board must receive verification from the licensing agency of any state or territory in which the applicant has held a professional license of the status of any disciplinary action involving the applicant. This information must be contained on forms provided by the board. Based on this information, the board may deny, limit, or restrict any license as the board deems necessary for the protection of the public.

4740.0160 ISSUANCE OF LICENSE.

If the applicant meets the requirements in parts 4740.0120 to 4740.0150, the board shall issue a license and a number to the applicant to practice social work according to parts 4740.0100 to 4740.0310 and *Minnesota Statutes*, chapter 148B.

4740.0170 DISPLAY OF LICENSE.

A licensee must prominently display the license issued by the board at the licensee's primary place of employment or practice.

4740.0180 TERM OF LICENSE, EFFECTIVE DATE.

An initial license is effective when the applicant has been issued a number after having paid the required fees. The applicant must pay the required fees within 60 days after the date of the board's approval of a license application. If after 60 days the board has not received an applicant's fee the applicant's file shall be closed and the applicant shall reapply according to part 4740.0120. Unless a license is revoked or suspended, it is initially valid for the period of time allowed in parts 4740.0195 and 4740.0210. It must be renewed according to parts 4740.0190, 4740.0195, 4740.0200, and 4740.0210.

4740.0185 DUPLICATE LICENSE.

A duplicate license may be issued for the fee set in part 740.0290, item H, when the licensee notifies the board by certified statement that the original license was lost, stolen, or destroyed. The duplicate license shall be marked "duplicate" and the date of its issuance indicated. If the licensee has a name change, the board shall issue a new license when the licensee provides verification of the name change, surrenders the original license, and pays a duplicate license fee.

4740.0190 RENEWAL OF LICENSE.

A license granted in the transition period must be initially renewed according to part 4740.0195. Subsequent renewals of all licenses must be according to part 4740.0210. For a license to be renewed, a licensee must pay the renewal fee as defined in parts 4740.0210, subpart 5, and 4740.0290, complete the appropriate number of continuing education hours, and, where applicable, show compliance with supervision requirements of part 4740.0130.

4740.0195 RENEWAL OF LICENSES ISSUED IN THE TRANSITION PERIOD.

A license issued to applicants who applied for licensure during the transition period must be renewed initially according to items A and B.

A. An odd-numbered license must be initially renewed by June 30, 1991.

B. An even-numbered license approved by the board on or before December 31, 1989, must be renewed by June 30, 1990.

C. An even-numbered license approved by the board on or after January 1, 1990, must be renewed by June 30, 1992.

4740.0200 RENEWAL APPLICATION PROCEDURES.

Subpart 1. **Service.** The licensee must maintain a current correct mailing address with the board for receiving board communications, notices, and license renewal documents. Placing the renewal application in first class United States mail, addressed to the licensee at the licensee's last known address with postage prepaid, constitutes valid service.

Subp. 2. **Application mailing date.** The board shall mail a license renewal application to the last known address of every licensee holding a current license. Failure to receive the renewal documents does not relieve a license holder of the obligation to renew or to pay the renewal fee. The licensee must inform the board in writing of a change in address within 30 days of the address change.

Subp. 3. **Expired license.** The failure to renew will result in an expired license. An expired license must be reinstated according to part 4740.0205.

Subp. 4. **Incomplete application notice.** If a licensee submits a renewal form or renewal fee or continuing education form that is incomplete, incorrect, or not in compliance with this part, the board shall notify the licensee of the deficiency and shall give the licensee instructions for completing or correcting the application. The board will cancel a licensee renewal if the correction required in the board notice is not made within 30 days after the notice was mailed.

4740.0205 REINSTATEMENT OF EXPIRED LICENSE.

Subpart 1. **Guidelines for reinstatement.** An expired license shall be reinstated if no fact, circumstance, or condition exists to justify revocation or suspension under part 4740.0250; if the individual meets the education and supervision requirements of *Minnesota Statutes*, section 148B.21; if the individual passes the examination required in part 4740.0140; and if the individual pays the fees required in part 4740.0290, item J.

Subp. 2. **Use of an expired license.** An individual whose license has expired shall not use the title for which the license was issued and shall not practice social work. A licensee whose license has expired must return the license certificate and the most recent evidence of renewal to the board within ten days after the effective date the license expires.

4740.0210 CONVERSION OF LICENSE RENEWAL PROCEDURES.

Subpart 1. **License renewal cycle conversion.** Beginning January 1, 1992, all licenses will be renewed on a biennial (two-year) cycle basis that begins on the first day of the month following the individual's birth month rather than on June 30 or on the actual anniversary date of licensure. Future cycles will run consecutively from that point.

Subp. 2. **Conversion of license renewal cycles for current licenses.** The license renewal cycles for current licenses are converted according to items A and B.

A. Beginning January 1, 1992, for a licensee who applied for licensure during the transition period, and who was issued an odd-numbered license, which is due to be initially renewed according to part 4740.0195, item A, by June 30, 1991, that renewed license is current until the last day of the licensee's birth month in 1993.

For example, license number 00001 must be initially renewed by June 30, 1991, under part 4740.0195, item A. If the licensee's birth month is May, the licensee must renew the license again by May 31, 1993.

B. Beginning January 1, 1992, for a licensee who applied for licensure during the transition period and who was issued before January 1, 1990, an even-numbered license which is due to be initially renewed according to part 4740.0195, item B, on June 30, 1990, that renewed license is current until the last day of the licensee's birth month in 1992.

For example, a license numbered 00002 must be initially renewed by June 30, 1990, according to part 4740.0195, item B. If the licensee's birth month is September, the licensee must renew the license again by September 30, 1992.

C. Beginning January 1, 1992, for a licensee who applied for licensure during the transition period and who was issued after December 31, 1989, an even-numbered license which is due to be renewed according to part 4740.0195, item B, on June 30, 1992, that renewed license is current until the last day of the licensee's birth month in 1994.

For example, a license numbered 6000 must be initially renewed by June 30, 1992, according to part 4740.0195, item B. If the licensee's birth month is September, the licensee must renew the license again by September 30, 1994.

Subp. 3. **Subsequent renewal cycles.** After the licensee's renewal during the conversion period under subpart 2, the subsequent renewal cycles shall be biennial cycles that begin on the first day of the month following the licensee's birth month.

For example, a licensee who was born in August, who initially renewed the license by August 31, 1992, must renew the license by August 31 of every two years. The new renewal cycle begins September 1.

Subp. 4. **Licenses issued after June 30, 1989.** Licenses issued to persons who applied after June 30, 1989, will be current and effective from the effective date under part 4740.0180 until the last day of their birth month the second year after the initial licensing.

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After the initial licensure period, subsequent renewal periods shall be biennial cycles that begin on the first day of the month following the licensee's birth.

> For example, a licensee who was born in October, and who applied for and was issued a license on May 15, 1990, must initially renew the license by October 31, 1992. The license must be subsequently renewed every two years, by October 31. The new renewal cycle begins November 1.

Subp. 5. **Conversion period and fees.** A licensee who applied for a license during the transition period, and who renews that license according to the conversion under subpart 2, shall pay the prorated renewal fees required by items A to D. All renewals after the conversion period must be accompanied by the renewal fee in part 4740.0290, item F.

A. Licensees due to be renewed June 30, 1990, and having a birth month between January 1 and June 30, 1992, will pay the renewal fee under part 4740.0290, item E, prorated for the total number of months the license will be valid, at a rate of 1/24 of the biennial fee per month.

> For example, during the conversion, the renewal cycle for a licensee who initially renews the license June 30, 1990, and whose birthday falls in January 1992, will be only 19 months. The renewal fee the licensee will pay for this renewal cycle is prorated for 19 months.

B. Licensees due to be renewed June 30, 1990, and having a birth month between July 1 and December 31, 1992, will pay the renewal fee under part 4740.0290, item E, prorated for the total number of months the license will be valid, at a rate of 1/24 of the biennial fee per month.

> For example, during the conversion, the renewal cycle for a licensee who initially renews the license June 30, 1990, and whose birthday falls in August 1992, will be 26 months. For this renewal cycle, the licensee will pay the full renewal fee, plus the amount of the fee prorated for two additional months.

C. Licensees due to be renewed June 30, 1991, and having a birth month between January 1 and June 30, 1993, will pay the renewal fee under part 4740.0290, item F, prorated for the total number of months the license will be valid, at a rate of 1/24 of the biennial fee per month.

> For example, during the conversion, the renewal cycle for a licensee who initially renews the license June 30, 1991, and whose birthday falls in February, 1993, will be only 20 months. The renewal fee the licensee will pay for this renewal cycle is prorated for 20 months.

D. Licensees due to be renewed June 30, 1991, and having a birth month between July 1 and December 31, 1993, will pay the renewal fee under part 4740.0290, item F, prorated for the total number of months the license will be valid, at a rate of 1/24 of the biennial fee per month.

> For example, during the conversion, the renewal cycle for a licensee who initially renews the license on June 30, 1991, and whose birthday falls in December 1993, will be 30 months. For this renewal cycle, the licensee will pay the full renewal fee plus the amount of the fee prorated for an additional six months.

E. Licensees with an approval date after January 1, 1990, and due to be renewed June 30, 1992, and having a birth month between January 1 and June 30, 1994, will pay the renewal fee under part 4740.0290, item F, prorated for the total number of months the license will be valid, at a rate of 1/24 of the biennial fee per month.

> For example, during the conversion, the renewal cycle for a licensee who initially renews the license June 30, 1991, and whose birthday falls in February 1994, will be only 20 months. The renewal fee the licensee will pay for this renewal cycle is prorated for 20 months.

F. Licensees with an approval date after January 1, 1990, and due to be renewed June 30, 1992, and having a birth month between July 1 and December 31, 1994, will pay the renewal fee under part 4740.0290, item F, prorated for the total number of months the license will be valid, at a rate of 1/24 of the biennial fee per month.

> For example, during the conversion, the renewal cycle for a licensee who initially renews the license on June 30, 1991, and whose birthday falls in December 1993, will be 30 months. For this renewal cycle, the licensee will pay the full renewal fee plus the amount of the fee prorated for an additional six months.

Subp. 6. **Initial license period and fees.** An individual who is initially licensed by the board after June 30, 1989, shall pay the social work application fee, examination fee, and biennial renewal fees in part 4740.0290, as provided in items A to C.

A. Beginning January 1, 1992, the initial licensure period begins with the date the individual becomes licensed and ends with the last day of the licensee's birth month two years later. For a person whose birth month is more or less than 24 months after the initial licensure, the renewal fee will be prorated based on the total number of months the license will be valid, at a rate of 1/24 of the biennial fee per month.

B. The second license renewal made after the conversion period for the individual and all subsequent license renewals shall be assessed the license renewal fee in part 4740.0290, item F.

C. A licensee who does not supply a month, day, and year of birth shall be assigned a month and year for license renewal purposes.

4740.0220 INACTIVE LICENSE STATUS.

Subpart 1. **Application.** An application for an inactive license must be submitted before the expiration of the license period. Upon receiving notice of the board's approval of the application, the licensee must discontinue practicing social work, cease displaying his or her license, and pay the inactive status fee in part 4740.0290, item I.

Subp. 2. **Time limit on inactive status.** The inactive status shall not exceed ten consecutive years. After ten years the licensee must reapply for active status or the board shall cancel the license.

Subp. 3. **Supervision requirement.** If the licensee has had an inactive license for more than five consecutive years, the licensee must receive 25 hours of supervision during the first 12 months of reemployment in social work practice. This supervision must be documented at the time of license renewal.

Subp. 4. **Limit on practice.** Persons with licenses on inactive status shall not practice, attempt to practice, offer to practice, or advertise or hold themselves out as authorized to practice social work.

Subp. 5. **Reactivating a license.** The board shall reactivate a license of a person who is on inactive status and who desires to resume the practice of social work, if the person notifies the board in writing of this intention, agrees to the supervision requirements, has met the continuing education requirements in effect while on inactive status, and pays the prorated license renewal fees sufficient to return to the biannual birth month renewal schedule. The board shall then reissue a license.

A. Licensed social workers who have not completed the required two years or 4,000 hours of supervised practice as defined in part 4740.0130, subpart 3, must meet that requirement in addition to any specified in subpart 3.

B. Licensed graduate social workers are required by part 4740.0130, subpart 4, to document 50 hours of supervision at each renewal. Licensed graduate social workers returning to active status who have been on inactive status for more than five years must meet the requirements of subpart 3, before applying to take an examination for a higher level license.

C. Nothing in this part precludes the board from taking disciplinary action against a licensee based on conduct occurring before inactive status was granted or during the inactive period.

4740.0225 EMERITUS LICENSE STATUS.

Subpart 1. **Emeritus status; requirements.** A social worker duly licensed to practice social work in the state under *Minnesota Statutes*, chapter 148B, and who is retired from the active practice of social work, may apply to the board for emeritus status:

A. by indicating on the person's renewal form, or by petitioning the board in writing;

B. by indicating the person has not been the subject of disciplinary action resulting in the suspension, revocation, qualification, condition, or restriction to practice social work; and

C. by paying the one-time emeritus fee.

Subp. 2. **Limit on practice.** A licensee who has emeritus status shall not engage in social work practice.

Subp. 3. **Continuing education not required.** Continuing education requirements are not applicable to emeritus status.

Subp. 4. **Reactivating license.** In the exceptional case that a social worker issued an emeritus license should wish to resume practicing, the board shall reactivate the license according to the procedure in part 4740.0220, subpart 5, for reactivating an inactive license. The person seeking reactivation must notify the board of the intent to resume practice, agree to the supervision requirement if applicable, document that the licensee has completed the required continuing education, pay the inactive status fees for the emeritus period, and pay the prorated renewal fee sufficient to return to the biannual birth month renewal schedule. Nothing in this part precludes the board from taking disciplinary action against a licensee based on conduct occurring before emeritus status was granted or during the emeritus status.

If a person has had an emeritus license more than five consecutive years, the licensee must receive 25 hours of supervision during the first 12-month period. This must be documented at the time of renewal.

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4740.0230 CHANGE OF ADDRESS.

A licensee must notify the board in writing of any change of name, address, or place of residence within 30 days after the change.

4740.0240 VOLUNTARY TERMINATION OF LICENSE.

A licensee may request voluntary termination of a license by notifying the board in writing. The board shall notify the licensee in writing if the request is approved or denied. A licensee who has voluntarily terminated a license must return the license certificate and the most recent evidence of renewal to the board within ten days after the effective date of the voluntary termination. An individual whose request for voluntary termination has been accepted by the board or whose license has expired shall not use the title for which the license was issued and shall not practice, offer to practice, advertise, or otherwise represent himself or herself as authorized to practice social work. A licensee who voluntarily terminates a license may reapply for a license according to the requirements in parts 4740.0120 to 4740.0310. Nothing in this part shall preclude the board from taking disciplinary action against a licensee based on conduct occurring before the voluntary termination.

4740.0250 SUSPENSION OR REVOCATION OF LICENSE.

The board has the authority to deny, suspend, revoke, condition, or limit a license based on the procedures and criteria in *Minnesota Statutes*, chapters 14 and 148B.

4740.0260 SUSPENDED OR REVOKED LICENSE.

A licensee whose license has been suspended or revoked must return the license certificate and the most recent evidence of renewal to the board within ten days after the effective date of the suspension or revocation. Failure to comply with this part constitutes grounds for the denial of any subsequent request for reinstatement.

4740.0270 VARIANCE.

Subpart 1. **Request for variance.** An applicant or licensee may ask the board for a variance from the provisions of parts 4740.0100 to 4740.0285.

A request for a variance must be submitted to the board in writing and must contain:

A. the specific rule for which the variance is requested;

B. the reason for the request;

C. the alternative measures that will be taken to protect the public if a variance is granted;

D. the length of time for which a variance is requested; and

E. additional information that the board requests from the applicant, that relates to the request for a variance.

Subp. 2. **Criteria for approval.** The board shall grant a variance if it determines that:

A. the variance will not adversely affect, directly or indirectly, the health, safety, or well-being of the public;

B. the alternative measures to be taken, if any, are equivalent or superior to those prescribed in the part for which the variance is requested; and

C. compliance with the part for which the variance is requested would impose an undue burden upon the applicant for the variance.

The board shall deny, revoke, or refuse to renew a variance if the board determines that item A, B, or C has not been met.

Subp. 3. **Notification.** The board shall notify the applicant in writing of the board's decision. If the variance is granted, the notice must specify the period of time for which the variance is effective and the alternative measures or conditions, if any, the applicant must meet.

Subp. 4. **Renewal.** An applicant must submit a request for the renewal of a variance, in writing, before the expiration date of the existing variance. A renewal request must contain the information specified in subpart 1. The board shall renew a variance if the applicant for the renewal continues to satisfy the criteria in subpart 2 and complies with the alternative measures or conditions imposed at the time the original variance was granted.

4740.0285 CONTINUING EDUCATION REQUIREMENTS.

Subpart 1. **Continuing education requirements.** At the time of renewal, each licensee shall provide evidence satisfactory to the board that the licensee has completed 30 continuing education hours of approved continuing education during each biennium of licensure.

A person licensed during the transition period under part 4740.0195 may include and count continuing education programs from January 1989 for credit at the time of the first license renewal if the program meets the requirements in subparts 2 to 11.

Subp. 2. **Transition period.** For licensees who are issued even-numbered licenses during the transition period under part 4740.0195, item B, 15 continuing education hours are required for the one-year, one time only, license renewal.

Subp. 3. **Emeritus license holders.** Emeritus licensees are exempt from the continuing education requirement.

Subp. 4. **Content areas for continuing education.** Continuing education programs approved under subparts 9 to 11 must contain one of the following content areas related to social work practice:

A. theories and concepts of human behavior and the social environment;

B. social work practice/knowledge and skills;

C. social work research, program, or practice evaluation;

D. management/administration/social policy;

E. social work ethics; or

F. an area, chosen by the board, deemed to be of current importance.

Subp. 5. **Nonacceptable subject areas.** Final determination of the acceptability of approved content areas rests with the board. Nonacceptable subjects include, but are not limited to, subjects contrary to the code of ethics, marketing, business, personal development, time management, and supervisory sessions. Staff orientation and agency activities that address procedural issues are ineligible. Where there is any question about the acceptability of a program, a licensee should inquire of the board.

Subp. 6. **Continuing education program types.** Continuing education must be earned in at least two of the program areas in items A to G.

A. Academic course work:

(1) courses and seminars given by accredited social work programs;

(2) postgraduate courses from a university, college, or other institution of higher education, in a field other than social work, upon proof that the course is relevant to social work practice;

(3) undergraduate courses from a university, college, or other institution of higher education, if they can be shown to update or enhance the licensee's social work competency. Course and supporting information must accompany the request; and

(4) correspondence work, televised courses, audiovisual, video tapes, and other forms of self study, shown to update or enhance competency. These activities must be preapproved by the board. No more than ten hours from this category will be acceptable as continuing education for each renewal cycle.

B. Continuing education presentations at national, international, regional, or subregional conferences or association meetings.

C. Workshops or institutes, including approved workshops at conventions.

D. Public or private agency staff development programs that contribute to the enhancement of social work practices or knowledge and that are not primarily procedural or administrative.

E. Individual activities such as lectures, publications of professional articles, course or conference presentation, or research leading to publication or presentation. The activities must be approved by the board on an individual basis. No more than ten hours from this category will be acceptable as continuing education for each renewal cycle.

F. Informal study carried on individually and documented by the name of the topic, the title and author of resources or books used in the informal study, and the time spent in informal study. Informal programs of study must be approved by the board. No more than ten hours from this category will be acceptable as continuing education for each renewal cycle.

G. Continuing education hours completed by licensees to meet the requirements of other boards or authorities will be accepted by the board as long as the program types and content areas are consistent with those in subpart 4.

Subp. 7. **Continuing education hours.** Continuing education hours are determined according to items A to E.

A. "One continuing education hour" means at least 50 minutes of uninterrupted learning in each hour.

B. One semester credit equals 15 continuing education hours. One quarter credit equals ten continuing education hours. Credit for auditing will be actual clock hours attended not to exceed the academic credit.

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C. Presenters will be credited with two continuing education hours for every hour of presentation at a conference, workshop, or institute. Credit will be given only once regardless of the number of times the course is presented.

D. Multi-day, convention type meetings, national or local, that meet the criteria of subpart 6, items B and C, are credited the hours given by the sponsor.

E. Individual study hours may be approved by the board at the request of the licensee.

Subp. 8. **Documentation of courses.** A licensee must document completion of continuing education requirements according to items A to D.

A. When the licensee applies for renewal of the license, the licensee must submit documentation of completion of the required continuing education hours on an appropriate form furnished by the board.

B. Documentation must include the following information:

(1) the title of the activity;

(2) the number of credit hours for the activity;

(3) the name of the provider or sponsor of the activity; and

(4) the date and location of the course.

C. Licensees must keep in their records documentation of their participation in continuing education activities according to subitems (1) to (4).

(1) For workshops, institutes, and conferences as described in subpart 6, items B to D, at least one of the following is required:

(a) a copy of the certificate, if any, the provider or sponsor issued to the participants;

(b) the certificate of attendance, if any, provided by the program sponsor with all information completed; or

(c) an affidavit signed by the program or course instructor that the licensee attended the workshop, conference, or institute.

(2) Individual activities as described in subpart 6, item E, are verified by:

(a) a copy of the program for the lecture or presentation;

(b) a notice of publication of the written material; or

(c) other material that may be requested by the board.

(3) Academic course work as described in subpart 6, item A, is verified by:

(a) a copy of the transcript; or

(b) a report signed by the instructor of hours attended.

(4) Informal studies as defined in subpart 6, item F, are verified by written summaries of course work with title, instructors' names, course content, and the time spent in informal study. Such activities must be approved by the board to be considered for continuing education hours.

D. The board shall audit a random sample of continuing education reports. It is the responsibility of the licensee to keep copies of all documentation required under this part for an audit. The licensee must keep all records of evidence or proof of continued education activities for the four years following the license renewal.

Subp. 9. **Violation of continuing education requirements.** Falsification of continuing education reports or failure to meet continuing education requirements is a violation of license renewal requirements and may result in formal disciplinary action.

Subp. 10. **Sponsor application for preapproval of continuing education programs.** Board approval of a continuing education program must be obtained according to items A and B.

A. Application may be made by an association, corporation, educational institution, organization, or person to have a program preapproved by the board. In order to advertise that the program is approved for continuing education by the board, the sponsor must have received board approval.

The request must be submitted to the board, typed on the appropriate forms, and must contain the following information:

(1) a statement of the objectives and goals of the program or course, including the knowledge and skills each participant is expected to gain upon completion;

(2) a description of the content of the program or course, including a detailed agenda;

(3) a description of the teaching method to be used;

(4) a copy of the evaluation form to be used by the participants; and

(5) a listing of the qualifications of each instructor as evidence of the instructor's current knowledge and skill in the program or course subject.

The request for approval for single programs must be submitted to the board at least 60 days before the date of the program, and must include the appropriate application fee, before the application will be considered. Requests for approval of multiple programs must be submitted to the board at least 90 days before the programs begin.

B. Program approval shall remain in effect for one year. Sponsors of approved courses shall retain a list of participants to whom continuing education hours are granted for four years. Proposed content changes in any approved program or course must be submitted to the board for its approval.

Subp. 11. **Board review of continuing education sponsor applications.**

A. The board shall approve or deny applications for continuing education programs or courses within 45 days after receipt of the application and respond in writing to the applicant.

B. The board may deny, refuse to renew, revoke, or suspend authorization or approval previously furnished to sponsors of an approved program, if the program fails to conform to its application as approved by the board, or if it fails to furnish program content as publicized, or for falsification of any information requested by the board.

Subp. 12. **Renewal of sponsor applications.** An application for course approval or renewal must be submitted to the board with the appropriate fee at least 60 days before the expiration of the annual date.

4740.0290 FEES.

The fees in items A to K shall be paid by cash, personal check, bank draft, cashier's check, or money order made payable to the Board of Social Work. All fees are nonrefundable.

A. Application fee, $25.

B. Initial license fee, payable in addition to application fee:

(1) licensed social worker, $60;

(2) licensed graduate social worker, $100;

(3) licensed independent social worker, $150;

(4) licensed independent clinical social worker, $150.

C. Examination and reexamination fees, payable in addition to application fee, not to exceed $200.

D. License by reciprocity fee, payable in addition to application fee:

(1) licensed social worker, $60;

(2) licensed graduate social worker, $100;

(3) licensed independent social worker, $150;

(4) licensed independent clinical social worker, $150.

E. Transition or grandparenting, one-year group, renewal fee:

(1) licensed social worker, $30;

(2) licensed graduate social worker, $50;

(3) licensed independent social worker, $75;

(4) licensed independent clinical social worker, $75.

F. Biennial renewal fee:

(1) licensed social worker, $60;

(2) licensed graduate social worker, $100;

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(3) licensed independent social worker, $150;

(4) licensed independent clinical social worker, $150.

G. Emeritus, $30.

H. Duplicate license, $15.

I. Inactive status fee:

(1) licensed social worker, $30;

(2) licensed graduate social worker, $50;

(3) licensed independent social worker, $75;

(4) licensed independent clinical social worker, $75.

J. Fee for restoration of license after suspension, revocation, or expiration:

(1) licensed social worker, $60;

(2) licensed graduate social worker, $100;

(3) licensed independent social worker, $150;

(4) licensed independent clinical social worker, $150.

K. Application fee for continuing education program:

(1) single program, $25;

(2) three to five programs, $65;

(3) six to ten programs, $135;

(4) more than ten programs, $250.

4740.0300 CODE OF ETHICS.

Subpart 1. **Code of ethics.** The code of ethics applies to the licensees and applicants who practice social work and applies to their conduct during the period of education, training, and employment which is required for licensure.

Subp. 2. **Purpose.** The code of ethics constitutes the standards by which the professional conduct of a licensee is measured.

Subp. 3. **Violations.** A violation of the code of ethics is unprofessional or unethical conduct and is a sufficient reason for disciplinary action or denial of licensure under part 4740.0250.

4740.0310 ETHICAL STANDARDS.

Subpart 1. **Responsibility to clients.** A licensee's primary professional responsibility is to the client. The licensee shall make every effort to advance the welfare and best interests of families, individuals, groups, and communities. A licensee must respect the rights, including the right to self-determination, of those persons seeking assistance. A licensee must perform professional duties on the highest levels of integrity and confidentiality and shall not hesitate to ask for assistance from other professional disciplines when circumstances dictate. A licensee must protect the public against, and shall report, unethical, incompetent, and dishonorable practices by social workers and other regulated health professionals to the board or other appropriate authority, as required under *Minnesota Statutes*, section 626.556, governing reporting of maltreatment of minors, or 626.557, governing reporting of maltreatment of vulnerable adults, and as required under *Minnesota Statutes*, section 148B.07, subdivision 4, governing reporting unprofessional conduct or mental incompetence, or other incompetence of licensed professionals.

Subp. 2. **Nondiscrimination.** In the treatment of clients, a licensee must not discriminate on the basis of age, sex, race, national origin, religion, physical handicap, political affiliation, or social or economic status. In addition, a licensee must not discriminate on the basis of affectional preference, or choice of lifestyle. When unable to offer services for any reason, a licensee shall make an appropriate referral.

Subp. 3. **Relations with clients.**

A. A licensee shall not engage in any type of sexual contact with a client, as defined in *Minnesota Statutes*, chapter 148A.01, subdivision 7.

B. A licensee shall not engage in sexual contact with a former client for at least two years after the professional relationship with the client ends, or for a longer period if there is a finding that the client is emotionally dependent on the licensee.

C. A licensee shall not offer medication, controlled substances, or alcoholic beverages to a client, or accept these substances from a client.

D. A licensee must be cautious in prognosis and shall not exaggerate the efficacy of services.

E. The licensee must recognize the importance of clear understandings of financial matters with clients. Fees and payments must be arranged at the beginning of the relationship. Bartering between the licensee and the licensee's client in establishing fees and payments is not allowed.

Subp. 4. **Code of personal conduct.** The licensee must demonstrate objectivity, integrity, and sound standards in the interest of service to the public and to the profession. Licensed status shall not be used as a claim, promise, or guarantee of successful service, nor shall the license be used to imply that the licensee has competence in another service. The licensee shall not misrepresent professional qualifications, affiliations, and licenses of the licensee or the institutions and organizations with which the licensee is associated.

A. A licensee shall not sexually harass, make sexual advances toward, or engage in sexual contact with any client, student, or trainee under the licensee's supervision.

B. A licensee shall not use or possess prohibited drugs as they are defined in *Minnesota Statutes*, chapter 152, unless prescribed for a legitimate medical purpose.

C. A licensee shall not use any drug, controlled substance, alcoholic beverage, or medication in a manner that impairs the licensee's ability to conduct the practice authorized by license.

D. A licensee shall not use a professional relationship to further personal, religious, political, or business interests.

E. A licensee shall not participate in relationships with clients which could impair the licensee's professional judgment.

F. A licensee shall not wrongfully disparage the qualifications or character of any professional colleagues, agencies, organizations, or clients.

G. A licensee shall not diagnose, prescribe for, treat, or advise on problems beyond the licensee's level of competence. A licensee shall not provide services outside of the licensee's level of licensure.

H. A licensee shall not permit a student, trainee, or intern under supervision to perform, nor endorse any claim to be competent to perform, professional services beyond the student's, trainee's, or intern's level of training.

I. A licensee shall terminate service to a client and a professional relationship with a client when the service and relationship are no longer required to serve the client's needs or interests.

Subp. 5. **Confidentiality and keeping records.**

A. A licensee must keep accurate records detailing problems, scope of services, and dates of client contacts for a minimum of three years after the date on which services were last provided to the client. Records must be securely kept to ensure the confidentiality of clients. Records or other oral or written information which personally identifies the client shall not be released to third parties unless:

(1) the client or authorized representative consents in writing;

(2) a court of competent jurisdiction orders release of the records;

(3) the records are disclosable under the Minnesota Government Data Practices Act, *Minnesota Statutes*, chapter 13;

(4) the information released does not compromise the confidentiality of any other individuals; or

(5) the board issues a subpoena for the records according to *Minnesota Statutes*, section 148B.07, subdivision 9.

B. The licensee must inform clients of the limits of confidentiality.

C. The licensee must submit required reports and documents in a timely enough fashion that the well-being of the client is not adversely affected.

D. When a licensee has reason to believe that a client presents clear and immediate danger to an individual or society, the licensee has the duty to warn the potential victim and the appropriate authorities. A licensee shall communicate this warning with or without the client's consent.

E. A licensee must report suspected abuse of children and vulnerable adults as required by *Minnesota Statutes*, sections 626.556 and 626.557. A licensee shall not knowingly report distorted, erroneous, or misleading research conclusions.

Subp. 6. **Research.** A licensee must conduct research activities with full respect for the rights and dignity of participants and with full concern for their welfare. A person's participation in research must be voluntary, and based on the informed consent of the

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participant or the legally appointed guardian. In the case of a minor, informed consent must be obtained from a parent or legally appointed guardian.

Subp. 7. **Advertising.** A licensee shall not use false, fraudulent, or misleading advertising in the marketing of services under the scope of social work practice.

Adopted Rules

The adoption of a rule becomes effective after the requirements of Minn. Stat. §14.14-14.28 have been met and five working days after the rule is published in *State Register*, unless a later date is required by statutes or specified in the rule.

If an adopted rule is identical to its proposed form as previously published, a notice of adoption and a citation to its previous *State Register* publication will be printed.

If an adopted rule differs from its proposed form, language which has been deleted will be printed with strikeouts and new language will be underlined. The rule's previous *State Register* publication will be cited.

An emergency rule becomes effective five working days after the approval of the Attorney General as specified in Minn. Stat. §14.33 and upon the approval of the Revisor of Statutes as specified in §14.36. Notice of approval by the Attorney General will be published as soon as practicable, and the adopted emergency rule will be published in the manner provided for adopted rules under §14.18.

State Board of Chiropractic Examiners

Adopted Permanent Rules Relating to the Practice of Chiropractic

The rule proposed and published at *State Register*, Volume 14, Number 44, pages 2530-2531, April 30, 1990 (14 SR 2530) is adopted as proposed.

Department of Revenue

Adopted Permanent Rules Relating to Single Return Filing by Affiliated Corporations

The rule proposed and published at *State Register*, Volume 14, Number 36, pages 2156-2158, March 5, 1990 (14 SR 2156) is adopted with the following modifications:

Rule as Adopted

8019.0405 UNITARY GROUP FRANCHISE TAX RETURN.

Subp. 3. **Taxable year.** A single return must be filed on the basis of the designated member's taxable year. Each member must adopt the designated member's annual accounting period for the first and subsequent single return years in which the member is included in the unitary group.

When a corporation becomes a member of the unitary group during the taxable year, its ~~tax~~ taxable year must end on the same date as the designated member. When a corporation ceases to be a member of the unitary group during the taxable year, its ~~tax~~ taxable year must begin on the same date as the designated member's ~~tax~~ taxable year.

Subp. 4. **Election.** In order to elect to file a single return as provided in subdivision 1, all members of ~~the~~ a unitary group that are subject to Minnesota franchise taxes must make a written election ~~to file a single return~~. The election must be filed with the single return in the form prescribed by the commissioner of revenue and contain:

A. the names of all members;

B. the Minnesota and federal employer identification numbers for each member; and

~~Subp. 6. Payment of tax. All taxes, penalties, interest, or additions to tax must be paid by the designated member on behalf of the unitary group. The designated member is responsible for the payment of all changes in tax liability or assessments for the taxable year.~~

Subp. ~~7.~~ 6. **Liability for tax.** Every corporation that ~~was~~ is a member of a unitary group during any part of a single return year is severally liable for the taxes, penalties, interest, or additions to tax of the unitary group for that taxable year provided, however, that the designated member is primarily responsible for payment of the taxes, penalties, interest, or additions to tax for the taxable year.

~~The commissioner may make assessment and collect a tax deficiency from a former member in an amount not exceeding the part of the deficiency which the commissioner determines to be allocable to the former member, based upon the proportion of the former member's taxable net income over the unitary group's taxable net income, if:~~

~~A. the corporation has ceased to be a member as the result of a bona fide sale or exchange of its stock for fair value;~~

~~B. the sale or exchange occurred prior to the date of the assessment of the deficiency; and~~

~~C. the commissioner believes that the assessment or collection of the balance of the deficiency is not jeopardized.~~

The tax liability prescribed in this part cannot be reduced by an agreement entered into by one or more members with another member or with another person.

Subp. 7. **Exception.** A former member may be less than severally liable, as provided in subpart 6, for an assessment of a tax deficiency in an amount not exceeding the portion of the deficiency which the commissioner determines to be allocable to the former member, based upon the proportion of the former member's taxable net income over the unitary group's taxable net income, if:

A. the corporation has ceased to be a member as the result of a bona fide sale or exchange of its stock for fair value;

B. the sale or exchange occurred prior to the date of the assessment of the deficiency; and

C. the commissioner believes that the assessment or collection of the balance of the deficiency is not jeopardized.

Subp. 9. **Computation of tax.** Each member must compute its separate franchise tax for the taxable year and combine those amounts for the unitary group's franchise tax liability for the taxable year in which a single return is filed.

Subp. 10. **Estimated payments.** The designated member must make quarterly payments of estimated taxes for the unitary group, as provided in *Minnesota Statutes*, section ~~290.933~~ 289A.26.

In applying the provisions of *Minnesota Statutes*, section ~~290.934~~ 289A.26, a unitary group electing to file a single ~~combined~~ return is treated as if it were a single corporation.

For purposes of the first taxable year in which an election is made under this part, the amount used as the tax liability for the prior taxable year to calculate the required installment under *Minnesota Statutes*, section ~~290.934~~ 289A.26, subdivision ~~3a~~ 7, paragraph (b), clause (2), will be calculated using the total of the prior taxable year's tax liabilities of all the members.

If the members make separate estimated tax payments for the taxable year, then the provisions of this subpart do not apply and the provisions of *Minnesota Statutes*, ~~sections 290.933 and 290.934~~ section 289A.26, are applied to each member separately.

Commissioners' Orders

Department of Natural Resources

Commissioner's Order No. 2380: Regulations Relating to the Taking, Possession, Purchase, Transportation, Sale and Culturing of Freshwater Crayfish; Superseding Commissioner's Order No. 2338

PURSUANT TO AUTHORITY vested in me by *Minnesota Statutes* §§ 97A.045, 97C.401, and other applicable law, I, Joseph N. Alexander, Commissioner of Natural Resources, hereby prescribe the following regulations for the taking, possession, purchase, transportation, sale and culturing of freshwater crayfish.

Section 1. HARVESTING FOR PERSONAL USE.

Any person possessing a valid resident or nonresident angling license may take and possess for personal use not more than 25 pounds of live, whole freshwater crayfish. Such crayfish may not be sold. Crayfish may be harvested in any waters of the state where fish may be taken by angling, unless otherwise posted, and to which the harvester has legal access. Harvest gear allowed shall be gear allowed for rough fish and minnows in addition to gear specified in this order (traps and drop nets). Each trap or harvesting device

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shall be identified in a permanent and legible manner with a plastic or metal tag not smaller than one inch by three inches bearing the user's name and home address.

Sec. 2. PERMITS FOR COMMERCIAL HARVEST.

(a) Permit Required. Any person taking or possessing more than 25 pounds of live, whole freshwater crayfish must first obtain a written permit from the Director of the Division of Fish and Wildlife. This permit is required to harvest crayfish for sale.

(b) Permit Issuance. Permits shall be issued upon application pursuant to the following criteria:

(1) Application shall be made on forms provided by the Commissioner and shall be submitted to the local Area Fisheries Office. Permits will be issued from the Regional Fisheries Office.

(2) Permits will be issued only to Minnesota residents who possess a valid Minnesota fish angling license.

(3) All crew members working for permittee must possess a valid Minnesota fish angling license.

(4) Application forms must be signed by the applicant. Failure to properly and fully complete an application form may result in its rejection.

(c) Permit Duration. No permit shall be valid for more than one season, as defined in Sec. 3 of this order. Permits may be issued for periods of time shorter than one season, at the discretion of the Director.

(d) Permit Revocation. In addition to the penalties set forth in Sec. 11 of this order, the Director may revoke any permit upon his determination that revocation is necessary for protection of natural resources.

Sec. 3. SEASON AND HOURS.

(a) The open season for taking crayfish is April 1 to November 30, both days inclusive.

(b) Crayfish traps may be lifted from one hour before sunrise until one hour after sunset.

(c) Any variance requires a written amendment to the permit which will be attached to and become part of the permit.

Sec. 4. SPECIES.

(a) All crayfish species in Minnesota may be harvested but may not be sold for live bait purposes in the state.

(b) The importation of live crayfish or crayfish eggs into the state is prohibited except by written permit from the Director of the Division of Fish and Wildlife. Permits to import live crayfish for processing only may be issued provided no live crayfish are allowed to exit the processing facility. These special permits will serve in lieu of permits issued under this order.

Sec. 5. HARVEST SITES.

(a) Crayfish harvest sites will be identified to the Area Fisheries Office by name and legal description or, if available, the Division of Waters inventory number.

(b) The taking of crayfish by a permittee or member of his or her crew from anyplace outside the identified harvest site is prohibited.

Sec. 6. HARVEST GEAR.

(a) Crayfish shall be taken only by the gear and methods identified in the permit.

(b) Crayfish traps may be of any design. The mesh size shall be not less than one-half inch bar, or opening if other than square.

(c) Crayfish drop nets shall be of the following design: rectangular shaped mesh webbing sewn to a rigid frame, lifted by means of ropes and a hoisting pole.

(d) Each trap or harvesting device shall be identified in a permanent and legible manner with a plastic or metal tag not smaller than one inch by three inches, bearing the permittee's name and home address.

(e) Any floats used to mark traps shall be no larger than four (4) inches square or four (4) inches in diameter.

Sec. 7. HARVEST OPERATIONS.

(a) All crayfish harvesting operations shall be conducted in accordance with the terms and requirements of state law, this order, and the permit.

(b) The permittee shall inform the local Area Fisheries Office at least 24 hours in advance of the start of harvest operations for each water body.

(c) The permittee shall be in personal attendance at harvest operations and be responsible for the activities of his or her crew and be accountable for all setting and lifting of traps, other gear operation and the transportation of crayfish. All members of the crew shall be identified on the permit.

(d) Crayfish legally harvested may be bought, sold and transported for food purposes and as processed bait only.

(e) Crayfish legally taken may be exported for any purpose.

(f) Crayfish must be kept separated from all other live fish when being transported within the state.

(g) Only those persons identified on the permit can assist the permittee in any phase of the crayfish harvesting operations.

(h) Rough fish parts may be used within the trap as bait.

(i) All crayfish traps must be lifted at least once in each 24 hour period weather permitting. All fish trapped must be returned to the water.

Sec. 8. PERMITS FOR CRAYFISH CULTURE.

(a) Any crayfish culture or rearing facility or pond requires a permit or fish farm or fish hatchery license and shall be isolated from all unpermitted waters and shall be of a design that prevents the possibility of crayfish migration into unpermitted waters of the state, except for rearing of *Orconectes virilis* or *Orconectes immunis.*

(b) The culture of imported crayfish is prohibited.

(c) Crayfish may be cultured for sale for food purposes and as processed bait but may not be sold for live bait purposes within the state.

(d) Cultured crayfish may be exported for any purpose.

(e) Scientific or academic institutions may culture imported crayfish under special permit issued by the Director of the Division of Fish and Wildlife.

(f) Provisions of this order in Secs. 2, 3, 5, 6, and 7 do not apply to crayfish culture operations that are permitted or licensed as fish farms or fish hatcheries. Upon request of licensee or permittee, the local Area Fisheries Manager may add crayfish to the listing of species to be cultured.

Sec. 9. PERMITTEES' REPORTS, RECORDS, INSPECTIONS.

(a) Reports. All permittees shall report, on forms provided, all information requested, and shall submit reports annually to the local Area Fisheries Office which issued the permit.

(b) Records. All permittees shall keep records in the English language of all crayfish sales transactions. This record shall be verifiable with supporting sales slips and include: pounds of all species of crayfish sold; name and address of buyer; and date of each transaction. These records shall be kept current within 48 hours. Failure to keep complete and current records shall result in immediate revocation of the permit and shall render the permittee ineligible for future permits.

(c) Inspections. Permittees are subject to inspection at all reasonable times by agents of the Commissioner. Subjects of inspection shall include records as required by paragraph (b) of this section, business and operations premises, all boats, employees (for licenses and identification), vehicles and gear used in crayfish harvesting operations. Established crayfish processing facilities shall accommodate assigned government agency personnel when they conduct crayfish identification investigations.

Sec. 10. RESTRICTIONS.

(a) Any sale of live crayfish within the state for fish angling bait or aquarium use is prohibited.

(b) Dead crayfish or the shells or meats thereof shall not be returned to the water or deposited on any shoreline or adjacent area.

(c) All crayfish under one inch in length from tip of rostrum to tip of tail shall be returned unharmed to the water.

(d) The distribution of any crayfish from one body of water to another within the state is prohibited except by written permission from the Director of the Division of Fish and Wildlife.

(e) The placement in waters of the state of any crayfish imported from outside the state is prohibited.

Sec. 11. PENALTIES.

Violation of any provision of state law pertaining to the harvest of crayfish, or any provisions of this order, or any terms or conditions of the permit shall immediately render the permit null and void. In addition, the violator shall be subject to all other penalties imposed by state law.

Sec. 12. Commissioner's Order No. 2338 is hereby superseded.

Dated at St. Paul, Minnesota, this 14th day of August, 1990.

Joseph N. Alexander, Commissioner
Department of Natural Resources

Withdrawn Rules

Department of Health

Notice of Withdrawal of Proposed Rules in the Matter of the Proposed Adoption of Rules of the Minnesota Department of Health Governing Fees for the Registration of Home Care Providers, *Minnesota Rules,* Chapter 4667

NOTICE IS HEREBY GIVEN that, pursuant to *Minnesota Statutes*, section 14.05, subdivision 3, the Minnesota Department of Health withdraws the above entitled rules proposed and published in *State Register,* Volume 14, Number 51, pages 2934-2938, June 18, 1990 (14 S.R. 2934).

Sister Mary Madonna Ashton
Commissioner of Health

Official Notices

Pursuant to the provisions of Minnesota Statutes § 14.10, an agency, in preparing proposed rules, may seek information or opinion from sources outside the agency. Notices of intent to solicit outside opinion must be published in the *State Register* and all interested persons afforded the opportunity to submit data or views on the subject, either orally or in writing.

The *State Register* also publishes other official notices of state agencies, notices of meetings, and matters of public interest.

Minnesota Comprehensive Health Association

Notice of Meeting of the Board of Directors

NOTICE IS HEREBY GIVEN that a meeting of the MCHA Board of Directors will be held at 9:00 a.m. on Tuesday, September 11, 1990, at Prudential Insurance Company of America, 3701 Wayzata Boulevard, Minneapolis, Minnesota.

Please note that the portion of the meeting to consider medical data relating to appeals is closed to the public.

For additional information, please call (612) 456-8466.

Executive Council
State Board of Investment
Land Exchange Board

Official Notice of Meetings of the Executive Council, State Board of Investment, Land Exchange Board and the Investment Advisory Council

The Executive Council, State Board of Investment and Land Exchange Boards will meet on Wednesday, September 19, 1990 at 8:30 a.m. in Room 125, State Capitol, Saint Paul, MN.

The Investment Advisory Council will meet on Tuesday, September 18, 1990 at 2:00 p.m. in Conference Rooms "A" and "B", MEA Building, 41 Sherburne Avenue, Saint Paul, MN.

Department of Human Services

Children's Services Division

Notice of Solicitation of Outside Information or Opinions Regarding Proposed Amendment of *Minnesota Rules,* parts 9550.6200 to 9550.6240, Governing Parental Fees for Children Placed in 24-Hour Out-of-Home Care

NOTICE IS HEREBY GIVEN that the State Department of Human Services is seeking information or opinions from sources outside the agency in preparing to propose the amendment of *Minnesota Rules*, parts 9550.6200 to 9550.6240, governing the assessment

and collection of parental fees by county boards or the Department of Human Services from parents of children in 24-hour care outside of the home. The rule amendments are authorized by *Minnesota Statutes* 1990, section 252.27, which governs parental contribution for the cost of children's services. The proposed amendments include revisions which are needed to make the rule consistent with the provisions of *Minnesota Statutes* 1990, section 252.27.

The State Department of Human Services requests information and opinions regarding the subject matter of the rule. Interested persons or groups may submit data or views on the subject matter of concern in writing or orally. Written statements should be addressed to: Laura Plummer, Rules and Bulletins Division, Department of Human Services, 444 Lafayette Road, St. Paul, MN 55155-3816. Oral statements will be received during regular business hours over the telephone at 612/297-4997 and in person at above address.

All statements of information and opinions shall be accepted until further notice is published in the *State Register* or the Notice of Hearing or Notice of Intent to Adopt Rules Without a Hearing is published in the *State Register*. Any written material received by the State Department of Human Services shall become part of the rulemaking record to be submitted to the attorney general or administrative law judge in the event that the rule is adopted.

Dated: 21 August 1990

Laura Plummer
Rules and Bulletins Division
Department of Human Services

Department of Revenue

Appeals and Legal Services Division

Notice of Solicitation of Outside Information or Opinions Regarding Proposed Rule Governing Sales and Use Taxation: Florists and Nurseries

NOTICE IS HEREBY GIVEN that the Minnesota Department of Revenue is seeking information or opinions from sources outside the agency in preparing to propose the amendment of the rule governing sales and use tax on florists and nurseries. The adoption of this rule is authorized by *Minnesota Statutes*, section 297A.29 which requires the commissioner of revenue to promulgate all needful rules for the administration and enforcement of *Minnesota Statutes*, sections 297A.01 to 297A.44 not inconsistent with its provisions.

The Minnesota Department of Revenue requests information and opinions concerning the subject matter of the rule. Interested persons or groups may submit data or views on the subject matter of concern in writing or orally. Written statements should be addressed to:

Terese Koenig Smith
Department of Revenue
Appeals and Legal Services Division
10 River Park Plaza
Mail Station 2220
St. Paul, MN 55146-2220

Oral statements will be received during regular business hours over the telephone at (612) 296-3438 and in person at the above address.

All statements of information and opinions shall be accepted until October 1, 1990. Any written material received by the Minnesota Department of Revenue shall become part of the rulemaking record to be submitted to the Attorney General or Administrative Law judge in the event that the rule is adopted.

Dated: 27 August 1990

Terese Koenig Smith
Attorney

Teachers Retirement Association

Notice of Regular Meeting

The Board of Trustees, Minnesota Teachers Retirement Association will hold a meeting on Thursday, September 20, 1990, at 9:00 a.m. in Suite 500, Gallery Building, 17 West Exchange Street, St. Paul, MN to consider matters which may properly come before the Board.

State Contracts and Advertised Bids

Pursuant to the provisions of Minn. Stat. § 14.10, an agency must make reasonable effort to publicize the availability of any services contract or professional and technical services contract which has an estimated cost of over $2,000.

Commodities contracts with an estimated value of $15,000 or more are listed under the Materials Management Division, Department of Administration. All bids are open for 7-10 days before bidding deadline. For bid specifics, time lines, and other general information, contact the appropriate buyers whose initials appear in parentheses next to the commodity for bid, by calling (612) 296-6152.

Awards of contracts and advertised bids for commodities and printing, as well as awards of professional, technical and consulting contracts, appear in the midweek STATE REGISTER Contracts Supplement, published every Thursday. Call (612) 296-0931 for subscription information.

Materials Management Division—Department of Administration:

Contracts and Requisitions Open for Bid

Call 296-2600 for information on a specific bid, or to request a specific bid.

Commodity: 1990 Plymouth Acclaim Auto
Contact: Brenda Thielen 296-9075
Bid due date at 2pm: September 7
Agency: Public Safety Department
Deliver to: St. Paul
Requisition #: 07150-11080

Commodity: Copy machine rental
Contact: John Bauer 296-2621
Bid due date at 2pm: September 10
Agency: Gaming Department
Deliver to: St. Paul
Requisition #: 09200-91033

Commodity: Lektriever
Contact: John Bauer 296-2621
Bid due date at 2pm: September 10
Agency: Pollution Control Agency
Deliver to: St. Paul
Requisition #: 32100-26342

Commodity: 1990 4 dr. sedans 3L89
Contact: Brenda Thielen 296-9075
Bid due date at 2pm: September 10
Agency: State University
Deliver to: Mankato
Requisition #: 26071-73923

Commodity: 8,000 gal stainless steel tanker trailer
Contact: Mary Jo Bruski 296-3772
Bid due date at 2pm: September 10
Agency: Transportation Department
Deliver to: Golden Valley
Requisition #: 79382-02114

Commodity: Microfilm
Contact: John Bauer 296-2621
Bid due date at 4:30pm: September 10
Agency: Human Services Department
Deliver to: St. Paul
Requisition #: 55000-12532

Commodity: Stabiscope
Contact: Joan Breisler 296-9071
Bid due date at 4:30pm: September 10
Agency: Public Safety Department
Deliver to: St. Paul
Requisition #: 07300-10967

Commodity: Wolfe Stereo Microscopes
Contact: Joseph Gibbs 296-3750
Bid due date at 4:30pm: September 10
Agency: Human Services Regional Treatment Center
Deliver to: Cambridge
Requisition #: 27141-48915

Commodity: Call distributor
Contact: Teresa Ryan 296-7556
Bid due date at 2pm: September 11
Agency: Transportation Department
Deliver to: South St. Paul
Requisition #: 79000-06201

Commodity: ½ ton pickup truck
Contact: Mary Jo Bruski 296-3772
Bid due date at 2pm: September 11
Agency: Iron Range Resources & Rehabilitation Board
Deliver to: Eveleth
Requisition #: 43000-13881

Commodity: Survey supplies
Contact: John Bauer 296-2621
Bid due date at 2pm: September 11
Agency: Transportation Department
Deliver to: St. Paul
Requisition #: 79000-11836

Commodity: 1990 Pontiac 6000
Contact: Brenda Thielen 296-9075
Bid due date at 2pm: September 11
Agency: Public Safety Department
Deliver to: St. Paul
Requisition #: 07150-11079

Commodity: 1990 Chev Lumina
Contact: Brenda Thielen 296-9075
Bid due date at 2pm: September 11
Agency: Public Safety Department
Deliver to: St. Paul
Requisition #: 07150-11082

Commodity: 1990 Dodge Spirit-Dynasty
Contact: Brenda Thielen 296-9075
Bid due date at 2pm: September 11
Agency: Public Safety Department
Deliver to: St. Paul
Requisition #: 07150-11081

Commodity: Voice mail
Contact: Teresa Ryan 296-7556
Bid due date at 2pm: September 12
Agency: Corrections Department
Deliver to: Shakopee
Requisition #: 02310-18184

Commodity: Safety caps-winter
Contact: Norma Cameron 296-3779
Bid due date at 2pm: September 12
Agency: Transportation Department
Deliver to: Various
Requisition #: Price contract

Commodity: Photo eye units/overhead doors
Contact: Pamela Anderson 296-1053
Bid due date at 4:30pm: September 12
Agency: Transportation Department
Deliver to: Morris
Requisition #: 79450-00686

Commodity: Rental of snowmobiles
Contact: Mary Jo Bruski 296-3772
Bid due date at 2pm: September 12
Agency: Natural Resources Department
Deliver to: Various
Requisition #: 29000-55079

Commodity: Van plus modifications
Contact: Brenda Thielen 296-9075
Bid due date at 2pm: September 12
Agency: Jobs & Training Department
Deliver to: St. Peter
Requisition #: 21604-69806

Commodity: 1990 Oldsmobile Ciera
Contact: Brenda Thielen 296-9075
Bid due date at 2pm: September 12
Agency: Public Safety Department
Deliver to: St. Paul
Requisition #: 07150-11083

Commodity: Unisys disk subsystem
Contact: Bernadette Vogel 296-3778
Bid due date at 2pm: September 12
Agency: State University Board
Deliver to: St. Cloud
Requisition #: 26137-05781

Commodity: Steel: Common use items–region 1–rebid
Contact: Patricia Anderson 296-3770
Bid due date at 2pm: September 12
Agency: Various
Deliver to: Various
Requisition #: Price Contract

Commodity: Steel: Common use items–region 2–rebid
Contact: Patricia Anderson 296-3770
Bid due date at 2pm: September 13
Agency: Various
Deliver to: Various
Requisition #: Price Contract

Commodity: Steel: Common use items–region 3–rebid
Contact: Patricia Anderson 296-3770
Bid due date at 2pm: September 14
Agency: Various
Deliver to: Various
Requisition #: Price Contract

Department of Administration: Print Communications Division

Printing vendors for the following printing contracts must review contract specifications in printing buyers office at 117 University Avenue, Room 134-B, St. Paul, MN.

Printing vendors NOTE: Other printing contracts can be found in the Materials Management Division listing above, and in the Professional, Technical & Consulting Contracts section immediately following this section.

Commodity: Application for off sale intoxicating liquor license, 4M 9½"x14" includes left/right pin feeds, fan fold 1-up continuous form, camera ready, 2-sided
Contact: Printing Buyer's Office
Bids are due: September 6
Agency: Public Safety Department—Liquor Control
Deliver to: St. Paul
Requisition #: 10917

Commodity: Violation citation, 4-part snapout form, 5"x8¾" includes stub, 32 books of 25 sets each, preprinted numbering, type to set, 2-sided
Contact: Printing Buyer's Office
Bids are due: September 6
Agency: Electricity Board
Deliver to: St. Paul
Requisition #: 10967

Commodity: Hand harvested Wild Rice Stickers, 100M 1" stickers and 150M 1½" stickers, rolls of 250, camera ready, 1-sided, 2-color + gloss varnish and adhesive
Contact: Printing Buyer's Office
Bids are due: September 10
Agency: Agriculture Department–Marketing
Deliver to: St. Paul
Requisition #: 10980

Commodity: Blue Certification Seed Tags, 600M tags, #6 tag 5¼"x2⅝" finished size, gangs of 500, 2 gangs per box, 6-tag fold, 2-sided, pack in chipboard boxes with telescope covers
Contact: Printing Buyer's Office
Bids are due: September 10
Agency: Agriculture Department
Deliver to: East Grand Forks
Requisition #: 10979

Commodity: Minnesota Trip Permit, 5M 3-part sets, 50 per book, 8½"x11¾" overall includes stub, type to set + negs, 1-sided
Contact: Printing Buyer's Office
Bids are due: September 10
Agency: Public Safety Department
Deliver to: St. Paul
Requisition #: 10692

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A Beacon to Guide You—Minnesota's Owners Manual

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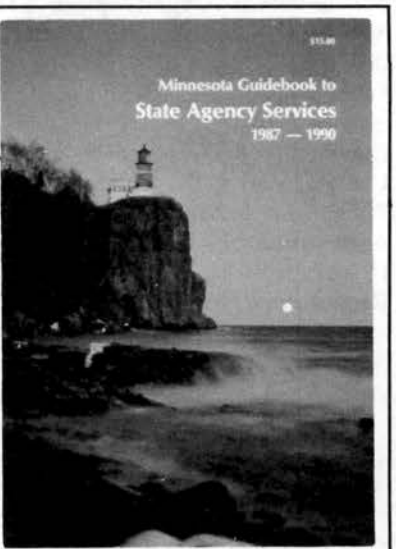

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Professional, Technical & Consulting Contracts

Department of Administration procedures require that notice of any consultant services contract or professional and technical services contract which has an estimated cost of over $10,000 be printed in the *State Register*. These procedures also require that the following information be included in the notice: name of contact person, agency name and address, description of project and tasks, cost estimate, and final submission date of completed contract proposal. Certain quasi-state agencies are exempted from some of the provisions of this statute.

Department of Administration

Information Policy Office

Intergovernmental Information Systems Advisory Council (IISAC)

Notice of Request for Proposals for Consulting Services to Identify and Document Issues Relating to Data/Information Interchange Among and Between Local and State Governmental Organizations

Intergovernmental Information Systems Advisory Council (IISAC) Grant with the League of Minnesota Cities

The Intergovernmental Information Systems Advisory Council (IISAC) issued a grant to the League of Minnesota Cities (LMC) who is acting as the grant administrator. This project will be directed by the Data Interchange Committee of IISAC. The Request for Proposal (RFP) requires preparation of a plan, methodology and budget to explore issues relating to data/information interchange among and between local and state governmental organizations. This is one grant with two phases. Selection of the Phase Two consultant will be done through a separate RFP process. The purpose of the first phase of this grant is to propose the process for identifying data/information interchange issues. Phase two requires implementing the process identified in Phase One to document the issues.

The formal RFP may be requested from and inquiries directed to:

Jim Krautkremer, Executive Director (612) 297-5530
Diane Jadwinski, Administrative Assistant (612) 297-2172
Minnesota Department of Administration
Intergovernmental Information Systems Advisory Council (IISAC)
Room 309, Administration Building
50 Sherburne Avenue
St. Paul, MN 55155

Cost of services for Phase One are anticipated to be no more than $15,000. Phase Two costs will be determined by the plan and budget recommended in Phase One, subject to approval by the IISAC Data Interchange Committee, with monies allocated by IISAC.

A pre-bid conference will be held on Thursday, September 27, 1990. All vendors who have requested RFP's will receive notice of the pre-bid meeting time and location.

Proposals are due no later than 4:00 p.m., Friday, October 5, 1990 with no exceptions.

Greater Minnesota Corporation

Notice of Request for Proposals for an Applied Research and Technology Transfer Consultant

The Greater Minnesota Corporation is seeking proposals for a consultant to assist the GMC in facilitating applied research and technology transfer between Minnesota businesses and other entities and Finland and the Russian Soviet Federated Socialist Republic (RSFSR).

Duties:

1. Determine the applied research and technology transfer needs of Minnesota businesses, research institutes and universities and their counterparts in Finland and RSFSR.

2. Facilitate the exchange of technical information between Minnesota entities and those in Finland and the RSFSR in areas of common interest.

3. Assist in the start-up of a minimum of three joint applied research projects and monitor their performance.

Qualifications:

1. Demonstrable experience in successfully facilitating applied research between American businesses, research institutes and universities and those in other nations.

2. Knowledge of and formal contacts with key organizations in Finland and the RSFSR to undertake this engagement.

3. Extensive knowledge of and experience in working with Minnesota businesses, research institutes and universities.

4. Adequate personnel with the appropriate capabilities and training to carry out the engagement.

For Further Information Contact:

Mike Miles
Vice President and General Counsel
Greater Minnesota Corporation
1250 International Centre II
920 Second Avenue South
Minneapolis, Minnesota 55402
(612) 338-6666

Proposals Must Be Received By 5:00 p.m. Monday, September 17, 1990.

Greater Minnesota Corporation

Notice of Request for Proposals for Consultant Regarding International Joint Ventures

The Greater Minnesota Corporation is seeking proposals for the selection of a consultant to assist the GMC in facilitating the transfer of technology by the formation of joint business ventures between small and medium sized Minnesota businesses and comparable businesses in the United Kingdom and Finland.

Duties:

1. Determine the potential joint venture needs of small and medium sized Minnesota businesses and their counterparts in the United Kingdom and Finland.

2. Facilitate the exchange of information regarding technologies between small and medium sized businesses and those in the United Kingdom and Finland.

3. Facilitate the creation of at least three technology transfer joint ventures between small and medium sized Minnesota businesses and those in the United Kingdom and Finland and monitor their progress.

Qualifications:

1. Extensive experience in successfully facilitating joint business ventures between Minnesota businesses and those in other nations.

2. Knowledge of and formal contacts with key organizations in the United Kingdom and Finland to undertake this engagement.

3. Extensive knowledge of and experience in working with small and medium sized Minnesota businesses.

4. Adequate personnel with the appropriate capabilities and training to carry out this engagement.

For Further Information Contact:

Mike Miles
Vice President and General Counsel
Greater Minnesota Corporation
1250 International Centre II
920 Second Avenue South
Minneapolis, Minnesota 55402
(612) 338-6666

Proposals Must Be Received By 5:00 p.m. Monday, September 17, 1990.

Minnesota Department of Health

Notice of Availability of Contract for Lead-Based Paint Detection and Abatement Seminar

Purpose

The Minnesota Department of Health is seeking organizations interested in competing for a contract to conduct a training program for abatement contractors on specific lead-based paint abatement methods required to ensure safe collection, removal, transportation, and disposal of lead containing material.

Budget/Time Frame

The total budget for this contract is not to exceed $40,000 for expenses including transportation, room and board fees for out of town lecturers and guest speakers, conference room rental, videotaping, printing and development of materials, manuals, overheads, refreshments, meals and any other administrative costs.

However, the proceeds collected from the seminar tuition fees may be added to the original seminar budget of $40,000 and be used as part of the total seminar budget. Only tuition fees actually collected will be added to the budget, and the successful bidder will be required to use the seminar tuition fees collected to cover expenses before requesting further reinbursement from the Minnesota Department of Health. Only actual expenses will be reimbursed.

The estimated contract starting date is December 7, 1990, with the seminar conducted by March 31, 1991.

Eligibility Criteria

Applicants must be organizations familiar with the most recent regulations and techniques for the abatement and removal of lead-based paint hazards. Experience planning and conducting at least one lead abatement training course is preferable, but not required.

Minimum Expectations

The following topics are to be included in the program content: 1) Background on the Use of Lead, 2) Possible Routes of Exposure to Lead and the Role of Good Personal Hygiene, 3) Health Effects of Lead, 4) Overview of Lead-Based Regulations (specifically in reference to Minnesota), 5) Organizing an Abatement Plan, 6) Contract Specifications, 7) Interpretation of XRF data, 8) OSHA Lead Standard, Worker Protection and Safety Hazards, 9) Personal Protective Equipment (types, limitations, selection, cleaning and maintenance), 10) Abatement Techniques, including replacement, encapsulation and paint removal, 11) Preparation, Cleanup Techniques and Clearance Criteria, 12) Hazardous Waste Disposal Requirements.

Contractors must provide all course materials, including course promotion/registration brochure, contractor education fact sheets, audiovisual, slides, overhead transparencies, deleaders manual, handouts and other written materials. Slides and transparencies are to be reproduced in handouts.

The successful bidder will have to provide evidence of worker's insurance, Federal Employer Identification Number; and if applicable, a Minnesota Tax Identification Number.

Procedure For Submitting Proposals

Those interested in receiving the complete request for proposal may contact:

Dianne Kocourek Ploetz
Health Educator, Lead Program
Minnesota Department of Health
Community and Environmental Services
925 S.E. Delaware Street
P.O. Box 59040
Minneapolis, MN 55459-0040
(612) 627-5018

Proposals are due by October 31, 1990 by 4:30 p.m.

Iron Range Resources and Rehabilitation Board

IRONWORLD USA

Request for Proposal for Consultants to Provide Market Analysis and Financial Feasibility Study for 18-hole Golf Course

The Iron Range Resources and Rehabilitation Board (IRRRB) requests proposals from qualified consultants to provide professional services to analyze the market and financial feasibility for an eighteen hole golf course to be lcoated at IRONWORLD USA in Chisholm, Minnesota.

Project Scope of Services

1. Market Delineation: After conducting demographic and economic research on area residents and visitors, the consultant will define the range and size of available markets for the proposed 18 hole golf course. The group meeting market will be included. Other industry publications and source material will be utilized to complete the market segment delineation.

2. Survey of Other Golf Course Facilities: Other golf courses on the Iron Range and in northeastern Minnesota will be surveyed to determine the following characteristics:

- location
- number of holes and course type
- green fees and availability
- membership fees (if appropriate) and number of members
- operating season and effective operating days
- number of annual rounds played and daily usage patterns
- amenities and ancillary facilities
- other pertinent information, such as expansion plans, market area served, and operating statements

Courses surveyed will include, but not necessarily be limited to, the following:

- Hibbing Municipal Golf Course
- Mesaba Country Club
- Eveleth Golf Course
- Virginia Golf Course
- Eshquagama Club (Gilbert)
- Sugar Hills (Grand Rapids)

- Pokegama Country Club (Grand Rapids)
- Vermilion Fairways (Cook)
- Hoyt Lakes Golf Course
- Duluth Public and Private Courses

3. Analyze Comparable Facilities: The consultant will review the performance of golf courses similar to the proposed facility in other areas. This will be conducted through a review of the consultants, file materials and updated via telephone surveys.

4. Market Projections: The consultant projects the total number of obtainable rounds at IRONWORLD USA, broken out by market segment. The consultant will also recommend the proper mix of amenities and ancillary facilities needed to attract maximum utilization.

5. Financial Projections: The consultant will suggest an appropriate fee structure for the proposed course, and, based on expected number of rounds and the use of amenities, will prepare estimates of expected revenues. Operating expenses will be projected based on those similar facilities. A pro forma financial statement for a typical operating year will be provided.

6. Final Report: The consultant will present all findings, conclusions and recommendations in a final report to the IRRRB. Number of copies not to exceed 20.

Tentative Proposal/Contract Timelines

Publication in the *State Register:* Tuesday, Sept. 4, 1990
Response Period: Tuesday, September 4, 1990—Friday, September 20, 1990
Tentative Respondent Interviews: October 1-5, 1990
Anticipated Date of Contract Award: October 15, 1990
Anticipated Term of Contract: November 1, 1990—March 31, 1991

Submission of Proposals

Completed proposals should be mailed or delivered to:

Iron Range Resources and Rehabilitation Board
Highway 53 South, P.O. Box 441
Eveleth, MN 55734
(218) 744-2993

Proposals responding to this RFP must be received by: **NOON, FRIDAY, SEPTEMBER 20, 1990.**

Late proposals will not be accepted. Please provide one original and seven copies of the proposal signed by an authorized member of the responding firm. Proposals should be sealed in mailing envelopes or packages with the respondent's name and address clearly written on the outside. Such envelopes or packages should be stamped in bold letters, **Golf Course Feasibility Study—Do Not Open.**

The Iron Range Resources and Rehabilitation Board shall not be responsible for any costs incurred in responding to this RFP.

Statutory Proposal Requirements

1. A copy of the firm's current certificate issued by the Commissioner of Human Rights, or

2. A statement certifying that the firm has a current Certificate of Compliance issued by the Commissioner of Human Rights, or

3. A statement certifying that the firm has not had more than 20 full time employees in Minnesota at any time during the previous 12 months.

Any questions concerning a Certificate of Compliance may be referred to the Contract Compliance Unit of the Minnesota Department of Human Rights at (612) 296-5663.

Worker's Compensation—In accordance with the provisions of *Minnesota Statutes*, 1981 Supplement, Section 176.182, the IRRRB will affirm that the agency has provided acceptable evidence of compliance with the Worker's Compensation Insurance Coverage Requirement of *Minnesota Statutes*, 1981 Supplement, Section 176.181, Subdivision 2.

Cancellation of Solicitation

This request for proposal does not obligate the IRRRB to complete the project and the IRRRB reserves the right to cancel the solicitation if it is considered to be in its best interest.

For further information and formal RFP documents, contact Kim Peterson at (218) 744-2993.

Department of Transportation

Notice of Request for Proposals to Design and Deliver Supervisory Training to Mn/DOT's Supervisors

The Minnesota Department of Transportation solicits proposals from qualified consultants or firms experienced in the successful development and delivery of supervisory training.

Scope of Project

The purpose of this project is to provide a quality training product directly based on the results of a supervisory needs assessment. The consultant will provide certain technical and professional services as described herein:

Objective and Goals (See proposal contents)

Project Tasks

1. To design, develop, conduct and evaluate a training program to meet the above goals and objective.

2. To conduct 1-2 focus groups to serve as both a developmental and marketing tool. This event would serve to confirm identified training needs and determine other training needs beyond the scope of this project.

Department Contacts

Sheryl Furness
Employee Development Specialist
Department of Transportation
515 Transportation Building
John Ireland Boulevard
St. Paul, Minnesota 55155
(612) 297-3897

Sue Muehlbach
Acting Director
Employee Development
Department of Transportation
515 Transportation Building
John Ireland Boulevard
St. Paul, Minnesota 55155
(612) 296-3125

Sheryl Furness and Sue Muehlbach are the only employees allowed to discuss or answer questions regarding this RFP.

Submission of Proposals

All proposals must be sent to and received by October 12, 1990, 4:30 p.m. Please send to:

Sue Muehlbach
Acting Director, Employee Development Section
Department of Transportation
515 Transportation Building
John Ireland Boulevard
St. Paul, Minnesota 55155
(612) 296-3125

Project Costs

The Department has estimated that the cost of this project should not exceed $18,000.

Project Completion Date

The project will be completed by December 1991.

Proposal Contents

1. Objective: To assist supervisors in building better skills in the areas of managing teams and coping effectively with change and conflict.

A. Goals: To develop an understanding of their personal leadership styles and the impact on the organization.

Tasks:

1. Use a leadership instrument to identify leadership style.

2. Apply leadership style to management of work team.

B. To develop an understanding of the change process within an organizational culture.

Tasks:

1. Use a model of organizational and human dynamics for managing change.

2. Apply model to organizational goals and individual work group.

C. To develop realistic strategies to effectively manage team roles and relationships within the Mn/DOT culture.

Tasks:

1. Teach a problem-solving process to assist participants in decision-making and team management.

D. To develop communication skills to improve peer and employee relationships.

Tasks:

1. To assist participants in building relationships within their teams.

2. To communicate clearly and persuasively.

E. To develop skills to facilitate effective management of conflict and change.

Tasks:

1. To assist participants in developing negotiation skills and resolve conflict.

2. Learn to constructively confront differences within team.

F. To develop skills to create positive work environments which result in positive attitudes of work teams members.

Tasks:

a. Empower participants to create a work environment that encourages recognition and respect for individual team members.

b. Empower participants to create a work environment that encourages creativity in problem solving and decision-making.

2. Deliverables

A. A focus group to clarify objective and goals.

B. Supervisory training program to meet the above objective, goals and tasks.

C. Evaluation tool to measure effectiveness of supervisory training program.

D. Summary report of results of program and future recommendations.

3. Respondent will have the following background and experience:

a. Knowledge and skills in supervisory training and development, specifically in team building, conflict management, communication, human relations and problem solving. Group facilitation and presentation skills.

b. Experience in management/supervisory development.

c. Sample product design.

d. References of past employers where above knowledge and skills were demonstrated.

4. Respondent will complete a detailed cost and work plan which will identify the major tasks to be accomplished and be used as scheduling and managing tool as well as basis of invoicing.

5. Mn/DOT's employee development representatives will be involved in selection process, project management and evaluation process.

Evaluation

All proposals received by the deadline will be evaluated by representatives of the Department of Transportation. Factors upon which proposals will be judged include, but are not limited to the following:

1. Expressed understanding of proposed objectives;

2. Project work plan;

3. Project cost detail;

4. Qualifications of both company and personnel, particularly with regard to supervisory training and development. Experience of project personnel will be given greater weight than that of the firm.

5. In our selection process, Mn/DOT reserves the right to request an oral presentation of the product.

6. Option to purchase product at an agreed upon licensing fee at a later date would be considered.

Department of Transportation

Finance and Administration Division

Request for Proposals (RFP) for Mn/DOT Central Office Facility

The Minnesota Department of Transportation is requesting proposals for an approximate 400,000 net square foot Central Office facility to be located in the Twin Cities area.

Proposers will be required in Stage I to complete a questionnaire furnished in the Request for Proposal (RFP) packet. Upon evaluation, a limited number of proposers will be invited to submit additional information and be interviewed.

All proposals must comply with *Minnesota Statutes* Sections 16B.19 (as amended by *Laws of Minnesota 1990*, Chapter 541, Section 3), 363.073, 645.445, and *Laws of Minnesota 1990*, Chapter 541 as it may otherwise relate to this study; which concern small business procurement and/or affirmative action certificates of compliance.

The RFP will be available on September 4, 1990.

Requests for the RFP packet shall be in written form, addressed to:

Mn/DOT Facilities Management Unit
Transportation Building, Room B22
John Ireland Blvd.
St. Paul, Minnesota 55155

All Stage I proposals must be received by 4:00 p.m. (CST) on Thursday, October 11, 1990.

State Grants

In addition to requests by state agencies for technical/professional services (published in the State Contracts section), the *State Register* also publishes notices about grant funds available through any agency or branch of state government. Although some grant programs specifically require printing in a statewide publication such as the *State Register*, there is no requirement for publication in the *State Register* itself.

Agencies are encouraged to publish grant notices, and to provide financial estimates as well as sufficient time for interested parties to respond.

Department of Corrections

Notice of Availability of Funds for Development of an Intensive Community Supervision Project in Hennepin County

The Minnesota Department of Corrections, Community Services Division, announces the availability of funds for development of an Intensive Community Supervision Project in Hennepin County.

Approximately $200,000 may be made available to a public or private corrections oriented organization for the purpose of providing an intensive community supervision corrections delivery system in Hennepin County. Clientele will include adult felons (male and female) released to this program from a state correctional facility by the Commissioner of Corrections through the Office of Adult Release. Funding will be for approximately eight (8) months terminating on June 30, 1991.

While there is no assurance of continued funding for following years, it is probable that funding for future grants will be available.

To be eligible to apply an applicant organization must be a public or private community corrections organization. The successful applicant must have extensive experience in providing correctional services.

The deadline for grant proposal submission is Friday, September 28, 1990, 4:30 p.m. To receive a request for proposal which describes in detail the application process for this funding and the requirements of the legislation, contact Ethel Jackman, Minnesota Department of Corrections, Community Services Division, 300 Bigelow Building, 450 North Syndicate, St. Paul, Minnesota, 55104. Telephone (612) 642-0235.

Supreme Court Decisions, Opinions & Rules

Opinions Filed 31 August 1990

C0-89-1368 State of Minnesota v. Ronnie W. Hartfield, petitioner, Appellant. Court of Appeals.

Where, as here, a defendant's convictions of burglary and criminal sexual conduct arise from a single behavioral incident, the conviction and sentence for the burglary may not be used to increase the criminal history score for the sex offense. Minnesota Sentencing Guidelines II.B.102.

Affirmed as modified. Simonett, J.

C5-90-1212 Steven Krotzer v. Browning-Ferris/Woodlake Sanitation Service, et. al. Workers' Compensation Court of Appeals.

Where the compensation judge's factual findings had ample evidentiary support, the Workers' Compensation Court of Appeals erred in setting the findings aside.

Reversed. Simonett, J.

Announcements

Environmental Quality Board (EQB): Comments are due September 19 on EAWs (environmental assessment worksheets) for the following projects at their listed regional governing unit: **Essex Estates,** City of Rochester, Jeffery Ellerbusch, Rochester Dept. of Planning & Housing, 2122 Campus Drive SE, Rochester, MN 55904; **Merit Lodge Harbor Expansion,** Cass County (218) 547-3300 ext. 243; **Hennepin County High School,** City of Brooklyn Park (612) 424-8000; **Mayo Foundation Medical Waste Incinerator,** MPCA (Minn. Pollution Control Agency); (612) 296-8643; **Second Street North Bridge,** City of Minneapolis (612) 673-3365; **J.L. Shiely Company Barge Channel Excavation,** City of Cottage Grove (612) 458-2825; **Lake Medina Restoration,** City of Medina (612) 473-4642; **Marshan Sand Coulee Gravel Mining Permit,** Dakota County, John Forest, Dakota County Dept. of Planning & Program Mgmt., 7300 W. 147th St., Suite 503, Apple Valley, MN 55124; **Sylvester Brothers Recycling/Composting Facility,** City of East Bethel, (612) 434-9659; **RECOMP, Inc. Food Waste Composting Facility,** Metropolitan Council (612) 291-6361—a public meeting will be held Wed. 12 Sept. at 7 p.m., Inver Hills Community College Theater, 8445 East College Trail, Inver Grove Heights, MN. Call Bernadine Scott, Metro Council, 291-6500, if you would like to speak at the meeting. • Petitions for review have been received for the following projects: **Vista of Mineral Springs,** Goodhue County; **Hennepin County Highway Project 8724,** Hennepin Co. Dept. of Public Works; **Oakcrest on Cross Lake,** City of Crosslake; **Eagle Lake Church Camp Expansion,** Crow Wing County; **Brooks Subdivision-Pike Lake,** St. Louis County.

Hennepin County District Court Vacancy: The Commission on Judicial Selection is seeking applications for a judicial opening that will occur in Hennepin County with the retirement of the Honorable Kenneth Jack Gill on Jan. 31, 1991. Applicants must be lawyers and residents of Hennepin County. Application forms are available by writing to Tanya Bransford, chair, Commission on Judicial Selection, 130 State Capitol, St. Paul, MN 55155, or calling 296-0055. All applicants for this vacancy must submit a new application and letters of recommendation no later than Sept. 18, 1990. Letters of recommendation submitted less than two years ago by former applicants are still acceptable. Applicants are asked not to contact commission members individually since interviews will be conducted on a specified date by the nine at-large members and four Fourth Judicial District members.

Pay Minnesota Use Tax On All Items Purchased Out-Of-State: Minnesotans must pay a six percent state use tax for all items they buy out of state and use here, whether they shop in Winnipeg or Wisconsin, in Indonesia or Iowa. Similar to the state sales tax, use tax must be paid for merchandise normally taxed in Minnesota that has been bought out of the state and used here, said Revenue Commissioner John James. This includes items that have been bought through catalog or TV marketing. Exempt from the use tax are the same items that are exempt from the state sales tax, such as food, clothing and prescribed medications. The use tax rate is the same as Minnesota's sales tax rate—six percent—and applies only when Minnesota sales tax is not charged at the time of purchase, he said. To pay use tax, people should complete a UT-1 form and remit a check payable to the department by the 20th of the month following the month in which the items enter Minnesota. "Use tax protects Minnesota businesses from unfair competition," James said. "Local businesses suffer a six percent competitive disadvantage when their customers shop out-of-state and don't pay tax. This affects the economies of communities and the state." Minnesota allows a credit for sales tax paid to another state, up to the six percent charged by Minnesota. For instance, a Minnesotan who bought a couch in Wisconsin and paid its five percent sales tax would only have to pay one percent use tax in Minnesota, James said. Local sales tax, foreign taxes and custom duty charges are not eligible for this credit. Details on Minnesota's use tax are given in the department's recently published brochure, "Minnesota's Use Tax for Consumers," which is available at border customs offices and through the Minnesota Department of Revenue. For more information and use tax forms, call the department at (612) 296-6181 or toll-free (1-800) 657-3777.

Public Hearings Set on New Airport Search Areas: The Metropolitan Council will hold three public hearings in September to hear public comments on the Council's proposed guidelines for land use changes in areas that will be designated as "candidate" or final search areas for a possible new major airport. The Council will identify candidate search areas in January 1991. In preparation, it is developing its review guidelines now. The public hearings will be held as follows: **Thursday, Sept. 20, 2 p.m.,** Metropolitan Council offices, Mears Park Centre, 230 E. Fifth St., in downtown St. Paul; **Tuesday, Sept. 25, 7 p.m.,** Dakota County Extension Bldg., 4100 220th St. W., Farmington; and **Thursday, Sept. 17, 7 p.m.,** Bunker Hills Activity Center, 550 Bunker Lake Blvd., Anoka. Call the Council's Data Center at 291-8140 for free copies of the proposed *Metropolitan Council Guidelines for Reviewing Land Use Changes in New Airport Search Areas.*

Met Council Chair Holds Breakfast Meetings: Metropolitan Council Chair Steve Keefe will hold a series of breakfast meetings in September and October with local officials in the seven-county Metropolitan Area. All meetings will be held from 7:30-9 a.m. The cost of each meeting covers breakfast, tax and gratuity. To register, call the Council's Community Outreach Division at 291-6500. The schedule of meetings is: **Anoka County**—Friday, Sept. 21, Season's Restaurant and Lounge, 12800 Bunker Prairie Dr., Coon Rapids. Cost is $5. Register by Sept. 18. **Carver County**—Wednesday, Sept. 26, J's Family Restaurant, 222 Chestnut St., Chaska. Cost is $5. Register by Sept. 21. **Dakota County**—Friday, Oct. 5, Big Daddy' Diner, 14485 S. Robert Trail, Rosemount. Cost is $5. Register by Oct. 2. **Hennepin County**—Wednesday, Sept. 19, T. Wrights, 3310 S. Hwy. 101, Wayzata. Cost is $4. Register by Sept. 14. **Hennepin County**—Wednesday, Oct. 3, Days Inn, 1501 Freeway Blvd., Brooklyn Center. Cost is $6. Register by Sept. 28. **Ramsey County**—Wednesday, Oct. 10, Grumpy's Cafe, 235 E. Little Canada Rd., Little Canada. Cost is $5. Register by Oct. 5. **Scott County**—Friday, Sept. 28, Canterbury Inn, 1244 Canterbury Rd., Shakopee. Cost is $6. Register by Sept. 25. **Washington County**—Friday, Sept. 14, Lake Elmo Inn, 3442 Lake Elmo Av. N., Lake Elmo. Cost is $6. Register by Sept. 11.

Get Smart with these Education Resources

Board of Teaching-Licensure Rules 1987. *Minnesota Rules* Chapter 8700. Requirements for the issuance and renewal of all licenses, from vo-tech and hearing impaired to librarians and media generalists. Includes the Code of Ethics for Minnesota Teachers, and standards for teachers prepared in other states. Code #3-74, $7.00 plus tax.

Education Directory 1989-90. All the elementary and secondary schools in the state. Includes Minnesota school districts, superintendents, boards, principals, district addresses, phone numbers and enrollment figures. Code #1-93, $8.95 plus tax.

TO ORDER: Send to Minnesota's Bookstore, 117 University Avenue, St. Paul, MN 55155. Call (612) 297-3000, or toll-free in Minnesota: 1-800-652-9747. Minnesota residents please include 6% sales tax. On all orders, add $2.00 per order for postage and handling. Prepayment is required. Please include daytime phone. VISA/ MasterCard and American Express orders accepted over phone and through mail. ***Prices are subject to change.*** FAX: (612) 296-2265.



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Good Business Decisions are Made with Good Information



Minnesota Manufacturer's Directory. More than 7,000 entries that include name, address, phone number, staff size, sales volume, market area, year of establishment, type of firm, C.E.O., Sales or Marketing Manager, Purchasing Manager and four major manufactured products. Code #40-2, $78.50 plus tax.

Business and NonProfit Corporation Act 1989. A handy reference that contains all the state laws governing the establishment and conduct of corporations in Minnesota. Includes *Minnesota Statutes* Chapters 80B, 302, 302A and 317. Code #2-87, $15.00 plus tax.

Minnesota Guidebook to State Agency Services 1987-1990. Packed with information to help you cut through red tape for easy and fast dealing with state agencies, this treasure of information opens state government to you. Its 640 pages describe agencies, how they work, listing contacts, addresses, phones, and license requirements, grants, forms, reports, maps, publications and much more. Gives historical, statistical and important data useful in hundreds of ways. Code #1-4. $15.00 plus tax. FAX: (612) 296-2265.

Publication editors: As a public service, please reprint this ad in your publication as is, reduced, enlarged, or redesigned to suit your format. Thank you.

Resolve Bargaining Disputes and Grievances



Public Employment Labor Relations Act 1989. The collective bargaining rights and responsibilities of public employers and public employees. Details employees' right to organize and the legislature's authority. Code #2-90, $6.00 plus tax.

Public Sector Labor Relations in Minnesota. A practical resource and training guide analyzing public sector labor relations in Minnesota. A special emphasis on contract administration, grievance handling and the arbitration process. 286 pages, paperbound. Code #10-51, $12.50.

Minnesota Guidebook to State Agency Services 1987-1990. A treasure of helpful, useful, and interesting information about Minnesota state government. This important resource guides you through applications, fees, licenses, reports, history and travel highlights. Describes agencies in detail, giving addresses, phones and contact people. Code #1-4, $15.00 plus tax. FAX: (612) 296-2265.

Publication editors: As a public service, please reprint this ad in your publication as is, reduced, enlarged, or redesigned to suit your format. Thank you.

A Wise Investment—the rules of the game



Securities Laws, 1989. Governs the activities of broker/dealers, agents and investment advisors. *Minnesota Statutes* Chapter 80A. COde #2-12, $7.00 plus tax.

Securities Rules, 1988. Rules implementing the legislative mandate. Subjects include equity securities and investment companies. *Minnesota Rules* Chapter 2875. Code #3-5, $14.00 plus tax.

Minnesota Guidebook to State Agency Services, 1987-1990. Packed with information to help you, this 640-page resource guides you through license requirements, forms, fees, reports, services, grants, and more. Its listing of addresses, phones, and agency descriptions cut red tape for easy and fast service from state agencies. Code #1-4, $15.00 plus tax.

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ETHICAL PRACTICES BOARD . 625 North Robert Street . St. Paul, MN 55101-2520

Nov 26

DATE: November 21, 1990

TO: Martha Casserly, Special Assistant Attorney General

FROM: Mary Ann McCoy, Executive Director

SUBJECT: Counsel's Review of Rules Adopted without a Public Hearing (rules proposed and published in State Register, September 4, 1990)

As directed by the Ethical Practices Board on October 25, 1990, I am pleased to forward the following documents for your review, prior to submission to the Attorney General, under the Rules of the Attorney General:

1. Copy of the Board's Notice of Solicitation of Outside Information as published in the **State Register** (Volume 14, Number 50, 11 June 1990);

2. Certificate of the Board's authorizing resolution;

3. Copy of the proposed rules as approved by the revisor of statutes;

4. Notice of intent to adopt rules without a public hearing (as mailed);

5. Statement of need and reasonableness;

6. Affidavit of mailing notice of proposed adoption and certificate of mailing list (combined);

7. Copy of the notice of intent to adopt rules without a public hearing as published in the **State Register** (Volume 15, Number 10, September 4, 1990);

8. Four copies of the rule as adopted;

9. Certificate of the Board's resolution adopting the proposed campaign financing rule and withdrawing the proposed economic interest disclosure, lobbyist registration and reporting, and conflicts of interest rule;

10. Copy of the notice of withdrawing rule as published in the **State Register** (Volume 15, Number 21, November 19, 1990);

11. Findings of fact, conclusions, and order adopting rule without a public hearing; and

12. Written requests, submissions, or comments on the rule received.

The Board received no request for notification of the date of submission of the rules to the Attorney General.

I understand that after you review the enclosed documents, you will prepare a declaration, as the attorney in the Attorney General's office who represents the agency, to accompany your forwarding of these documents to the Attorney General. Please send me a copy of your declaration, for the Board files, showing the date on which you forwarded these documents to the Attorney General.

In the meantime, if you have questions about this memorandum or the enclosures, please call me at 296-1720. Thank you.

Mary Ann McCoy

enclosures

Official Notices

Pursuant to the provisions of Minnesota Statutes §14.10, an agency, in preparing proposed rules, may seek information or opinion from sources outside the agency. Notices of intent to solicit outside opinion must be published in the *State Register* and all interested persons afforded the opportunity to submit data or views on the subject, either orally or in writing.

The *State Register* also publishes other official notices of state agencies, notices of meetings, and matters of public interest.

Minnesota Comprehensive Health Association

Notice of Annual Meeting of Members and Annual Meeting of the Board of Directors

NOTICE IS HEREBY GIVEN that the Annual Meeting of Members of the Minnesota Comprehensive Health Association will be held at 9:00 a.m. on Wednesday, June 20, 1990, at the Minnesota Club, 317 Washington Street, St. Paul, Minnesota, to be followed by the Annual Meeting of the Board of Directors.

For additional information, please call (612) 456-8466.

Ethical Practices Board

Notice of Solicitation of Outside Information or Opinions Regarding Proposed Rule Governing Campaign Financing, Economic Interest Disclosure, Lobbyist Registration and Reporting, and Conflicts of Interest

NOTICE IS HEREBY GIVEN that the State Ethical Practices Board is seeking information or opinions from sources outside the agency in preparing to propose the amendment of the rule governing campaign financing, economic interest disclosure, lobbyist registration and reporting, and conflicts of interest. The adoption of the rule is authorized by *Minnesota Statutes*, section 10A.02, subd. 13, which permits the agency to promulgate rules to carry out the purposes of *Minnesota Statutes*, Chapter 10A.

The State Ethical Practices Board requests information and opinions concerning the subject matter of the rule. Interested persons or groups may submit data or views on the subject matter of concern in writing or orally. Written statements should be addressed to: Mary Ann McCoy, Executive Director, 625 N. Robert St., St. Paul, MN 55101. Oral statements will be received during regular business hours over the telephone at (612) 296-1720 and in person at the above address. Statements will be received, also, at a public meeting of the Ethical Practices Board's Subcommittee on Rules and Forms to be held on Monday, June 25, 1990, and at the Board's regular meeting on Thursday, June 28, 1990. Both meetings will be held in Room 300N, State Office Building, 100 Constitution Avenue, in the Capitol Complex, St. Paul; the meeting on June 25, 1990, will begin at 2 p.m.; the meeting on June 28, 1990, will begin at 9 a.m.

All statements of information and opinions shall be accepted until 4:30 p.m. on July 5, 1990. Any written material received by the State Ethical Practices Board shall become part of the rulemaking record to be submitted to the attorney general or administrative law judge in the event that the rule is adopted.

Dated: 5 June 1990

Mary Ann McCoy, Executive Director

Kanabec County Law Library

Notice of Raise in County Law Library Filing Fees

Please take notice that pursuant to *Minnesota Statutes* § 140.422 (subd. 4) in the County of Kanabec, State of Minnesota, the Kanabec County law library committee, acting as its Board of Trustees, and with the approval of the County Board of Commissioners set the county law library fees to the following:

Conciliation Court	**$3.00**
Petty Misdemeanors, Misdemeanors, Probate, Civil, and all family matters	**5.00**
Felony and Gross Misdemeanors	**10.00**

Effective July 1, 1990

STATE OF MINNESOTA
ETHICAL PRACTICES BOARD
625 NORTH ROBERT STREET, SUITE 102
ST. PAUL, MINNESOTA 55101-2520
PHONE: (612) 296-5148

CERTIFICATE OF THE
ETHICAL PRACTICES BOARD'S
AUTHORIZING RESOLUTION

I, Martin J. McGowan, 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 26th day of July, 1990,, 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 Mary Ann McCoy, the executive director of the Board of Ethical Practices, is hereby granted the authority and directed to sign and to give Notice of the Board's Intent to Adopt a rule without a public hearing governing campaign financing, economic interest disclosure, lobbyist registration and reporting, and conflicts of interest to all persons who have registered their names with the Board for that purpose and publish the Notice and rule in the **State Register**, and to perform any and all acts incidental thereto."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 26th day of July, 1990.

Martin J. McGowan, Chair
Ethical Practices Board

Attest by one other Board Member

Ethical Practices Board
In the Matter of the Proposed Adoption of the Rule Relating to Campaign Financing, Economic Interest Disclosure, Lobbyist Registration and Reporting, and Conflicts of Interest
Notice of Intent to Adopt a Rule without a Public Hearing

(1) Notice is hereby given that the State Ethical Practices Board intends 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.

(2) 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. (8) The 30-day period ends 4:30 p.m., October 4, 1990. Comment is encouraged. (3) 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. (4) 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. (6) Any person requesting a public hearing should state the person's name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. (7) If a public hearing is required, the Board will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

(3) 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; (612) 296-1720.

(8) 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.

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

(12) 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 the lobbyist 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 the individual's 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; or (b) who spends more than $250, not including the individual's 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) 296-5148.

Minn. Stat. §14.115 requires the Board to provide an opportunity for small businesses to participate in the rulemaking process. For the most part, the proposed amendments do not affect small businesses directly, rather individuals must file the various reports. Small business may be subject to the rules if they establish a political fund to support or oppose a state constitutional amendment. In addition, if a small business spends more than $500 in a calendar year to engage a lobbyist or spends at least $50,000 in any calendar year on efforts to influence legislative action or administrative action or the official action of a Metropolitan Governmental Unit, the business may be subject to the rules. However, all of these impacts are mandated by state law, not additional requirements proposed by rulemaking. For more information on the possible small business impact and the discussion of the efforts considered to reduce the impact on small businesses, see the Statement of Need and Reasonableness. The proposed amendments will not require expenditures of public money by local public bodies, therefore, Sections 3.982 and 14.11 do not apply.

(9) 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 Brenda Turnquist, at the Board Office address listed above.

Dated: August 30, 1990

Mary Ann McCoy

Mary Ann McCoy, Executive Director

CAMPAIGN FINANCING

4500.0100 DEFINITIONS.

[For text of subps 1 to 3, see M.R.]

Subp. 4. **File, filed, filing.** "File," "filed," and "filing" mean delivery to the office of the board of a document bearing the original signature of the individual who submits the document by 4:30 p.m. on the prescribed filing date or postmarked on the filing date. If the filing date is a Saturday, Sunday, or legal holiday, the filing date is the next regular business day.

[For text of subps 5 to 8, see M.R.]

4500.1100 CERTIFICATION.

Subpart 1. **Signature.** The original signature of the treasurer or deputy treasurer of record ~~shall be~~ is sufficient certification on forms prescribed by the board. ~~Notarization is not required.~~ A candidate may sign forms that the treasurer or deputy treasurer of the committee is required to file.

Subp. 2. **Notarization.** Notarization is not required, except for the affidavit of contributions in *Minnesota Statutes*, section 10A.323.

4500.1200 CHANGE OF OFFICE SOUGHT BY CANDIDATE.

[For text of subpart 1, see M.R.]

Subp. 1a. **Exception.** A candidate with principal campaign committees for more than one statewide office who signs a public subsidy agreement for one of the offices must aggregate the campaign expenditures of all of the committees for statewide office for purposes of the application of the limits on campaign expenditures under *Minnesota Statutes*, section 10A.25, subdivision 2, clauses (a) to (c).

[For text of subp 2, see M.R.]

Subp. 3. **Public ~~financing~~ subsidy agreement.** A candidate may sign a public ~~financing~~ subsidy agreement for the office for which the candidate files an affidavit of candidacy in the general election year, as provided in part 4500.3500.

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~~ sections 10A.20 and 10A.22, subdivision 7. If an association uses this option, the ~~disclosure~~ report must include the association's transactions ~~from the beginning of the reporting period~~ covering at least the 30 days immediately preceding and through the end of the business day on which the contribution is made.

Subp. 2. **Exception.** ~~A Minnesota-domiciled~~ An 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.

[For text of subp 3, see M.R.]

4500.1700 CONTRIBUTION LIMITS; POLITICAL PARTY DEFINITION.

Subpart 1. **List of categories.** The registration and statement of organization of a political party under Minnesota Statutes, section 10A.14, subdivision 2, clause (f), must include the list of the names of the party units organized within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

Subp. 2. **Aggregate political party contribution limit.** For purposes of determining an aggregate political party contribution limit, the organization of a political party does not include a political party ward organization; a social club of a political party in a congressional district, legislative district, municipality, or precinct; an auxiliary committee of a political party unit defined by *Minnesota Statutes*, section 10A.27, subdivision 4; or an association as defined in *Minnesota Statutes*, section 10A.01, subdivision 3 ~~which~~, that uses a political party name and is not listed in *Minnesota Statutes*, section 10A.27, subdivision 4.

4500.2200 FUNDRAISING EVENT.

Subpart 1. **Fundraising event held for one or two candidates.** The expenses of a fundraising event held by the state or local committee of a political party for one or two candidates are a donation in kind and, except for food and beverage consumed at the fundraising event and the payment for entertainment and facility rental for the fundraising event, ~~shall~~ must be reported as a campaign expenditure by the candidate or candidates under the following conditions: the fundraising event is expressly or implicitly approved by the candidate~~,~~ ~~his~~ or the candidate's treasurer~~,~~ or agent to be held on behalf of the candidate; and the candidate or candidates are clearly identified in advertisements, tickets, or any advance publicity for the fundraising event; and the candidate receives proceeds, if any, from the fundraising event. "Clearly identified" means that the name of the candidate is used, or a photograph or drawing of the candidate appears, or the identity of the candidate is apparent by unambiguous reference.

Subp. 2. **Joint fundraising event.** A separate committee may be established by two or more candidates to report the contributions and expenditures as required by the act for a fundraising event held jointly. The expenses of the fundraising event ~~shall~~ must be allocated among the candidates on a reasonable proportionate basis as donations in kind, and, except for food and beverage consumed at a fundraising event and the payment for entertainment and facility rental for the fundraising event, as campaign expenditures. A

transfer of funds to a candidate combined with the value of donations in kind from that committee may not exceed the applicable contribution limit for an individual, political committee, or political fund set forth in *Minnesota Statutes*, section 10A.27, subdivision 1.

Subp. 3. **Sessional fundraising.** If the board makes a public finding that there is probable cause to believe a violation of *Minnesota Statutes*, section 10A.065, has occurred, in lieu of pursuing or enforcing a judgment, the board may attempt to negotiate a settlement agreement with the candidate, political committee, or political fund for payment of the civil fine.

4500.2500 JOINT LIMITS FOR GOVERNOR AND LIEUTENANT GOVERNOR.

Subpart 1. **Public ~~financing~~ subsidy agreement.** Following their joint endorsement or filing for office, candidates for governor and lieutenant governor must jointly sign the public ~~financing~~ subsidy agreement if they wish to ~~participate in~~ receive a public ~~financing~~ subsidy.

[For text of subps 2 to 4, see M.R.]

4500.2900 USE OF CREDIT CARDS.

Subpart 1. **Contributions.** A candidate or treasurer of a political committee or political fund may approve the solicitation and collection of campaign contributions through the use of credit cards. An organization ~~which~~ that issues credit cards, when acting in the ordinary course of business by collecting and disbursing funds designated by the card holders for contributions to a ~~political~~ committee or ~~political~~ fund, is not required to register or report.

Subp. 2. **Expenditures; disbursements.** A treasurer who reimburses a credit card company for campaign expenditures or noncampaign disbursements that require itemization on a report of receipts and expenditures under *Minnesota Statutes*, section 10A.20, must disclose the purpose and the name and address of the vendor supplying the good or service for which payment is made.

4500.3200 MISCELLANEOUS NONCAMPAIGN DISBURSEMENTS.

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

4500.3300 ORGANIZATION OF POLITICAL COMMITTEES AND POLITICAL FUNDS.

[For text of subpart 1, see M.R.]

Subp. 1a. **Principal campaign committee.** A candidate may be ~~his~~ chair or treasurer of the candidate's own ~~chairman and/or treasurer~~ principal campaign committee. All candidates are ultimately responsible for the principal campaign committee's compliance with *Minnesota Statutes*, chapter 10A.

[For text of subps 2 to 4, see M.R.]

4500.3500 PUBLIC ~~FINANCING~~ SUBSIDY.

Subpart 1. **Expenditure limits.** A candidate or officeholder who signs an agreement to participate in the state elections campaign fund is bound by the expenditure limits in an election year and nonelection year whether or not the candidate actually receives funds from the state elections campaign fund.

Subp. 2. **Filing date.** To be effective, a public ~~finance~~ subsidy agreement must bear the original signature of the candidate and must be received in the office of the Ethical Practices Board or postmarked no later than September 1 of the general election year. For a special election for which the filing period does not coincide with a general election, the candidate must submit the agreement to the board not later than the day after filing an affidavit of candidacy or nominating petition for the office sought.

Subp. 3. **Contribution refund receipts.** The board shall provide to a political party upon request or to a candidate with an effective public subsidy agreement a supply of official contribution receipt forms. A contributor who is given a receipt form may be eligible to claim a refund of the contribution by filing a claim with the Department of Revenue under *Minnesota Statutes*, section 290.06, subdivision 23.

Subp. 4. **Affidavit of contributions.** To be eligible to receive payment of a public subsidy, a candidate who has timely signed and filed a public subsidy agreement must file with the board an affidavit stating that the candidate has accumulated contributions equal to 20 percent or more of the August 15 estimate of what the candidate would receive from the state elections campaign fund. The affidavit must be notarized and received by the board on or before or postmarked on October 1 of the general election year. For a special election for which the filing period does not coincide with a general election, the candidate must submit the affidavit not later than five days after filing an affidavit of candidacy or nominating petition for the office sought.

4500.4300 SPECIAL ELECTIONS.

[For text of subps 1 and 2, see M.R.]

Subp. 4. **Public subsidy.** A candidate in a special election who wishes to be eligible to receive a public subsidy must sign and file with the board a public subsidy agreement and affidavit of contributions as provided in *Minnesota Statutes*, section 10A.315, and according to part 4500.3500, subparts 2 and 4.

Subp. 5. **Contribution refund receipts.** A candidate in a special election who has signed and timely filed a public subsidy agreement may issue contribution receipt forms to contributors according to part 4500.3500, subpart 3.

4500.4400 TERMINATION OF REGISTRATION.

[For text of subpart 1, see M.R.]

Subp. 1a. **Exception.** A committee or fund with debts more than six years old that receives no contribution or makes no expenditure during a reporting period and has disposed of all its assets may file a termination report under Minnesota Statutes, section 10A.24, subdivision 2. The treasurer must send notice by certified mail to any remaining creditors and furnish to the board a copy of the notice when filing the termination report.

[For text of subp 2, see M.R.]

Subp. 3. **Dissolution of inactive committee or fund.** An inactive committee or fund that must dissolve according to *Minnesota Statutes*, section 10A.242, must liquidate available assets to pay its debts. If unable to pay the debts, the treasurer may propose to the board a payment schedule to settle the debts. Upon establishment of the schedule, the board may allow the committee or fund to defer dissolution until all debts are paid.

ECONOMIC INTEREST DISCLOSURE

4505.0100 DEFINITIONS.

[For text of subps 1 and 1a, see M.R.]

Subp. 1b. **Candidate.** For the purposes of parts 4505.0100 to 4505.1000, unless otherwise specified, "candidate" means an individual who seeks nomination or election to a state legislative or executive office or to a local elective office in a metropolitan governmental unit.

[For text of subps 2 to 6, see M.R.]

Subp. 7. **Public official.** "Public official" has the meaning given in *Minnesota Statutes*, section 10A.01, subdivision 18.

Subp. 8. **Local official.** "Local official" has the meaning given in *Minnesota Statutes*, section 10A.01, subdivision 25. However, only a local official in a metropolitan governmental unit, as defined in *Minnesota Statutes*, section 10A.01, subdivision 26, is required to file under the economic interest provisions of *Minnesota Statutes*, section 10A.09, and parts 4505.0100 to 4505.1000.

Subp. 9. **Major decisions.** "Major decisions" regarding the expenditure or investment of public money are decisions made by an elected local official or an employee in a political subdivision with authority to make final recommendations to a public body.

Subp. 10. **Population over 50,000.** For the purpose of determining that a city located in the seven-county metropolitan area qualifies as a metropolitan governmental unit, "population over 50,000" means the population figures from the latest Metropolitan Council estimates or the latest United States Census, whichever is the more current figure.

4505.0200 ACTING OR PART-TIME LOCAL OR PUBLIC OFFICIAL.

An individual who is employed or appointed as an acting local or public official or who is employed part time as a local or public official is required to file a statement of economic interest.

4505.0300 LATE FILING FEES.

Subpart 1. **Notice to board.** The city clerk, county auditor, or the chief administrative officer of a metropolitan governmental unit must notify the board within five business days after a candidate or local official fails to file a statement of economic interest required by *Minnesota Statutes*, section 10A.09. The notice must include the name and address of the individual, the office held or sought, and the date that the statement was due.

Subp. 2. **Notice to official.** The board shall send a delinquency notice by certified mail to a local official in a metropolitan governmental unit, a public official, or a 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 local or public official or candidate. An undelivered notice of late filing is considered received by the recipient five business days after the first class mailing. 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.

4505.0600 OCCUPATION AND PRINCIPAL PLACE OF BUSINESS.

When asked to give a statement of occupation, an individual shall state his or her principal occupation.

"Principal occupation" means the occupation at which an individual spends the most working hours or which provides the individual's major source of compensation. "Source of compensation" means the corporation, partnership, or other entity from which the individual receives compensation. A self-employed individual is required to list only a description of the occupation in which the individual is self-employed, for example, farming or practice of law, and is not required to list the names of corporations, partnerships, or other entities which pay compensation to the local official in a metropolitan governmental unit, a public official, or a candidate as a self-employed individual.

"Principal place of business" means the name of the entity providing the individual's principal occupation.

4505.0700 REAL PROPERTY.

For the purpose of determining the value of an individual's interest in real property, the value of the property shall be the market value shown on the property tax statement. For the purpose of an original statement of economic interest, the individual shall disclose only those real properties owned on the date of appointment as a local or public official or filing as a candidate. For the purpose of a supplementary statement of economic interest, the individual shall disclose any real property owned at any time between the end of the period covered by the preceding statement of economic interest and through the last day of the month preceding the current filing or the last day of employment, if no longer a local or public official.

4505.0900 FILING.

Subpart 1. **Delivery ~~to board.~~** A statement of economic interest, bearing the original signature of a public official or state candidate, is considered filed if it is delivered to the office of the board by 4:30 p.m. on the prescribed filing date or postmarked on the filing date. If the filing date is a Saturday, Sunday, or legal holiday, the filing date is the next regular business day. A statement of economic interest, bearing the original signature of a local official or candidate for elective office in a metropolitan governmental unit, is considered filed if it is delivered to the office of the governing body of the appropriate political subdivision by 4:30 p.m. on the prescribed filing date or postmarked on the filing date.

[For text of subp 2, see M.R.]

Subp. 3. **Statement after period when no statement required.** A local or public official or candidate, who previously filed a statement of economic interest and who is required to file a new statement of economic interest following a period when no statement was required, shall file an original statement.

Subp. 4. **Termination ~~as a public official~~ statement.** An individual shall file a statement of economic interest to cover the period for which the individual served as a local official in a metropolitan governmental unit or a public official even though at the time the statement is filed, the individual is no longer holding that office as local or a public official.

Subp. 5. **Option.** An individual whose term as a local or public official has ended after April 1 and before March 31 shall file either a supplementary statement on the next following April 15 through the last date of service or file a statement of termination as a local or public official through the last date of service. The latter statement may be filed at any time after the term ends and before the next following April 15.

[For text of subp 6, see M.R.]

Subp. 7. **Change of local official position.** A local official in a metropolitan governmental unit who leaves one local position and is appointed to another local official position within the year between the time when the individual filed either an original statement or a supplementary statement and April 15 of the following year shall file a termination statement for the former office within ten days after leaving that office. The individual shall file an original statement relative to the new office within the time imposed by Minnesota Statutes, section 10A.09, subdivision 1.

4505.1000 JOINT INTERESTS.

A local official in a metropolitan governmental unit or a public official or a candidate who holds a joint interest in a security, or in a partnership, shall disclose ownership in the security or the partnership if the official's proportionate share of the holding is valued at $2,500 or more.

LOBBYIST REGISTRATION AND REPORTING

4510.0100 DEFINITIONS.

[For text of subps 1 and 1a, see M.R.]

Subp. 1b. **Association.** "Association" includes a political subdivision as defined in *Minnesota Statutes*, section 10A.01, subdivision 27.

[For text of subp 2, see M.R.]

Subp. 3. **File; filed; filing.** "File," "filed," and "filing" mean delivery to the office of the board of a document bearing the original signature of the individual who submits the document by 4:30 p.m. on the prescribed filing date or postmarked on the filing date. If the filing date is a Saturday, Sunday, or legal holiday, the filing date is the next regular business day.

Subp. 4. **Lobbyist.** "Lobbyist" means an individual as set forth in *Minnesota Statutes*, section 10A.01, subdivision 11. "Lobbyist" does not include an individual who merely communicates with a local or public official to obtain information or request an interpretation of a law, rule, or agency action.

Subp. 4a. **Local official.** "Local official" has the meaning given in *Minnesota Statutes*, section 10A.01, subdivision 25. A lobbyist must report disbursements on lobbying to influence the official actions of local officials in a metropolitan governmental unit, as defined in Minnesota Statutes, section 10A.01, subdivision 26.

Subp. 4b. **Public higher education system.** "Public higher education system" means any public post-high-school educational system.

Subp. 4c. **Public official.** "Public official" has the meaning given in *Minnesota Statutes*, section 10A.01, subdivision 18.

Subp. 5. **~~Urging/urges~~ Urging or urges others to communicate.** "~~Urging/urges~~ Urging or urges others to communicate" means any written or oral communication by a lobbyist which requests that an individual or association advocate a particular position to a local or public official concerning any legislative ~~action~~ or administrative action or the official action of a metropolitan governmental unit, or which requests an individual or association to advocate a local or public official initiate any particular legislative or administrative action or the official action of a metropolitan governmental unit. The term does not include mere presentation of factual material without comment.

4510.0300 OBLIGATION TO REGISTER.

Subpart 1. **Compliance.** An individual shall register as a lobbyist as required by *Minnesota Statutes*, sections 10A.01, subdivision 11, and 10A.03~~, subject to the following~~. The lobbyist shall identify on the registration form whether the lobbyist is attempting to influence legislative action, administrative action, the official action of a metropolitan unit, or any combination of the three kinds of lobbying.

Subp. 2. **Attendance at ~~legislative or administrative~~ hearings.** For purposes of determining time calculation necessary to require registration as a lobbyist, mere attendance at a public hearing without testifying or communicating with a local or public official ~~shall~~ must not be considered time spent attempting to influence a legislative or administrative action or the official action of a metropolitan governmental unit.

Subp. 3. **Paid expert witness registration.** An individual who is hired or paid by a lobbyist as an expert witness and whose testimony is requested by a legislative committee, or an agency defined by *Minnesota Statutes*, section 14.02, subdivision 2, or a state administrative law judge, or a metropolitan governmental unit defined in *Minnesota Statutes*, section 10A.26, shall not be required to register as a lobbyist if the committee, agency, ~~or~~ administrative law judge, or unit, by order, resolution, recorded vote, or other formal means requests such expert testimony. This exclusion is applicable only to the extent of preparing or delivering the requested testimony.

4510.0400 OBLIGATION TO REPORT.

[For text of subpart 1, see M.R.]

Subp. 2. **Alternative report.** Notwithstanding subpart 1, a lobbyist whose reportable disbursements in a reporting period total less than $100 and whose disclosure under part 4510.0600 would be less than ~~$20~~ $50 may file a statement to that effect in lieu of a lobbyist disbursement report. All previously unreported disbursements shall be disclosed annually on the ~~October~~ January 15 report, even though the total for the year is less than $100.

Subp. 3. **Termination report.** A lobbyist who ~~terminates his registration as a lobbyist prior to~~ ceases lobbying activities for an individual or association whom the lobbyist represents before a reporting date shall file a lobbyist disbursement report through the date of termination. If ~~an~~ the individual subsequently renews lobbyist activity, the individual shall reregister as required by *Minnesota Statutes*, section 10A.03, subdivision 1.

Subp. 4. **Principal's report.** Each principal, as defined in *Minnesota Statutes*, section 10A.01, subdivision 28, shall report which of the dollar categories include the total amount spent during the preceding calendar year to influence legislative action, administrative action, and the official action of metropolitan governmental units. Each principal shall report this information annually by March 15. The first report of each principal is due March 15, 1992, covering calendar year 1991.

4510.0500 DISBURSEMENT REPORTS.

Subpart 1. **Lobbyists covered by report.** A lobbyist shall identify the names and, if known, the registration numbers of other lobbyists ~~for whom he is reporting~~ whose disbursements are included in the report.

Subp. 2. **Names and addresses of directors and officers.** On January 15 of each year a lobbyist shall file a current list of names and addresses of directors and officers of the association ~~that he represents~~ represented if there have been changes in the membership of said boards during the preceding calendar year.

Subp. 3. **Total disbursements.** A lobbyist disbursement report ~~shall~~ must include the total disbursements for the reporting period by the lobbyist, and any employer, principal, or employee of the lobbyist, for ~~lobbyist~~ lobbying activities, separately listing disbursements to influence legislative action, administrative action, and the official actions of a metropolitan governmental unit.

Subp. 4. **Categories.** A report must include total disbursements for the three kinds of lobbying activities listed in subpart 3 in each of the following categories:

A. preparation and distribution of lobbying materials. This category ~~shall include~~ includes all disbursements for preparation and distribution of printed material, publication, film, slide, recording and video tape. "Lobbying material" means any material, except media advertising, ~~which is~~ prepared or purchased ~~by a lobbyist~~ for a lobbying purpose. The cost of researching and writing reports from which data ~~is~~ are used in preparing lobbying materials is ~~not~~ reportable as a lobbyist disbursement ~~even if the individual preparing the research material is a registered lobbyist~~. The cost of preparation, printing, and distribution of a newsletter or other publication, including ~~but not limited to~~ a reasonable estimate of pro rata office expenses and compensation paid to employees for the preparation of such a publication or a portion of the publication, ~~shall~~ must be reported ~~as a lobbyist disbursement~~ if used for a lobbying purpose. Only the cost of that portion of a newsletter or publication ~~which~~ that is lobbying material ~~shall~~ must be reported ~~as a lobbyist disbursement.~~;

B. media advertising. ~~This category shall include~~, including only ~~lobbyist~~ disbursements for billboards, newspapers, radio and television time purchased for a lobbying purpose. ~~The term~~ "Media advertising" does not include mere presentation of factual material without comment.;

C. telegraph and telephone. ~~The cost includes~~, including a reasonable estimate of a pro rata share of business office telephone expense incurred for lobbying purposes.;

D. postage.;

E. fees and allowances. ~~This category shall include~~, including disbursements for consulting fees, or other fees, for services done or to be done, as well as expenses incurred in rendering such services. This category ~~shall~~ does not include compensation paid to the lobbyist by ~~his~~ the lobbyist's employer or principal for services rendered as a lobbyist on behalf of the employer. or principal;

F. entertainment. ~~This category shall include lobbyist~~, including disbursements for entertainment provided to local or public officials including but not limited to sporting, theatrical, and musical events, ~~as well as~~. In addition, this category includes the cost of entertainment for the lobbyist, and the employer, principal, or employee of the lobbyist, when in the company of the local or public official for a lobbying purpose.;

G. food and beverages~~. This category shall include:~~, including all disbursements for food and beverages provided to local or public officials~~, as well as~~. In addition, this category includes food and beverages for the lobbyist, and any employer, principal, or employee of the lobbyist, when in the company of a local or public official for a lobbying purpose~~; all disbursements for food and beverages provided to public officials who are invited to conferences, conventions, banquets, legislative days, or other similar functions for a lobbying purpose;~~. This category includes the cost of food and beverages provided by a lobbyist, the employer, principal, or employee of the lobbyist, at meetings or conferences for the purpose of urging others to communicate with local or public officials~~; the cost of food and beverages~~ or provided to expert witnesses by a lobbyist, the employer, principal, or employee of the lobbyist, when paid expert witnesses are brought to testify before legislative committees, metropolitan governmental units, or in hearings conducted pursuant to *Minnesota Statutes*, sections 14.05 to 14.36, if the paid expert witness does not register as a lobbyist~~.~~;

H. travel and lodging~~. This category shall include:~~, including all disbursements for travel and lodging ~~of~~ provided to local or public officials. In addition, this category includes the cost of travel and lodging for the lobbyist, any employer, principal, or employee of the lobbyist~~, or those provided to a public official, for a lobbying purpose, except those incurred for the purpose of enabling the lobbyist, or any employer or employee of the lobbyist, to attend a meeting of or to appear before a committee of the legislature, or a state board, commission, or agency;~~ when in the company of a local or public official. This category includes the cost of travel and lodging for the lobbyist, ~~the~~ any employer, principal, or employee of the lobbyist ~~when in the company of a public official for a lobbying purpose; the cost of travel and lodging paid by a lobbyist, the employer or employee of the lobbyist~~ when urging others to communicate with local or public officials; the cost of travel and lodging ~~paid by a lobbyist, the employer or employee of the lobbyist, to bring~~ for paid expert witnesses to testify before legislative committees, metropolitan governmental units, or in hearings conducted pursuant to *Minnesota Statutes*, sections 14.05 to 14.36~~, if the paid expert witness does not register as a lobbyist~~; and the cost of travel and lodging paid by a lobbyist or any employer, principal, or employee of the lobbyist to transport individuals for the purpose of lobbying~~.~~; and

I. other disbursements~~. This category shall include~~, including a reasonable estimate of a pro rata share of compensation paid to clerical employees incurred for the purpose of lobbying if not reported in the categories in items A to H.

Subp. 5. **Exception.** A lobbyist need not disclose under subpart 4, item H, the cost of travel and lodging to enable a lobbyist, any employer, principal, or employee of the lobbyist, or a paid expert witness who registers as a lobbyist, to attend a meeting of or to appear before a committee of the legislature or a state board, commission, agency, or a metropolitan governmental unit.

Subp. 6. **Principal's total disbursements.** Each principal as defined in *Minnesota Statutes*, section 10A.01, subdivision 28, shall report by March 15 which of the dollar categories specified in *Minnesota Statutes*, section 10A.04, subdivision 6, includes the total amount spent during the preceding calendar year to influence legislative action, administrative action, and the official action of metropolitan governmental units in Minnesota. The report must include the names of all lobbyists registered to represent the principal.

Subp. 7. **Costs of regulation.** The costs incurred by a principal to research and prepare a rate case, including pro rata payments for in-house expert witnesses, to comply with state or federal laws regulating public utilities may be excluded from the principal's report of total disbursements. However, the principal must include total expenditures for the purpose of attempting to influence public opinion or influence the decisions of local or public officials with respect to legislative action, administrative action, or the official action of a metropolitan governmental unit.

4510.0600 DISCLOSURE OF GIFTS, LOANS, HONORARIUMS, ITEMS, OR BENEFITS.

Subpart 1. **General requirements.** The lobbyist shall report the name and address of each local or public official receiving any gift, honorarium, loan, item, or benefit from the lobbyist, or any employer, principal, or employee of the lobbyist, equal in value to $50 or more in a single transaction, to include the amount, the date on which it was received, and a description of the transaction, whether or not it was given for lobbying purposes, in the following categories.

Subp. 2. **Gifts or benefits.** ~~The~~ "Gifts or benefits ~~category shall include~~" includes, but is not ~~be~~ limited to, entertainment, food, beverage, travel, and lodging as defined in parts 4510.0500 to 4510.0700, given or paid voluntarily by the lobbyist, or any employer, principal, or employee of the lobbyist, to a local or public official without the ~~public~~ official's providing full and adequate consideration. This category ~~shall~~ does not include campaign contributions.

Subp. 3. **Loans.** ~~The~~ "Loans ~~category shall include~~" includes loans, given or paid voluntarily by the lobbyist, or any employer, principal, or employee of the lobbyist, to a local or public official which the ~~public~~ official agrees to return at some future time or to repay with something of value, except loans from financial institutions made in the ordinary course of business on substantially the same terms as those prevailing for comparable transactions with other persons.

Subp. 4. **Honorariums.** ~~The~~ "Honorariums ~~category shall include~~" includes a payment paid voluntarily by the lobbyist, or the employer, principal, or employee of the lobbyist, to a local or public official for services for which there is no obligation to make repayment; for example, honorariums paid for speeches, articles, or similar services.

Subp. 5. **From personal funds.** A lobbyist must disclose separately any payments from the lobbyist's personal funds that are not attributable to or reimbursed by any employer or principal of the lobbyist, for gifts, loans, honorariums, items, or benefits to a local or public official according to subpart 1.

4510.0700 ORIGINAL SOURCE OF FUNDS.

Subpart 1. **General requirements.** The lobbyist shall report the following information as to ~~the~~ each original source of funds in excess of $500 in the calendar year used for the purpose of lobbying~~:~~ to influence legislative action, administrative action, and the official action of metropolitan governmental units.

Subp. 2. **Report.** For each original source of funds listed in subpart 1, the lobbyist shall report the name, address, and employer, or if self-employed, the occupation and principal place of business, of each original source of funds in excess of $500. ~~It~~ The lobbyist shall not ~~include~~ report the amount paid.

Subp. 3. **Payment to lobbyist.** For reporting purposes, "original source of funds" ~~shall mean~~ means any individual or association who disburses more than $500 ~~or more~~ in any year directly to the lobbyist, or to any employer or principal of the lobbyist, to be used for purposes of lobbying, including fees or salary paid to a lobbyist as compensation.

4510.0800 LOBBYIST RETAINED BY MORE THAN ONE EMPLOYER OR PRINCIPAL.

A lobbyist retained by or representing more than one employer or principal shall submit a separate lobbyist registration form and separate lobbyist disbursement report for each employer or principal by whom the lobbyist is retained. If a disbursement has been made on behalf of more than one employer or principal, the lobbyist must report a reasonable allocation for each employer or principal.

4510.1500 RECORD RETENTION.

Subpart 1. **Records to maintain.** An individual required to file a report under this chapter shall maintain records on the matters required to be disclosed, including vouchers, canceled checks, bills, invoices, worksheets, and receipts, which will provide in sufficient detail the necessary information from which the filed report may be verified, explained, clarified, and checked for accuracy and completeness.

Subp. 2. **Duration.** The individual shall keep the records available for audit, inspection, or examination by the board or its authorized representatives for four years from the date of filing of the report or of changes or corrections to the report.

CONFLICTS OF INTEREST

4515.0100 DEFINITIONS.

[For text of subps 1 to 5, see M.R.]

Subp. 5a. **Local official.** "Local official" has the meaning given in *Minnesota Statutes*, section 10A.01, subdivision 25. However, only a local official in a metropolitan governmental unit, as defined in *Minnesota Statutes*, section 10A.01, subdivision 26, may be required to file under the potential conflicts of interest provisions of Minnesota Statutes, section 10A.07, and this chapter.

[For text of subp 6, see M.R.]

Subp. 7. **Superior for purposes of notification of a potential conflict of interest.** "Superior for purposes of notification of a potential conflict of interest" means:

A. if the public official is a member of a board or commission having rulemaking authority~~, or a member of a metropolitan agency~~, the ~~chairman~~ chair of ~~such~~ the board~~,~~ or commission~~, or agency~~, or, if the potential conflict of interest involves the ~~chairman~~ chair, the superior ~~shall be deemed to be~~ is considered the appointing authority for that office;

B. if the local official is appointed by a metropolitan governmental unit, the chair of the unit, or, if the potential conflict involves the chair, the superior is considered the appointing authority;

C. if the public official is an employee of a state agency, the department head of that agency or, if the potential conflict of interest involves the department head, the superior ~~shall be deemed to be~~ is considered the appointing authority for that office;

~~C.~~ D. if the local or public official is a member of the legislature or of the governing body of a metropolitan governmental unit, the presiding officer of the body in which the local or public official serves, or if the potential conflict of interest involves the presiding officer, the acting presiding officer; and

~~D.~~ E. if the public official is a member of the staff of the legislature, the chief clerk of the house or the secretary of the senate ~~shall be deemed to be~~ is considered the superior, or, if the potential conflict should involve the chief clerk of the house or the secretary of the senate, the presiding officer of the legislative body which the public official serves.

4515.0300 APPLICABILITY OF THE CONFLICTS OF INTEREST PROVISIONS.

Any local or public official who, in the discharge of official duties, would be required to take action or make a decision which would substantially affect the official's financial interests, or those of an associated business, as that term is defined in *Minnesota Statutes*, section 10A.01, subdivision 4, must ~~file a~~ disclose the matter and describe the potential conflict of interest ~~notice~~, unless the effect on the official is no greater than on other members of the official's business classification, profession, or occupation.

4515.0400 NOTICE OF POTENTIAL CONFLICT OF INTEREST.

Subpart 1. **Normal procedure.** ~~Whenever~~ If a local or public official is required to ~~file~~ disclose a potential conflict of interest ~~statement he~~, the official shall prepare a potential conflict of interest notice describing the matter requiring action or decision and the nature of ~~his~~ the potential conflict of interest. The local or public official shall deliver ~~copies of~~ the potential conflict of interest notice to ~~the board and to his~~ the official's immediate superior.

Subp. 2. **Insufficient time available.** If a potential conflict of interest presents itself and there is insufficient time to comply with the provisions of subpart 1, the local or public official shall orally inform his or her immediate superior of the potential conflict. ~~He shall file a potential conflict of interest notice with the board within one week after the potential conflict presents itself. This notice shall indicate the reason for noncompliance with the provisions of subpart 1.~~

4515.0500 REMOVAL FROM CONFLICT OF INTEREST.

Subpart 1. ~~Nonlegislator~~ Nonelected official. ~~If the public official is not a legislator,~~ Subsequent to the ~~filing~~ delivery of a potential conflict of interest notice, or subsequent to oral notice of a potential conflict of interest by a local or public official, ~~his~~ the official's immediate superior shall assign the matter, if possible, to another employee who does not have a potential conflict of interest. If the local or public official who has a potential conflict of interest does not have an immediate superior except for notification purposes, the local or public official ~~shall do one of the following. Where the public official having the potential conflict of interest is,~~ if not required by law to determine the matter, ~~he~~ shall ~~either assign the matter to a subordinate for disposition or request the appointing authority to designate another to determine the matter~~ abstain, if possible, in the manner provided in subpart 3, from influence over the action or decision in question. ~~Where~~ If the public official having the potential conflict of interest is required by law to determine the matter, ~~he~~ the public official shall ~~so~~ notify by certified mail all known affected parties ~~known to him~~ by providing these parties with copies of the potential conflict of interest notice. A public official having the potential conflict of interest shall not chair a meeting, participate in any vote, or offer any motion on the matter giving rise to ~~his~~ the potential conflict of interest.

Subp. 2. **Legislator Elected official.** If the local or public official is a legislator or an elected official in a metropolitan governmental unit, the ~~house~~ body of which ~~he~~ the official is a member may, at ~~his~~ the official's request, excuse ~~him~~ the official from taking part in the action or decision in question.

Subp. 3. **Nonelected official; no immediate superior.** If the local or public official is required by law to determine the matter, the official shall notify by certified mail all affected parties known to the official by providing these parties with copies of the potential conflict of interest notice. An official having the potential conflict of interest shall not chair a meeting, participate in any vote, or offer any motion on the matter giving rise to the potential conflict of interest.

Subp. 4. **Unable to abstain.** An elected or nonelected local or public official who is not permitted or is otherwise unable to abstain from action in the matter presenting the potential conflict must file a statement describing the potential conflict and the action taken. A public official must file the statement with the board, and a local official must file the statement with the official's political subdivision. The statement required by this subpart must bear the original signature of the official who submits the statement and must be filed within one week of the action taken.

4515.0600 OBTAINING AND FILING FORMS.

All potential conflict of interest notices ~~shall~~ must be on the forms made available by the board ~~and must be filed with the board~~. A local official shall file the potential conflict of interest notice and the notice of inability to abstain with the governing body of the official's political subdivision. An appointed public official shall file the notice with the official's immediate superior. A legislator shall file the notice with the presiding officer of the body of service. A public official, including a legislator, shall file the notice of inability to abstain with the board.

4515.0700 CHANGES AND CORRECTIONS.

Any material changes in information contained in a potential conflict of interest notice or a notice of inability to abstain previously submitted, and any corrections, ~~shall~~ must be reported in writing to the body or board with which the original document was filed within ten days following the date of the event prompting the change or the date upon which the ~~person~~ local or public official filing became aware of the inaccuracy. The change or correction ~~shall~~ must identify the form and paragraph containing the information to be changed or corrected and ~~shall~~ must be signed and certified to be true by the ~~person~~ official filing it.

4515.0800 FILING OF FALSE STATEMENTS.

Any statement or notice required by parts 4515.0100 to 4515.0800 ~~shall~~ must be signed and certified to be true by the ~~person~~ local or public official required to file the statement or notice. Any ~~person~~ official who signs and certifies to be true a statement or notice which ~~he~~ the official knows contains false information or who knowingly omits required information is guilty of a gross misdemeanor.

EFFECTIVE DATE. The amendments to *Minnesota Rules*, parts 4505.0100, subparts 1b, 8, 9, and 10; 4505.0200; 4505.0300; 4505.0600; 4505.0700; 4505.0900; 4505.1000; 4510.0100, subparts 1b, 4, 4a, 4b, 4c, 5; 4510.0300; 4510.0400, subpart 4; 4510.0500, subparts 3, 4, 6, 7; 4510.0600; 4510.0700; 4510.0800; 4510.1000; 4510.1500; 4515.0100, subparts 5a and 7; 4515.0300; 4515.0400; 4515.0500; 4515.0600; 4515.0700; and 4515.0800 are effective January 1, 1991.

REPEALER. *Minnesota Rules*, part 4510.1000, is repealed.

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); and Conflicts of Interest (Minnesota Rules parts 4515.0100-4515.0800

STATEMENT OF NEED AND REASONABLENESS

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The Ethics in Government Act, Minn. Stat. §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, 1987, 1988, 1990); Economic Interest Disclosure (Minnesota Rules parts 4505.0100-4505.1000) - adopted 1974; amended 1976, 1978, 1979, 1982, 1985, 1987, 1988, 1990; Lobbyist Registration and Reporting (Minnesota Rules parts 4510.0100-4510.1400) - adopted 1974; amended 1979, 1982, 1985, 1987, 1988; and Conflicts of Interest (Minnesota Rules parts 4515.0100-4515.0800)- adopted 1974; amended 1982, 1985, 1987, 1988.

The 1990 Legislature significantly amended portions of Minn. Stat. Ch. 10A (Laws of 1990, Chapter 608). Consequently, the rules promulgated under Chapter 10A must be updated and amended to correspond with the new legislation. Furthermore, the proposed amendments will enable the Board to continue 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. §§10A.01-10A.51; and remove obsolete provisions and language from existing rules.

The following material describes the need for and reasonableness of each rule proposed as required by Minn. Stat. § 14.23. 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, these rules interpret unclear statutory sections and incorporate various statutory sections in the rules for a fuller and easier understanding of the Ethics in Government Act.

These proposed rules do not address the Congressional Campaign Reform Act, Article 4 of Chapter 608. This article does not become effective until January 1, 1991, and does not affect congressional candidates until the next federal election after the effective date.

Minnesota Rules chapter 4500: CAMPAIGN FINANCING

4500.0100 DEFINITIONS.

Subpart 4. **File, filed, filing.** The rule is needed to clarify that a statement or report submitted to the board, as required by Minn. Stat. Ch. 10A, must be an original document bearing the original signature of the individual who submits the document, for purposes of Minn. State. § 10A.22, subd. 1, and as required by Minn. Stat. § 645.44, subd. 14. This issue has arisen with the wide-spread use of facsimile machines and there is a need to clarify and explain why facsimile transmissions are not an acceptable filing with the Board.

4500.1100 CERTIFICATION.
The rule is needed to clarify that the affidavit of contributions (matching funds) must be signed in the presence of a notary or individual authorized to administer an oath as required by Minn. Stat. § 10A.22, subd. 2. All other forms prescribed by the Board do not require a notarization, but rather contain a "certification" section in which the signer certifies that the information contained on the form is complete, true, and correct. The forms provide a statement that anyone signing and certifying that a form is true knowing it contains false information or knowingly omits required information is guilty of a gross misdemeanor. Minn. Stat. § 10A.22, subd. 1.

4500.1200 CHANGE OF OFFICE SOUGHT BY CANDIDATE.
Subpart 1a. **Exception.** This rule is needed to clarify the application of Minn. Stat. § 10A.25, subd. 2, clauses (a) to (c), as amended in Laws of 1990, Chapter 608, to aggregate campaign expenditures made by a candidate from more than one committee for a statewide office in the same election year.

Subpart 3. **Public subsidy agreement.** This rule is needed to comply with Minn. Stat. § 10A.322, enacted in Laws of 1990, Article 3, Section 24, that changed the term "public financing agreement" to "public subsidy agreement".

4500.1600 CONTRIBUTIONS FROM ASSOCIATIONS.
Subpart 1. **Optional disclosure.** This rule is needed to conform the existing rule to the provisions of Minn. Stat. § 10A.22, subd. 7, as amended in Laws of 1990, Chapter 608, Article 3, Section 8, and to include within the rule a reference to the statute providing the optional disclosure.

Subpart 2. **Exception.** This rule is needed to conform the existing rule to the provisions of Minn. Stat. § 10A.22, subd. 7, as amended in Laws of 1990, Chapter 608, Article 3, Section 8. The statute as amended pertains to all unregistered associations, regardless of their domiciles, therefore the referenced "Minnesota-domiciled" in the rule was deleted.

4500.1700 CONTRIBUTION LIMIT; POLITICAL PARTY DEFINITION.
This rule is needed to clarify that a political party's "list of categories of substate units", under Section 10A.14, subd. 2 (f), means a listing of names of the party units under each category specified in Section 10A.27, subd. 4. There is no definition of "substate unit" in the statutes, therefore, a cross reference to another statute which spells out the units of a political party is necessary and appropriate. The rule will assist candidates and their treasurers in complying with the contributions limits for political parties under Section 10A.27, subd. 2. The substance

of the existing rule has been moved to subpart 2.

4500.2200 FUNDRAISING EVENT.

Subparts 1 and 2. **Fundraising event held for one or two candidates** and **Joint fundraising event.**, respectively. These rules are needed to conform the existing rule to the provisions of Minn. Stat. § 10A.01, subd. 10c, as amended in Laws of 1990, Ch. 608, Article 3, Section 3, and to provide gender neutral reference within the rule.

Subpart 3. **Sessional fundraising.** This rule is needed to provide candidates and treasurers with information about an optional procedure available following the Board's investigation of a potential violation of the prohibition regarding fundraising events during a legislative session enacted in Laws of 1990, Chapter 608, Article 3, Section 4.

4500.2500 JOINT LIMITS FOR GOVERNOR AND LIEUTENANT GOVERNOR.
Subpart 1. **Public subsidy agreement.** This rule is needed to conform the existing rule to the provisions of Minn. Stat. § 10A.315 enacted in Laws of 1990, Chapter 608, which changed the name of the agreement candidates must sign and file with the Board if they wish to be eligible to receive payments from the State Elections Campaign Fund.

4500.2900 USE OF CREDIT CARDS.
This rule is needed to conform the existing rule to the provisions of Minn. Stat. § 10A.20, as amended in Laws of 1990, Chapter 608, which require disclosure of an expenditure or disbursement that is a reimbursement to a third party for goods or services that were not directly provided by the individual or association to whom payment is made.

4500.3200 MISCELLANEOUS NONCAMPAIGN DISBURSEMENTS.
This rule is needed to codify written advice furnished by the Board to a candidate in 1984 that the costs associated with travel to attend a campaign school are noncampaign disbursements. Because fees paid to attend a campaign school are already included in the list of examples of noncampaign disbursements in the rule, it is reasonable to include transportation and lodging for such schools or seminars in this list.

4500.3300 ORGANIZATION OF POLITICAL COMMITTEES AND POLITICAL FUNDS.
Subpart 1a. **Principal campaign committee.** This rule is needed to codify in a rule the Board's practices in actions enforcing the requirements of Minn. Stat. Ch. 10A that the candidate has the ultimate responsibility for any reports or statements that are required to be filed by a treasurer. The basis for this view, which has been upheld in several court decisions, is Minn. Stat. § 10A.19, subd. 2, and agency/principal legal doctrine. In addition, the amendment corrects gender references in existing rule.

4500.3500 PUBLIC SUBSIDY. This rule is needed to conform existing rule to provisions for public subsidy agreements and the contribution receipt and refund program to comply with Minn. Stat. § 10A.322 and the matching requirements to comply with Minn. Stat. § 323 enacted in Laws of 1990, Chapter 608, Article 3, Sections 24 and 25, respectively. Because the statutes do not specify the date for filing affidavits of contributions (matching requirements) in special elections other than those whose filing

periods coincide with a general election, the rule is needed to specify the filing date. The proposed filing date is consistent with the time frame applicable to general elections, within the shorter time frame applicable to statutes governing special elections whose filing periods do not coincide with a general election.

4500.4300 SPECIAL ELECTIONS.

Subpart 4. **Public subsidy.** This rule is needed to conform existing rule to comply with Minn. Stat. § 10A.315 enacted in Laws of 1990, Chapter 608, Article 3, Section 22, whereby a candidate in a special election may be eligible to receive money from the State Elections Campaign Fund. Nothing is added to the rule beyond the statutory requirements.

Subpart 5. **Contribution refund receipts.** This rule is needed to clarify that a candidate in a special election who signs and files a Public Subsidy Agreement with the Board may issue official contribution receipts to contributors in accordance with provisions Minn. Stat. § 10A.322, enacted in Laws of 1990, Chapter 608, Article 3, Section 24. Nothing is added to the rule beyond the statutory requirements.

4500.4400 TERMINATION OF REGISTRATION.

Subpart 1a. **Exception.** This rule is needed to clarify the existing rule by referring to alternative statutory provisions for termination of registered committees or funds in Minn. Stat. §§ 10A.24, subd. 2, and 10A.242 enacted in Laws of 1990, Chapter 608, Article 3, Sections 9 and 10, respectively.

Subpart 3. **Dissolution of inactive committee or fund.** This subpart is added to incorporate reference to additional provisions for termination of registered committees or funds enacted in Minn. Stat. § 10A.242 in Laws of 1990, Chapter 608, Article 3, Section 10.

Minnesota Rules chapter 4505: ECONOMIC INTEREST DISCLOSURE

4505.0100 DEFINITIONS.

Subpart 1b. **Candidate.** This rule is needed to clarify that references to "candidate" include candidates for certain elective state and local offices, as defined in Minn. Stat. § 10A.01 and to avoid continued repetition of descriptive phrases in this chapter of Board rules.

Subpart 7. **Public official.** This rule is needed to specifically identify the source of the term "public official" which is used in this chapter. This will avoid confusion with the newer term, "local official", introduced in Minn. Stat. § 10A.09 as amended in Laws of 1990, Chapter 608, Article 2, Section 2.

Subpart 8. **Local official.** This rule is needed to clarify that references to "local official" in this chapter include only the local officials who serve in a Metropolitan Governmental Unit who are required to file statements of economic interest under Minn. Stat. § 10A.09, as amended in Laws of 1990, Chapter 608, Article 2, Section 2. This definition is in contrast to the lobbyist disclosure law and rules in which "local official" includes all local officials in political

subdivisions as defined in Minn. Stat. § 10A.01, subds. 25 and 27. This definition will avoid confusion with the term "public official" as employed in this chapter.

Subpart 9. **Major decisions.** This rule is needed to clarify that although recommendations about the expenditure of public funds in a political subdivision may originate with a variety of staff employees, only the individual who makes final recommendations on the expenditure or investment of public money is covered by the term "local official" in Minn. Stat. § 10A.01, subd. 25. To provide otherwise would multiply the number of filings and would exceed the intent and scope of the legislation.

Subpart 10. **Population over 50,000.** This rule is needed to clarify the basis for determining the initial application of the provisions of Minn. Stat. § 10A.01, subd. 26, enacted in Laws of 1990, Chapter 608, Article 1, Section 3 that become effective January 1, 1991. The proposed sources of population figures are widely accepted as reliable basis for determining population. Additionally, the rule is needed to provide guidance in the future as population figures change in order to ensure uniform application of the disclosure provisions in Chapter 10A.

4505.0200 ACTING OR PART-TIME LOCAL OR PUBLIC OFFICIAL. This rule is needed to conform existing rule to the provisions for economic interest disclosure by adding local officials in a Metropolitan Governmental Unit in accordance with Minn. Stat. §§ 10A.01, subd. 26, and 10A.09, as enacted or amended in Laws of 1990, Chapter 608, Article 1, Section 3, and Article 2, Section 2, respectively.

4505.0300 LATE FILING FEES.
Subpart 1. **Notice to board.** This rule is needed to provide sufficient time for the Board to proceed with official notices that are required to be sent to individuals by the Board in accordance with Minn. Stat. §§ 10A.02, subd. 8, and 10A.09, subd. 7, and part 4505.0300, subp. 2, and to enable the Board to carry out its enforcement responsibilities.

Subpart 2. **Notice to official.** This rule is needed to clarify the application of the existing rule has been extended to local officials and candidates for elective office in a Metropolitan Governmental Unit who are required by Minn. Stat. § 10A.09 to file statements of economic interest in accordance with Laws of 1990, Chapter 608, Article 2, Section 2.

4505.0600 OCCUPATION AND PRINCIPAL PLACE OF BUSINESS.
This rule is needed to clarify the application of the existing rule has been extended to local officials and candidates for elective office in a Metropolitan Governmental Unit who are required by Minn. Stat. § 10A.09 to file Statements of Economic Interest in accordance with Laws of 1990, Chapter 608, Article 2, Section 2.

4505.0700 REAL PROPERTY.
This rule is needed to clarify the application of the existing rule to extend to local officials and candidates for elective office in a Metropolitan Governmental Unit who are required by Minn. Stat. § 10A.09 to file Statements of Economic Interest in accordance with Laws of 1990, Chapter 608, Article 2, Section 2.

4505.0900 FILING

Subpart 1. Delivery. This rule is needed to clarify the application of the existing rule to local officials and candidates for elective office in a Metropolitan Governmental Unit. The rule clarifies that a statement submitted under Minn. Stat. § 10A.09 must be an original document bearing the original signature of the individual who submits the document, for purposes of Minn. Stat. § 10A.10 and as required by Minn. Stat. § 645.44, subd. 14. This issue has arisen with the wide-spread use of facsimile machines and there is a need to clarify and explain why facsimile transmissions are not an acceptable filing with the Board.

Subpart 3. Statement after period when no statement required. This rule is needed to clarify that the existing rule now applies to local officials and candidates for elective office in a Metropolitan Governmental Unit under the amendments to Minn. Stat. Ch. 10A enacted in Laws of 1990, Chapter 608.

Subpart 4. Termination statement. This rule is needed to clarify that the existing rule now applies to local officials in a Metropolitan Governmental Unit under the amendments to Minn. Stat. Ch. 10A enacted in Laws of 1990, Chapter 608.

Subpart 5. Option. This rule is needed to clarify that the existing rule now applies to local officials in a Metropolitan Governmental Unit under the amendments to Minn. Stat. Ch. 10A enacted in Laws of 1990, Chapter 608.

Subpart 7. Change of local official position. This rule is needed to apply the substance of existing part 4505.0900, subp. 6, to a local official in a metropolitan governmental unit who leaves one position for another position that is covered by the provisions of Minn. Stat. § 10A.09.

4505.1000 JOINT INTERESTS.

This rule is needed to clarify that the existing rule now applies to a local official or candidate in a Metropolitan Governmental Unit in accordance with amendments to Minn. Stat. § 10A.09 enacted in Laws of 1990, Chapter 608.

Minnesota Rules chapter 4510: LOBBYIST REGISTRATION AND REPORTING

4510.0100 DEFINITIONS.

Subpart 1b. Association. This rule is needed to clarify the application of Minn. Stat. § 10A.01, subd. 28, to a political subdivision. For example, when a nonelected local official or an employee of a political subdivision must register as a lobbyist, as required by Minn. Stat. § 10A.01, subd. 11 (b) (4), then the political subdivision may be considered a "principal", as defined in Minn. Stat. § 10A.01, subd. 28. If the political subdivision spends more than $500 in the aggregate in any calendar year to compensate the nonelected official or employee who registers as a lobbyist or authorizes the expenditure of money by the nonelected official or employee who registers as a lobbyist, the political subdivision may be required to file a principal's report as required by

Minn. Stat. § 10A.04, subd. 6.

Subpart 3. **File; filed; filing.** This rule is needed to clarify that a statement or report submitted to the board, as required by Minn. Stat. Ch. 10A, must be an original document bearing the original signature of the individual who submits the document, for purposes of Minn. Stat. § 10A.10 and as required by Minn. Stat. § 645.44, subd. 14. This issue has arisen with the wide-spread use of facsimile machines and there is a need to clarify and explain why facsimile transmissions are not an acceptable filing with the Board.

Subpart 4. **Lobbyist.** This rule is needed to conform existing rule to amendments in Minn. Stat. § 10A.01, subd. 11, enacted in Laws of 1990, Chapter 608, Article 1, Section 1.

Subpart 4a. **Local official.** This rule is needed to specifically identify the source of the terms "local official" and "Metropolitan Governmental Unit" which are used in this chapter. The rule clarifies that a lobbyist is required to report on disbursements for lobbying associated with a specific group of "local officials" to comply with Minn. Stat. §§ 10A.01, subds. 11, 25, and 26 and 10A.04 as amended or enacted in Laws of 1990, Chapter 608, Article 1, Sections 1, 2, 3, and 7. Otherwise, disclosure of lobbying associated with all "local officials" would be required and that is not what the legislation intended.

Subpart 4b. **Public higher education system.** This rule is needed to clarify what a "public higher education system" means under Minn. Stat. § 10A.01, subd. 11 (a) (1) and (b) (2), as amended in Laws of 1990, Chapter 608, Article 1, Section 1. Consistent with widely-adopted practice and understanding, it is reasonable to define "higher education" system as "post-high-school" educational system.

Subpart 4c. **Public official.** This rule is needed to specifically identify the source of the term "public official" which is used in this chapter. This will avoid confusion with the newer term, "local official", introduced in the amendments to Minn. Stat. Ch. 10A enacted in Laws of 1990, Chapter 608.

Subpart 5. **Urging or urges others to communicate.** This rule is needed to clarify the application of the existing rule to add communications with local officials in a Metropolitan Governmental Unit under the amendments to Minn. Stat. § 10A.01, subd. 11, enacted in Laws of 1990, Chapter 608, Article 1, Section 1.

4510.0300 OBLIGATION TO REGISTER.

Subpart 1. **Compliance.** This rule is needed so that the Board may provide information required to be included in the Board's periodic reports under Minn. Stat. § 10A.05, as amended in Laws of 1990, Chapter 608, Article 1, Section 12.

Subpart 2. **Attendance at hearings.** This rule is needed to conform the existing rule to Minn. Stat. § 10A.01, subd. 11, as amended in Laws of 1990, Chapter 608, Article 1, Section 1, which now also applies to local officials and Metropolitan Governmental Units.

Subpart 3. Paid expert witness registration. This rule is needed to conform the existing rule to Minn. Stat. § 10A.01, subd. 11, as amended in Laws of 1990, Chapter 608, Article 1, Section 1, which now also applies to Metropolitan Governmental Units.

4510.0400 OBLIGATION TO REPORT.
Subpart 2. Alternative report. This rule is needed to reflect a 1984 law change amending the dollar amount for disclosure of gifts or benefits to public officials and a 1990 law change discontinuing the October 15 disbursement report.

Subpart 3. Termination report. This rule is needed to correct gender reference and clarify the application of the existing rule.

Subpart 4. Principal's report. This rule first repeats the requirements of Minn. Stat. § 10A.04, subd. 6, enacted in Laws of 1990, Article 1, Section 10 and specifies that 1992 is the year in which the first report by a lobbyist's principal must be filed, covering calendar year 1991. Since registration by lobbyists who attempt to influence the official actions of Metropolitan Governmental Units is not required until January 1, 1991, it is unreasonable to require principals to report their spending on a kind of lobbying for which no lobbyists were registered or reporting. Therefore, the Board determined that the intent of the legislation was to have the principal's first report due following the first full calendar year under the new law.

4510.0500 DISBURSEMENT REPORTS.
Subpart 1. Lobbyists covered by the report. This rule is needed to correct gender reference; substance of existing rule is unchanged.

Subpart 2. Names and addresses of directors and officers. This rule is needed to correct gender reference; substance of existing rule is unchanged.

Subpart 3. Total disbursements. and **Subpart 4. Categories.** These rules are is needed to clarify language in the existing rule to conform to Minn. Stat. § 10A.04 as amended in Laws of 1990, Chapter 608, Article 1, Section 8. The existing rule was unclear and subject to multiple interpretations. The proposed amendments clarify the existing rule. No additional requirements beyond the statutory language are proposed. These amendments arise from oral and written testimony received by the Board in May - June, 1990, raising concerns about the existing rule.

Subpart 5. Exception. This rule is needed to incorporate the substance of a portion of the existing rule in a separate subpart and clarify that costs of travel and lodging to enable a lobbyist or an expert witness to meet with local or public officials need not be reported, under Minn. Stat. 10A.01, subd. 11, (a) (1) and (2) and (b) (8). Otherwise, disclosure of travel and lodging costs to enable a lobbyist to meet with local or public officials or attend hearings of public bodies would be required and that is not what the statutes intend.

Subpart 6. Principal's total disbursements. This rule repeats the requirement of Minn. Stat. § 10A.04, subd. 6, enacted in Laws of 1990,

Chapter 608, Article 1, Section 10, to clarify the application of the rule. The rule provides that the principal's report must contain names of the principal's lobbyists who were registered and reporting during the calendar year on which the principal is reporting. The rule is necessary to allow the Board and the public to cross-reference principal reports with lobbyist reports. The rule is based, in part, upon comment received by the Board.

Subpart 7. **Costs of regulation.** This rule reflects comment received by the Board. This rule is needed to clarify that certain expenses incurred or required in the course of ratemaking as required to comply with state or federal law regulating public utilities are not considered "lobbying".

4510.0600 DISCLOSURE OF GIFTS, LOANS, HONORARIUMS, ITEMS, OR BENEFITS.
This rule is needed to conform existing rule Subparts 1 through 4 to amendments in Minn. Stat. § 10A.04 enacted in Laws of 1990, Chapter 608, Article 1, Section 8, to add the reference to disclosure of gifts or benefits from "principals" and gifts or benefits to "local officials".

Subpart 5. **From personal funds.** This rule is needed to clarify that gifts or benefits to a local or public official paid by a lobbyist from the lobbyist's personal funds must be disclosed and attributed to the lobbyist and must be disclosed separately from those gifts or benefits attributable to any employer or principal of the lobbyist. Minn. Stat. § 10A.04, subd. 4 (c) requires the lobbyist to disclose <u>all</u> gifts or benefits over $50.00, and this rule is necessary to clarify that personal gifts also must be disclosed under this statute.

4510.0700 ORIGINAL SOURCE OF FUNDS.
This rule is needed to conform existing rule to amendments to Minn. Stat. § 10A.04, subd. 4, enacted in Laws of 1990, Chapter 608, which require disclosure of the original sources of funds in each of the three kinds of lobbying identified in the amended statute.

4510.0800 LOBBYIST RETAINED BY MORE THAN ONE EMPLOYER OR PRINCIPAL.
This rule is needed to conform existing rule to amendments to Minn. Stat. § 10A.01, subd. 28, enacted in Laws of 1990, Chapter 608, Article 1, Section 5, which established and defined principals of lobbyists.

4510.1500 RECORD RETENTION.
This rule is needed to clarify the kinds of records that a lobbyist or a lobbyist's principal must maintain and the length of time to be maintained, so that the Board will be able to administer Minn. Stat. § 10A.04, subd. 7, regarding authority to randomly audit the financial records of lobbyists and principals. In order for the Board to fulfil its statutory function, records must be maintained by the lobbyist and the lobbyist's principal. The audit function in Minn. Stat. § 10A.04, subd. 7, was enacted in Laws of 1990, Chapter 608, Article 1, Section 11. The language in the rule is based upon Minn. Stat. § 10A.22, subd. 6, regarding maintenance of records supporting filed reports of receipts and expenditures in the campaign finance program.

Minnesota Rules chapter 4525: CONFLICTS OF INTEREST

4515.0100 DEFINITIONS.

Subpart 6a. Local official. This rule is needed to clarify that references to "local official" in this chapter include only the local officials who serve in a Metropolitan Governmental Unit who are required to give notice of potential conflicts of interest under Minn. Stat. § 10A.07 as amended in Laws of 1990, Chapter 608, Article 2, Section 1. This definition is in contrast to the lobbyist disclosure law and rules in which "local official" includes all local officials in political subdivisions as defined in Minn. Stat. §§ 10A.01, subds. 25 and 27. This rule is necessary to avoid confusion with the term "public official" and to provide uniform reference throughout the chapter to individuals now covered by the existing rule in accordance the cited statutes.

Subpart 7. Superior for purposes of notification of a potential conflict of interest. This rule is needed to clarify the application of the existing rule now to extend to local officials in a Metropolitan Governmental Unit who are covered by the conflicts of interest provisions of Section 10A.07, as amended in Laws of 1990, Chapter 608.

4515.0300 APPLICABILITY OF THE CONFLICTS OF INTEREST PROVISIONS.
This rule is needed to conform the existing rule to amendments to Minn. Stat. § 10A.07 enacted in Laws of 1990, Chapter 608, Article 2, Section 1, to now extend to local officials in a Metropolitan Governmental Unit.

4515.0400 NOTICE OF POTENTIAL CONFLICT OF INTEREST.
This rule is needed to conform the existing rule to amendments in Minn. Stat. § 10A.07 enacted in Laws of 1990, Chapter 608, Article 2, Section 1, to now extend to local officials in a Metropolitan Governmental Unit.

4515.0500 REMOVAL FROM CONFLICT OF INTEREST.
Subpart 1. Nonelected official. and **Subpart 2. Elected official.** These rules are needed to amend the existing rule and reflect the sweeping changes in the notice procedures as amended in Minn. Stat. § 10A.07 enacted in Laws of 1990, Chapter 608, Article 2, Section 1. No additional requirements beyond the statutory mandate have been added to the rule. These rules clarify that certain local elected and appointed officials will be covered by this rule, beginning January 1, 1991, and correct gender reference in the existing rule.

Subpart 3. Nonelected official; no immediate superior, This rule is needed to clarify the procedure under Minn. Stat. § 10A.07, subd. 2, that an appointed local or public official should follow when the official has no "immediate superior", for notification purposes. The substance of this rule is found in the last two sentences of existing part 4515.0500, subpart 1; language is changed to correct gender references and to incorporate amendments to the statute adopted in Laws of 1990, Chapter 608, Article 2, Section 1, which added application of the law to local officials in a Metropolitan Governmental Unit.

Subpart 4. Unable to abstain. This rule is needed to reflect the statutory provisions of Minn. Stat. § 10A.07, subd. 2, which expanded the application of the law to local officials in a Metropolitan Governmental Unit and to clarify the steps required of an official who is unable to abstain from action on a matter that presents a potential conflict of interest within the meaning of Minn. Stat. § 10A.07, subd. 1. The rule is

needed to clarify that a statement submitted under Minn. Stat. § 10A.07 must be an original statement bearing the original signature of the individual who submits the document, for the purposes of Minn. Stat. 10A.10 and as required by Minn. Stat. § 645.44, subd. 14. This issue has arisen with the wide-spread use of facsimile machines and there is a need to clarify and explain why facsimile transmissions are not an acceptable filing with the Board.

4515.0600 OBTAINING AND FILING FORMS.
This rule is needed to clarify the application of the existing rule to the change in notice procedures and the inclusion of disclosure by certain local officials under Minn. Stat. § 10A.07 enacted in Laws of 1990, Chapter 608, Article 2, Section 1. Nothing beyond the statutory notice procedures has been added.

4515.0700 CHANGES AND CORRECTIONS.
This rule is needed to clarify the application of the existing rule to the change in notice procedures and the inclusion of disclosure by certain local officials under Minn. Stat. § 10A.07 enacted in Laws of 1990, Chapter 608, Article 2, Section 1. Nothing beyond the statutory notice procedures has been added.

4515.0800 FILING OF FALSE STATEMENTS.
This rule is needed to clarify the application of the existing rule to the inclusion of disclosure by certain local officials under Minn. Stat. § 10A.07 enacted in Laws of 1990, Chapter 608, Article 2, Section 1, and to correct gender reference.

EFFECTIVE DATE.
4505.0100, subparts 1b, 8, 9, 10; 4505.0200; 4505.0300; 4505.0600; 4505.0700; 4505.0900; 4505.1000; 4510.0100, subps. 1b, 4, 4a, 4b, 4c, 5; 4510.0300; 4510.0400, subp. 4; 4510.0500, subps. 3, 4, 4, 6, 7; 4510.0600; 4510.0700; 4510.0800; 4510.1000; 4510.1500; 4515.0100, subps. 6a, 7; 4515.0300; 4515.0400; 4515.0500; 4515.0600; 4515.0700; and 4515.0800 are effective January 1, 1991.
This rule is needed to identify those portions of the rules which pertain to Laws of 1990, Chapter 608, that become effective January 1, 1991. The rule becomes in accordance with Minn. Stat. § 14.27 (five working days after Notice of Adoption is published in the State Register).

REPEALER.
4510.1000 LOBBYIST DISBURSEMENTS FOR ADMINISTRATIVE COSTS.
This rule is repealed because the existing rule appears to conflict with the amendment to Minn. Stat. § 10A.04 in Laws of 1990, Chapter 608, which requires a lobbyist to report separately on disbursements for the three kinds of lobbying that are specified by law. The new reporting requirements are incorporated in 4510.0500 DISBURSEMENT REPORTS.

SMALL BUSINESS CONSIDERATIONS IN RULEMAKING

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

For the most part, the proposed rule amendments do not affect small businesses directly, rather individuals must file the various reports. However, a small business may be subject to the rule if it establishes a political fund to support or oppose a state constitutional amendment or if the small business spends more than $500 in a calendar year to engage a lobbyist or spends at least $50,000 in any calendar year on efforts to influence legislative action or administrative action or the official action of a Metropolitan Governmental Unit.

Consequently, the Board considered all the methods for reducing the impact of the amendments on small businesses listed in Minn. Stat. § 14.115, subd. 2. Although the proposed amendments do discuss the reporting requirements, all of the reporting and disclosure requirements are mandated by statute. One additional substantive requirement added by rule may be the record retention schedule in Rule 4510.1500, however, this section is necessary for the Board to carry out its audit requirements in Minn. Stat. § 10A.04, subd. 7. None of the proposed amendments establishes more stringent schedules, requires more disclosure, establishes performance standards for businesses, therefore, most of the methods under Minn. Stat. § 14.115, subd. 2, are inapplicable to these rules.

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. In summary, while the Board is cognizant of the important statutory objective of reducing the impact on small businesses, the Board is restrained by Minn. Stat. Ch. 10A and cannot reduce disclosure requirements of Minn. Stat. Ch. 10A.

Dated: August 20, 1990

Mary Ann McCoy

Mary Ann McCoy, Executive Director

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), and Conflicts of Interest (Minnesota Rules parts 4515.0100-4515.0800)

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

(1) Notice of the Board's intent to adopt the above-entitled rule was published in the **State Register** on September 4, 1990, 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 1(a) and 14.22 on August 20, 1990. (2) The statement of need and reasonableness was prepared and available to the public 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.** A copy of the statement of need and reasonableness was sent to the Legislative Commission to Review Administrative Rules when it became available to the public.

(4) All persons were given the opportunity to submit comment on the rule for 30 days after notice of proposed rulemaking. (5) The agency received 30 requests for a public hearing on the proposed rule governing Economic Interest Disclosure, Lobbyist Registration and Reporting, and Conflicts of Interest Disclosure. The agency did not receive requests from 25 or more persons for a public hearing on the proposed rule governing Campaign Financing. (7) 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, I find the following:

(6) 1. The Board received more than 25 written requests for a public hearing on proposed amendments to the chapters governing Economic Interest Disclosure (Chapter 4505), Lobbyist Registration and Reporting (Chapter 4510), and Conflicts of Interest (Chapter 4515).

2. The Ethical Practices Board was not appropriated funds for public hearings on rulemaking, and, in fact, does not have the funds to hold a public hearing on these proposed rules. For these reasons, the Board, at its October 25, 1990, meeting, withdrew the proposed amendments to chapter 4505 governing economic interest disclosure, chapter 4510 governing lobbyist registration and reporting, and chapter 4515 governing conflicts of interest.

3. Thirty of the requests for a hearing mentioned the subject or chapter for which they desire a hearing. These 30 requests specifically excluded any reference or mention of the proposed amendments on campaign financing (Chapter

4500).

4. Seven of the requests for a hearing mentioned campaign financing or were general enough to be viewed as requesting a hearing on the entire rule.

5. Withdrawing a portion of the proposed rule is not a substantial change. The Board proposed amendments to four chapters, three chapters were withdrawn, leaving one remaining chapter to be adopted. The four chapters govern four separate and distinct areas of law. There is no cross-reference or interdependence among the four chapters. Applying the definition of substantial change to this matter, deleting three of the four chapter amendments would not affect classes of persons who would not have been expected to comment on the proposed rule. The amendments were merely proposed amendments and no one has any right to the proposed rules being adopted. Furthermore, all of the requests for a hearing were from officials and agents of local government units which are not generally impacted by the remaining campaign financing chapter in contrast to the three withdrawn chapters which were expanded to cover local government units. Next, the deletion does not introduce any significant new subject matter which a reasonable person would not have anticipated would occur. Deleting proposed amendments is not introducing a new subject matter. Finally, severing three chapters does not make a substantive change that was not raised by the proposed rule in such a way to invite reaction. The remaining chapter governed a totally separate and district area of regulation apart from the three deleted chapters. Since the chapters are not interrelated or interdependent, deleting the amendments to three of the chapters does not impact or affect the remaining chapter on campaign financing.

The amendment to the rule of the State Ethical Practices Board governing Campaign Financing, Minnesota Rules Chapter 4500, is therefore needed and reasonable.

NOW, THEREFORE, IT IS ORDERED that the amendment to the Campaign Financing Rule, Minnesota Rules Chapter 4500, is adopted this 21st day of November, 1990, pursuant to authority vested in the Board by Minnesota Statutes, section 10A.02, subd. 13.

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); and Conflicts of Interest (Minnesota Rules parts 4515.0100-4515.0800

STATEMENT OF NEED AND REASONABLENESS

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The Ethics in Government Act, Minn. Stat. §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, 1987, 1988, 1990); Economic Interest Disclosure (Minnesota Rules parts 4505.0100-4505.1000) - adopted 1974; amended 1976, 1978, 1979, 1982, 1985, 1987, 1988, 1990; Lobbyist Registration and Reporting (Minnesota Rules parts 4510.0100-4510.1400) - adopted 1974; amended 1979, 1982, 1985, 1987, 1988; and Conflicts of Interest (Minnesota Rules parts 4515.0100-4515.0800)- adopted 1974; amended 1982, 1985, 1987, 1988.

The 1990 Legislature significantly amended portions of Minn. Stat. Ch. 10A (Laws of 1990, Chapter 608). Consequently, the rules promulgated under Chapter 10A must be updated and amended to correspond with the new legislation. Furthermore, the proposed amendments will enable the Board to continue 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. §§10A.01-10A.51; and remove obsolete provisions and language from existing rules.

The following material describes the need for and reasonableness of each rule proposed as required by Minn. Stat. § 14.23. 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, these rules interpret unclear statutory sections and incorporate various statutory sections in the rules for a fuller and easier understanding of the Ethics in Government Act.

These proposed rules do not address the Congressional Campaign Reform Act, Article 4 of Chapter 608. This article does not become effective until January 1, 1991, and does not affect congressional candidates until the next federal election after the effective date.

Minnesota Rules chapter 4500: CAMPAIGN FINANCING

4500.0100 DEFINITIONS.

Subpart 4. **File, filed, filing.** The rule is needed to clarify that a statement or report submitted to the board, as required by Minn. Stat. Ch. 10A, must be an original document bearing the original signature of the individual who submits the document, for purposes of Minn. State. § 10A.22, subd. 1, and as required by Minn. Stat. § 645.44, subd. 14. This issue has arisen with the wide-spread use of facsimile machines and there is a need to clarify and explain why facsimile transmissions are not an acceptable filing with the Board.

4500.1100 CERTIFICATION.
The rule is needed to clarify that the affidavit of contributions (matching funds) must be signed in the presence of a notary or individual authorized to administer an oath as required by Minn. Stat. § 10A.22, subd. 2. All other forms prescribed by the Board do not require a notarization, but rather contain a "certification" section in which the signer certifies that the information contained on the form is complete, true, and correct. The forms provide a statement that anyone signing and certifying that a form is true knowing it contains false information or knowingly omits required information is guilty of a gross misdemeanor. Minn. Stat. § 10A.22, subd. 1.

4500.1200 CHANGE OF OFFICE SOUGHT BY CANDIDATE.
Subpart 1a. **Exception.** This rule is needed to clarify the application of Minn. Stat. § 10A.25, subd. 2, clauses (a) to (c), as amended in Laws of 1990, Chapter 608, to aggregate campaign expenditures made by a candidate from more than one committee for a statewide office in the same election year.

Subpart 3. **Public subsidy agreement.** This rule is needed to comply with Minn. Stat. § 10A.322, enacted in Laws of 1990, Article 3, Section 24, that changed the term "public financing agreement" to "public subsidy agreement".

4500.1600 CONTRIBUTIONS FROM ASSOCIATIONS.
Subpart 1. **Optional disclosure.** This rule is needed to conform the existing rule to the provisions of Minn. Stat. § 10A.22, subd. 7, as amended in Laws of 1990, Chapter 608, Article 3, Section 8, and to include within the rule a reference to the statute providing the optional disclosure.

Subpart 2. **Exception.** This rule is needed to conform the existing rule to the provisions of Minn. Stat. § 10A.22, subd. 7, as amended in Laws of 1990, Chapter 608, Article 3, Section 8. The statute as amended pertains to all unregistered associations, regardless of their domiciles, therefore the referenced "Minnesota-domiciled" in the rule was deleted.

4500.1700 CONTRIBUTION LIMIT; POLITICAL PARTY DEFINITION.
This rule is needed to clarify that a political party's "list of categories of substate units", under Section 10A.14, subd. 2 (f), means a listing of names of the party units under each category specified in Section 10A.27, subd. 4. There is no definition of "substate unit" in the statutes, therefore, a cross reference to another statute which spells out the units of a political party is necessary and appropriate. The rule will assist candidates and their treasurers in complying with the contributions limits for political parties under Section 10A.27, subd. 2. The substance

of the existing rule has been moved to subpart 2.

4500.2200 FUNDRAISING EVENT.

Subparts 1 and 2. **Fundraising event held for one or two candidates.**and **Joint fundraising event.**, respectively. These rules are needed to conform the existing rule to the provisions of Minn. Stat. § 10A.01, subd. 10c, as amended in Laws of 1990, Ch. 608, Article 3, Section 3, and to provide gender neutral reference within the rule.

Subpart 3. **Sessional fundraising.** This rule is needed to provide candidates and treasurers with information about an optional procedure available following the Board's investigation of a potential violation of the prohibition regarding fundraising events during a legislative session enacted in Laws of 1990, Chapter 608, Article 3, Section 4.

4500.2500 JOINT LIMITS FOR GOVERNOR AND LIEUTENANT GOVERNOR.
Subpart 1. **Public subsidy agreement.** This rule is needed to conform the existing rule to the provisions of Minn. Stat. § 10A.315 enacted in Laws of 1990, Chapter 608, which changed the name of the agreement candidates must sign and file with the Board if they wish to be eligible to receive payments from the State Elections Campaign Fund.

4500.2900 USE OF CREDIT CARDS.
This rule is needed to conform the existing rule to the provisions of Minn. Stat. § 10A.20, as amended in Laws of 1990, Chapter 608, which require disclosure of an expenditure or disbursement that is a reimbursement to a third party for goods or services that were not directly provided by the individual or association to whom payment is made.

4500.3200 MISCELLANEOUS NONCAMPAIGN DISBURSEMENTS.
This rule is needed to codify written advice furnished by the Board to a candidate in 1984 that the costs associated with travel to attend a campaign school are noncampaign disbursements. Because fees paid to attend a campaign school are already included in the list of examples of noncampaign disbursements in the rule, it is reasonable to include transportation and lodging for such schools or seminars in this list.

4500.3300 ORGANIZATION OF POLITICAL COMMITTEES AND POLITICAL FUNDS.
Subpart 1a. **Principal campaign committee.** This rule is needed to codify in a rule the Board's practices in actions enforcing the requirements of Minn. Stat. Ch. 10A that the candidate has the ultimate responsibility for any reports or statements that are required to be filed by a treasurer. The basis for this view, which has been upheld in several court decisions, is Minn. Stat. § 10A.19, subd. 2, and agency/principal legal doctrine. In addition, the amendment corrects gender references in existing rule.

4500.3500 PUBLIC SUBSIDY. This rule is needed to conform existing rule to provisions for public subsidy agreements and the contribution receipt and refund program to comply with Minn. Stat. § 10A.322 and the matching requirements to comply with Minn. Stat. § 323 enacted in Laws of 1990, Chapter 608, Article 3, Sections 24 and 25, respectively. Because the statutes do not specify the date for filing affidavits of contributions (matching requirements) in special elections other than those whose filing

periods coincide with a general election, the rule is needed to specify the filing date. The proposed filing date is consistent with the time frame applicable to general elections, within the shorter time frame applicable to statutes governing special elections whose filing periods do not coincide with a general election.

4500.4300 SPECIAL ELECTIONS.

Subpart 4. **Public subsidy.** This rule is needed to conform existing rule to comply with Minn. Stat. § 10A.315 enacted in Laws of 1990, Chapter 608, Article 3, Section 22, whereby a candidate in a special election may be eligible to receive money from the State Elections Campaign Fund. Nothing is added to the rule beyond the statutory requirements.

Subpart 5. **Contribution refund receipts.** This rule is needed to clarify that a candidate in a special election who signs and files a Public Subsidy Agreement with the Board may issue official contribution receipts to contributors in accordance with provisions Minn. Stat. § 10A.322, enacted in Laws of 1990, Chapter 608, Article 3, Section 24. Nothing is added to the rule beyond the statutory requirements.

4500.4400 TERMINATION OF REGISTRATION.

Subpart 1a. **Exception.** This rule is needed to clarify the existing rule by referring to alternative statutory provisions for termination of registered committees or funds in Minn. Stat. §§ 10A.24, subd. 2, and 10A.242 enacted in Laws of 1990, Chapter 608, Article 3, Sections 9 and 10, respectively.

Subpart 3. **Dissolution of inactive committee or fund.** This subpart is added to incorporate reference to additional provisions for termination of registered committees or funds enacted in Minn. Stat. § 10A.242 in Laws of 1990, Chapter 608, Article 3, Section 10.

Minnesota Rules chapter 4505: ECONOMIC INTEREST DISCLOSURE

4505.0100 DEFINITIONS.

Subpart 1b. **Candidate.** This rule is needed to clarify that references to "candidate" include candidates for certain elective state and local offices, as defined in Minn. Stat. § 10A.01 and to avoid continued repetition of descriptive phrases in this chapter of Board rules.

Subpart 7. **Public official.** This rule is needed to specifically identify the source of the term "public official" which is used in this chapter. This will avoid confusion with the newer term, "local official", introduced in Minn. Stat. § 10A.09 as amended in Laws of 1990, Chapter 608, Article 2, Section 2.

Subpart 8. **Local official.** This rule is needed to clarify that references to "local official" in this chapter include only the local officials who serve in a Metropolitan Governmental Unit who are required to file statements of economic interest under Minn. Stat. § 10A.09, as amended in Laws of 1990, Chapter 608, Article 2, Section 2. This definition is in contrast to the lobbyist disclosure law and rules in which "local official" includes all local officials in political

subdivisions as defined in Minn. Stat. § 10A.01, subds. 25 and 27. This definition will avoid confusion with the term "public official" as employed in this chapter.

Subpart 9. **Major decisions.** This rule is needed to clarify that although recommendations about the expenditure of public funds in a political subdivision may originate with a variety of staff employees, only the individual who makes final recommendations on the expenditure or investment of public money is covered by the term "local official" in Minn. Stat. § 10A.01, subd. 25. To provide otherwise would multiply the number of filings and would exceed the intent and scope of the legislation.

Subpart 10. **Population over 50,000.** This rule is needed to clarify the basis for determining the initial application of the provisions of Minn. Stat. § 10A.01, subd. 26, enacted in Laws of 1990, Chapter 608, Article 1, Section 3 that become effective January 1, 1991. The proposed sources of population figures are widely accepted as reliable basis for determining population. Additionally, the rule is needed to provide guidance in the future as population figures change in order to ensure uniform application of the disclosure provisions in Chapter 10A.

4505.0200 ACTING OR PART-TIME LOCAL OR PUBLIC OFFICIAL. This rule is needed to conform existing rule to the provisions for economic interest disclosure by adding local officials in a Metropolitan Governmental Unit in accordance with Minn. Stat. §§ 10A.01, subd. 26, and 10A.09, as enacted or amended in Laws of 1990, Chapter 608, Article 1, Section 3, and Article 2, Section 2, respectively.

4505.0300 LATE FILING FEES.
Subpart 1. **Notice to board.** This rule is needed to provide sufficient time for the Board to proceed with official notices that are required to be sent to individuals by the Board in accordance with Minn. Stat. §§ 10A.02, subd. 8, and 10A.09, subd. 7, and part 4505.0300, subp. 2, and to enable the Board to carry out its enforcement responsibilities.

Subpart 2. **Notice to official.** This rule is needed to clarify the application of the existing rule has been extended to local officials and candidates for elective office in a Metropolitan Governmental Unit who are required by Minn. Stat. § 10A.09 to file statements of economic interest in accordance with Laws of 1990, Chapter 608, Article 2, Section 2.

4505.0600 OCCUPATION AND PRINCIPAL PLACE OF BUSINESS.
This rule is needed to clarify the application of the existing rule has been extended to local officials and candidates for elective office in a Metropolitan Governmental Unit who are required by Minn. Stat. § 10A.09 to file Statements of Economic Interest in accordance with Laws of 1990, Chapter 608, Article 2, Section 2.

4505.0700 REAL PROPERTY.
This rule is needed to clarify the application of the existing rule to extend to local officials and candidates for elective office in a Metropolitan Governmental Unit who are required by Minn. Stat. § 10A.09 to file Statements of Economic Interest in accordance with Laws of 1990, Chapter 608, Article 2, Section 2.

4505.0900 FILING

Subpart 1. **Delivery.** This rule is needed to clarify the application of the existing rule to local officials and candidates for elective office in a Metropolitan Governmental Unit. The rule clarifies that a statement submitted under Minn. Stat. § 10A.09 must be an original document bearing the original signature of the individual who submits the document, for purposes of Minn. Stat. § 10A.10 and as required by Minn. Stat. § 645.44, subd. 14. This issue has arisen with the wide-spread use of facsimile machines and there is a need to clarify and explain why facsimile transmissions are not an acceptable filing with the Board.

Subpart 3. **Statement after period when no statement required.** This rule is needed to clarify that the existing rule now applies to local officials and candidates for elective office in a Metropolitan Governmental Unit under the amendments to Minn. Stat. Ch. 10A enacted in Laws of 1990, Chapter 608.

Subpart 4. **Termination statement.** This rule is needed to clarify that the existing rule now applies to local officials in a Metropolitan Governmental Unit under the amendments to Minn. Stat. Ch. 10A enacted in Laws of 1990, Chapter 608.

Subpart 5. **Option.** This rule is needed to clarify that the existing rule now applies to local officials in a Metropolitan Governmental Unit under the amendments to Minn. Stat. Ch. 10A enacted in Laws of 1990, Chapter 608.

Subpart 7. **Change of local official position.** This rule is needed to apply the substance of existing part 4505.0900, subp. 6, to a local official in a metropolitan governmental unit who leaves one position for another position that is covered by the provisions of Minn. Stat. § 10A.09.

4505.1000 JOINT INTERESTS.

This rule is needed to clarify that the existing rule now applies to a local official or candidate in a Metropolitan Governmental Unit in accordance with amendments to Minn. Stat. § 10A.09 enacted in Laws of 1990, Chapter 608.

Minnesota Rules chapter 4510: LOBBYIST REGISTRATION AND REPORTING

4510.0100 DEFINITIONS.

Subpart 1b. **Association.** This rule is needed to clarify the application of Minn. Stat. § 10A.01, subd. 28, to a political subdivision. For example, when a nonelected local official or an employee of a political subdivision must register as a lobbyist, as required by Minn. Stat. § 10A.01, subd. 11 (b) (4), then the political subdivision may be considered a "principal", as defined in Minn. Stat. § 10A.01, subd. 28. If the political subdivision spends more than $500 in the aggregate in any calendar year to compensate the nonelected official or employee who registers as a lobbyist or authorizes the expenditure of money by the nonelected official or employee who registers as a lobbyist, the political subdivision may be required to file a principal's report as required by

Minn. Stat. § 10A.04, subd. 6.

Subpart 3. **File; filed; filing.** This rule is needed to clarify that a statement or report submitted to the board, as required by Minn. Stat. Ch. 10A, must be an original document bearing the original signature of the individual who submits the document, for purposes of Minn. Stat. § 10A.10 and as required by Minn. Stat. § 645.44, subd. 14. This issue has arisen with the wide-spread use of facsimile machines and there is a need to clarify and explain why facsimile transmissions are not an acceptable filing with the Board.

Subpart 4. **Lobbyist.** This rule is needed to conform existing rule to amendments in Minn. Stat. § 10A.01, subd. 11, enacted in Laws of 1990, Chapter 608, Article 1, Section 1.

Subpart 4a. **Local official.** This rule is needed to specifically identify the source of the terms "local official" and "Metropolitan Governmental Unit" which are used in this chapter. The rule clarifies that a lobbyist is required to report on disbursements for lobbying associated with a specific group of "local officials" to comply with Minn. Stat. §§ 10A.01, subds. 11, 25, and 26 and 10A.04 as amended or enacted in Laws of 1990, Chapter 608, Article 1, Sections 1, 2, 3, and 7. Otherwise, disclosure of lobbying associated with all "local officials" would be required and that is not what the legislation intended.

Subpart 4b. **Public higher education system.** This rule is needed to clarify what a "public higher education system" means under Minn. Stat. § 10A.01, subd. 11 (a) (1) and (b) (2), as amended in Laws of 1990, Chapter 608, Article 1, Section 1. Consistent with widely-adopted practice and understanding, it is reasonable to define "higher education" system as "post-high-school" educational system.

Subpart 4c. **Public official.** This rule is needed to specifically identify the source of the term "public official" which is used in this chapter. This will avoid confusion with the newer term, "local official", introduced in the amendments to Minn. Stat. Ch. 10A enacted in Laws of 1990, Chapter 608.

Subpart 5. **Urging or urges others to communicate.** This rule is needed to clarify the application of the existing rule to add communications with local officials in a Metropolitan Governmental Unit under the amendments to Minn. Stat. § 10A.01, subd. 11, enacted in Laws of 1990, Chapter 608, Article 1, Section 1.

4510.0300 OBLIGATION TO REGISTER.

Subpart 1. **Compliance.** This rule is needed so that the Board may provide information required to be included in the Board's periodic reports under Minn. Stat. § 10A.05, as amended in Laws of 1990, Chapter 608, Article 1, Section 12.

Subpart 2. **Attendance at hearings.** This rule is needed to conform the existing rule to Minn. Stat. § 10A.01, subd. 11, as amended in Laws of 1990, Chapter 608, Article 1, Section 1, which now also applies to local officials and Metropolitan Governmental Units.

Subpart 3. **Paid expert witness registration.** This rule is needed to conform the existing rule to Minn. Stat. § 10A.01, subd. 11, as amended in Laws of 1990, Chapter 608, Article 1, Section 1, which now also applies to Metropolitan Governmental Units.

4510.0400 OBLIGATION TO REPORT.
Subpart 2. **Alternative report.** This rule is needed to reflect a 1984 law change amending the dollar amount for disclosure of gifts or benefits to public officials and a 1990 law change discontinuing the October 15 disbursement report.

Subpart 3. **Termination report.** This rule is needed to correct gender reference and clarify the application of the existing rule.

Subpart 4. **Principal's report.** This rule first repeats the requirements of Minn. Stat. § 10A.04, subd. 6, enacted in Laws of 1990, Article 1, Section 10 and specifies that 1992 is the year in which the first report by a lobbyist's principal must be filed, covering calendar year 1991. Since registration by lobbyists who attempt to influence the official actions of Metropolitan Governmental Units is not required until January 1, 1991, it is unreasonable to require principals to report their spending on a kind of lobbying for which no lobbyists were registered or reporting. Therefore, the Board determined that the intent of the legislation was to have the principal's first report due following the first full calendar year under the new law.

4510.0500 DISBURSEMENT REPORTS.
Subpart 1. **Lobbyists covered by the report.** This rule is needed to correct gender reference; substance of existing rule is unchanged.

Subpart 2. **Names and addresses of directors and officers.** This rule is needed to correct gender reference; substance of existing rule is unchanged.

Subpart 3. **Total disbursements.** and Subpart 4. **Categories.** These rules are is needed to clarify language in the existing rule to conform to Minn. Stat. § 10A.04 as amended in Laws of 1990, Chapter 608, Article 1, Section 8. The existing rule was unclear and subject to multiple interpretations. The proposed amendments clarify the existing rule. No additional requirements beyond the statutory language are proposed. These amendments arise from oral and written testimony received by the Board in May - June, 1990, raising concerns about the existing rule.

Subpart 5. **Exception.** This rule is needed to incorporate the substance of a portion of the existing rule in a separate subpart and clarify that costs of travel and lodging to enable a lobbyist or an expert witness to meet with local or public officials need not be reported, under Minn. Stat. 10A.01, subd. 11, (a) (1) and (2) and (b) (8). Otherwise, disclosure of travel and lodging costs to enable a lobbyist to meet with local or public officials or attend hearings of public bodies would be required and that is not what the statutes intend.

Subpart 6. **Principal's total disbursements.** This rule repeats the requirement of Minn. Stat. § 10A.04, subd. 6, enacted in Laws of 1990,

Chapter 608, Article 1, Section 10, to clarify the application of the rule. The rule provides that the principal's report must contain names of the principal's lobbyists who were registered and reporting during the calendar year on which the principal is reporting. The rule is necessary to allow the Board and the public to cross-reference principal reports with lobbyist reports. The rule is based, in part, upon comment received by the Board.

Subpart 7. **Costs of regulation.** This rule reflects comment received by the Board. This rule is needed to clarify that certain expenses incurred or required in the course of ratemaking as required to comply with state or federal law regulating public utilities are not considered "lobbying".

4510.0600 DISCLOSURE OF GIFTS, LOANS, HONORARIUMS, ITEMS, OR BENEFITS.
This rule is needed to conform existing rule Subparts 1 through 4 to amendments in Minn. Stat. § 10A.04 enacted in Laws of 1990, Chapter 608, Article 1, Section 8, to add the reference to disclosure of gifts or benefits from "principals" and gifts or benefits to "local officials".

Subpart 5. **From personal funds.** This rule is needed to clarify that gifts or benefits to a local or public official paid by a lobbyist from the lobbyist's personal funds must be disclosed and attributed to the lobbyist and must be disclosed separately from those gifts or benefits attributable to any employer or principal of the lobbyist. Minn. Stat. § 10A.04, subd. 4 (c) requires the lobbyist to disclose <u>all</u> gifts or benefits over $50.00, and this rule is necessary to clarify that personal gifts also must be disclosed under this statute.

4510.0700 ORIGINAL SOURCE OF FUNDS.
This rule is needed to conform existing rule to amendments to Minn. Stat. § 10A.04, subd. 4, enacted in Laws of 1990, Chapter 608, which require disclosure of the original sources of funds in each of the three kinds of lobbying identified in the amended statute.

4510.0800 LOBBYIST RETAINED BY MORE THAN ONE EMPLOYER OR PRINCIPAL.
This rule is needed to conform existing rule to amendments to Minn. Stat. § 10A.01, subd. 28, enacted in Laws of 1990, Chapter 608, Article 1, Section 5, which established and defined principals of lobbyists.

4510.1500 RECORD RETENTION.
This rule is needed to clarify the kinds of records that a lobbyist or a lobbyist's principal must maintain and the length of time to be maintained, so that the Board will be able to administer Minn. Stat. § 10A.04, subd. 7, regarding authority to randomly audit the financial records of lobbyists and principals. In order for the Board to fulfil its statutory function, records must be maintained by the lobbyist and the lobbyist's principal. The audit function in Minn. Stat. § 10A.04, subd. 7, was enacted in Laws of 1990, Chapter 608, Article 1, Section 11. The language in the rule is based upon Minn. Stat. § 10A.22, subd. 6, regarding maintenance of records supporting filed reports of receipts and expenditures in the campaign finance program.

Minnesota Rules chapter 4525: CONFLICTS OF INTEREST

4515.0100 DEFINITIONS.

Subpart 6a. **Local official.** This rule is needed to clarify that references to "local official" in this chapter include only the local officials who serve in a Metropolitan Governmental Unit who are required to give notice of potential conflicts of interest under Minn. Stat. § 10A.07 as amended in Laws of 1990, Chapter 608, Article 2, Section 1. This definition is in contrast to the lobbyist disclosure law and rules in which "local official" includes all local officials in political subdivisions as defined in Minn. Stat. §§ 10A.01, subds. 25 and 27. This rule is necessary to avoid confusion with the term "public official" and to provide uniform reference throughout the chapter to individuals now covered by the existing rule in accordance the cited statutes.

Subpart 7. **Superior for purposes of notification of a potential conflict of interest.** This rule is needed to clarify the application of the existing rule now to extend to local officials in a Metropolitan Governmental Unit who are covered by the conflicts of interest provisions of Section 10A.07, as amended in Laws of 1990, Chapter 608.

4515.0300 APPLICABILITY OF THE CONFLICTS OF INTEREST PROVISIONS.
This rule is needed to conform the existing rule to amendments to Minn. Stat. § 10A.07 enacted in Laws of 1990, Chapter 608, Article 2, Section 1, to now extend to local officials in a Metropolitan Governmental Unit.

4515.0400 NOTICE OF POTENTIAL CONFLICT OF INTEREST.
This rule is needed to conform the existing rule to amendments in Minn. Stat. § 10A.07 enacted in Laws of 1990, Chapter 608, Article 2, Section 1, to now extend to local officials in a Metropolitan Governmental Unit.

4515.0500 REMOVAL FROM CONFLICT OF INTEREST.
Subpart 1. **Nonelected official.** and Subpart 2. **Elected official.** These rules are needed to amend the existing rule and reflect the sweeping changes in the notice procedures as amended in Minn. Stat. § 10A.07 enacted in Laws of 1990, Chapter 608, Article 2, Section 1. No additional requirements beyond the statutory mandate have been added to the rule. These rules clarify that certain local elected and appointed officials will be covered by this rule, beginning January 1, 1991, and correct gender reference in the existing rule.

Subpart 3. **Nonelected official; no immediate superior,** This rule is needed to clarify the procedure under Minn. Stat. § 10A.07, subd. 2, that an appointed local or public official should follow when the official has no "immediate superior", for notification purposes. The substance of this rule is found in the last two sentences of existing part 4515.0500, subpart 1; language is changed to correct gender references and to incorporate amendments to the statute adopted in Laws of 1990, Chapter 608, Article 2, Section 1, which added application of the law to local officials in a Metropolitan Governmental Unit.

Subpart 4. **Unable to abstain.** This rule is needed to reflect the statutory provisions of Minn. Stat. § 10A.07, subd. 2, which expanded the application of the law to local officials in a Metropolitan Governmental Unit and to clarify the steps required of an official who is unable to abstain from action on a matter that presents a potential conflict of interest within the meaning of Minn. Stat. § 10A.07, subd. 1. The rule is

needed to clarify that a statement submitted under Minn. Stat. § 10A.07 must be an original statement bearing the original signature of the individual who submits the document, for the purposes of Minn. Stat. 10A.10 and as required by Minn. Stat. § 645.44, subd. 14. This issue has arisen with the wide-spread use of facsimile machines and there is a need to clarify and explain why facsimile transmissions are not an acceptable filing with the Board.

4515.0600 OBTAINING AND FILING FORMS.
This rule is needed to clarify the application of the existing rule to the change in notice procedures and the inclusion of disclosure by certain local officials under Minn. Stat. § 10A.07 enacted in Laws of 1990, Chapter 608, Article 2, Section 1. Nothing beyond the statutory notice procedures has been added.

4515.0700 CHANGES AND CORRECTIONS.
This rule is needed to clarify the application of the existing rule to the change in notice procedures and the inclusion of disclosure by certain local officials under Minn. Stat. § 10A.07 enacted in Laws of 1990, Chapter 608, Article 2, Section 1. Nothing beyond the statutory notice procedures has been added.

4515.0800 FILING OF FALSE STATEMENTS.
This rule is needed to clarify the application of the existing rule to the inclusion of disclosure by certain local officials under Minn. Stat. § 10A.07 enacted in Laws of 1990, Chapter 608, Article 2, Section 1, and to correct gender reference.

EFFECTIVE DATE.
4505.0100, subparts 1b, 8, 9, 10; 4505.0200; 4505.0300; 4505.0600; 4505.0700; 4505.0900; 4505.1000; 4510.0100, subps. 1b, 4, 4a, 4b, 4c, 5; 4510.0300; 4510.0400, subp. 4; 4510.0500, subps. 3, 4, 4, 6, 7; 4510.0600; 4510.0700; 4510.0800; 4510.1000; 4510.1500; 4515.0100, subps. 6a, 7; 4515.0300; 4515.0400; 4515.0500; 4515.0600; 4515.0700; and 4515.0800 are effective January 1, 1991.
This rule is needed to identify those portions of the rules which pertain to Laws of 1990, Chapter 608, that become effective January 1, 1991. The rule becomes in accordance with Minn. Stat. § 14.27 (five working days after Notice of Adoption is published in the **State Register**).

REPEALER.
4510.1000 LOBBYIST DISBURSEMENTS FOR ADMINISTRATIVE COSTS.
This rule is repealed because the existing rule appears to conflict with the amendment to Minn. Stat. § 10A.04 in Laws of 1990, Chapter 608, which requires a lobbyist to report separately on disbursements for the three kinds of lobbying that are specified by law. The new reporting requirements are incorporated in 4510.0500 DISBURSEMENT REPORTS.

SMALL BUSINESS CONSIDERATIONS IN RULEMAKING

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

For the most part, the proposed rule amendments do not affect small businesses directly, rather individuals must file the various reports. However, a small business may be subject to the rule if it establishes a political fund to support or oppose a state constitutional amendment or if the small business spends more than $500 in a calendar year to engage a lobbyist or spends at least $50,000 in any calendar year on efforts to influence legislative action or administrative action or the official action of a Metropolitan Governmental Unit.

Consequently, the Board considered all the methods for reducing the impact of the amendments on small businesses listed in Minn. Stat. § 14.115, subd. 2. Although the proposed amendments do discuss the reporting requirements, all of the reporting and disclosure requirements are mandated by statute. One additional substantive requirement added by rule may be the record retention schedule in Rule 4510.1500, however, this section is necessary for the Board to carry out its audit requirements in Minn. Stat. § 10A.04, subd. 7. None of the proposed amendments establishes more stringent schedules, requires more disclosure, establishes performance standards for businesses, therefore, most of the methods under Minn. Stat. § 14.115, subd. 2, are inapplicable to these rules.

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. In summary, while the Board is cognizant of the important statutory objective of reducing the impact on small businesses, the Board is restrained by Minn. Stat. Ch. 10A and cannot reduce disclosure requirements of Minn. Stat. Ch. 10A.

Dated: August 20, 1990

Mary Ann McCoy

Mary Ann McCoy, Executive Director

Minnesota Housing Finance Agency

Adopted Permanent Rules Relating to Temporary Housing Program

The rule proposed and published at *State Register*, Volume 15, Number 7, pages 374-375, August 13, 1990 (15 SR 374) is adopted as proposed.

Bureau of Mediation Services

Adopted Permanent Rules Relating to Public Employee Labor Relations

The rules proposed and published at *State Register*, Volume 14, Number 35, pages 2081-2084, February 26, 1990 (14 SR 2081) and Volume 15, Number 8, page 452, August 20, 1990 (15 SR 452) are adopted with the following modifications:

Rules as Adopted

5510.0510 LIMITATION ON FILING PETITION. [Withdrawn at 15 SR 452]

5510.1410 FAIR SHARE FEE REQUIREMENTS.

Subpart 1. **Advance notice of fair share fee assessment.** The exclusive representative must provide written notice of the amount of the fair share fee assessment to the employer and each employee assessed: upon initial implementation of the fair share fee assessment; to employees hired after the original notice has been issued; and upon a change in the amount of the fair share fee assessment. The notice must contain:

D. sufficient information to identify expenditures for benefits available only to members of the exclusive representative and sufficient information to identify expenditures for collective bargaining and contract administration services that have been provided for bargaining unit employees without regard to membership status. This information shall include the most recent documentation of the preceding year's actual expenditures and of the current year's projected expenditures;

5510.1910 HEARINGS OR INVESTIGATIONS.

Subp. 10b. **Preparation of case record on appeal to PERB.** Any person or party appealing a determination of the commissioner to the board must agree in writing to pay for the cost of preparing the transcript of the hearing upon which the determination was based, as well as the costs of duplicating all relevant exhibits and other written case file material. If the appeal involves only a portion of the elements or factors decided by the commissioner, and only parts of the hearing are relevant to that element or factor, a partial transcript and record may be purchased. The extent of the transcript and record necessary to provide the board with the complete record upon which that portion of the commissioner's determination was based will be determined by the commissioner, based upon the scope of the issues under appeal. However, any party to an appeal may request that a portion of the entire record be added to the record submitted by the commissioner to PERB. The party making such a request must agree in writing to pay for the cost of preparing this additional record. Any partial transcript shall include all testimony and evidence relevant to the issues under appeal.

Withdrawn Rules

Ethical Practices Board

In the Matter of the Proposed Adoption of the Rule Relating to Campaign Financing, Economic Interest Disclosure, Lobbyist Registration and Reporting, and Conflicts of Interest

Notice of Withdrawing Rule

NOTICE IS HEREBY GIVEN that the State Ethical Practices Board has withdrawn the proposed rule relating to Economic Interest Disclosure (*Minnesota Rules* Chapter 4505), Lobbyist Registration and Reporting (*Minnesota Rules* Chapter 4510), and Conflicts of Interest (*Minnesota Rules* Chapter 4515). This rule appeared at 15 S.R. 554, Tuesday 4 September 1990. The proposed rule relating to Campaign Financing (*Minnesota Rules* Chapter 4500) is not being withdrawn.

Persons having questions about this matter may call or write Mary Ann McCoy at the Ethical Practices Board office, 625 N. Robert St., St. Paul, MN 55101-2520; telephone (612) 296-1720.

Dated: 5 November 1990

Mary Ann McCoy, Executive Director

CITY OF PLYMOUTH



September 4, 1990

Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

SUBJECT: NOTICE OF INTENT TO ADOPT RULES ON ECONOMIC INTEREST DISCLOSURE

Dear Ms. McCoy:

Please accept this letter as our desire to oppose your proposal to adopt rules on economic interest disclosure, lobbyist registration and reporting, and conflicts of interest without the benefit of a public hearing. I would appreciate your advising me of the time when a public hearing on this matter will be held.

Yours truly,

James G. Willis
City Manager

JW:kec
cc: Mayor & City Council
Donald Slader, League of Minnesota Cities



CITY OF PLYMOUTH

September 5 1990

Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

SUBJECT: RULES ON ECONOMIC INTEREST DISCLOSURE, LOBBYIST REGISTRATION AND REPORTING, AND CONFLICTS OF INTEREST

Dear Ms. McCoy:

In accordance with state law, I am requesting that a public hearing be held on the above referenced proposed rules.

Sincerely,

Frank Boyles
Assistant City Manager

FB:kec
cc: Ann Higgens, League of Minnesota Cities

CITY OF PLYMOUTH



September 5 1990

Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

SUBJECT: RULES ON ECONOMIC INTEREST DISCLOSURE, LOBBYIST REGISTRATION AND REPORTING, AND CONFLICTS OF INTEREST

Dear Ms. McCoy:

In accordance with state law, I am requesting that a public hearing be held on the above referenced proposed rules.

Sincerely,

Fred Moore

Fred Moore
Public Works Director

FM:kec
cc: Ann Higgens, League of Minnesota Cities

CITY OF PLYMOUTH



September 5 1990

Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

SUBJECT: RULES ON ECONOMIC INTEREST DISCLOSURE, LOBBYIST REGISTRATION AND REPORTING, AND CONFLICTS OF INTEREST

Dear Ms. McCoy:

In accordance with state law, I am requesting that a public hearing be held on the above referenced proposed rules.

Sincerely,

Laurie Rauenhorst

Laurie Rauenhorst
City Clerk

LR:kec
cc: Ann Higgens, League of Minnesota Cities

CITY OF PLYMOUTH



September 5 1990

Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

SUBJECT: RULES ON ECONOMIC INTEREST DISCLOSURE, LOBBYIST REGISTRATION AND REPORTING, AND CONFLICTS OF INTEREST

Dear Ms. McCoy:

In accordance with state law, I am requesting that a public hearing be held on the above referenced proposed rules.

Sincerely,

Jeanette Sobania
Personnel Coordinator

DH:kec
cc: Ann Higgens, League of Minnesota Cities

CITY OF PLYMOUTH



September 5 1990

Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

SUBJECT: RULES ON ECONOMIC INTEREST DISCLOSURE, LOBBYIST REGISTRATION AND REPORTING, AND CONFLICTS OF INTEREST

Dear Ms. McCoy:

In accordance with state law, I am requesting that a public hearing be held on the above referenced proposed rules.

Sincerely,

Eric Blank
Director of Park and Recreation

EB:kec
cc: Ann Higgens, League of Minnesota Cities

CITY OF PLYMOUTH



September 5 1990

Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

SUBJECT: RULES ON ECONOMIC INTEREST DISCLOSURE, LOBBYIST REGISTRATION AND REPORTING, AND CONFLICTS OF INTEREST

Dear Ms. McCoy:

In accordance with state law, I am requesting that a public hearing be held on the above referenced proposed rules.

Sincerely,

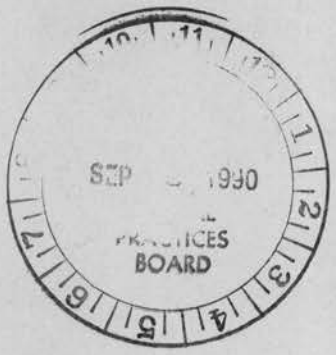
Dale E. Hahn

Dale Hahn
Finance Director

DH:kec
cc: Ann Higgens, League of Minnesota Cities



CITY OF PLYMOUTH



September 5 1990

Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

SUBJECT: RULES ON ECONOMIC INTEREST DISCLOSURE, LOBBYIST REGISTRATION AND REPORTING, AND CONFLICTS OF INTEREST

Dear Ms. McCoy:

In accordance with state law, I am requesting that a public hearing be held on the above referenced proposed rules.

Sincerely,

Blair Tremere
Director of Planning
& Community Development

BT:kec
cc: Ann Higgens, League of Minnesota Cities

CITY OF PLYMOUTH



September 5 1990

Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

SUBJECT: RULES ON ECONOMIC INTEREST DISCLOSURE, LOBBYIST REGISTRATION AND REPORTING, AND CONFLICTS OF INTEREST

Dear Ms. McCoy:

In accordance with state law, I am requesting that a public hearing be held on the above referenced proposed rules.

Sincerely,

Dick Carlquist
Public Safety Director

DC:kec
cc: Ann Higgens, League of Minnesota Cities

OFFICE OF CITY COORDINATOR
325M CITY HALL
MINNEAPOLIS, MINNESOTA 55415
673-2041
PHONE (612) ~~348-5907~~

MENTOR C. "DUKE" ADDICKS, JR.
LEGISLATIVE LIAISON

RECEIVED
SEP 11 1990
ETHICAL PRACTICES BOARD

minneapolis
city of lakes

September 6, 1990

Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

SUBJECT: NOTICE OF INTENT TO ADOPT RULES ON ECONOMIC INTEREST DISCLOSURE

Dear Ms. McCoy:

Please accept this letter as our desire to oppose your proposal to adopt rules on economic interest disclosure, lobbyist registration and reporting, and conflicts of interest without the benefit of a public hearing. I would appreciate your advising me of the time when a public hearing on this matter will be held.

Yours truly,

Mentor C. "Duke" Addicks, Jr.
State Legislative Liaison

MCA:ph

cc: Donald M. Fraser, Mayor
Sharon Sayles Belton, Council President
Alice Rainville, Chair, IGR



City of
BURNSVILLE

100 Civic Center Parkway • Burnsville, Minnesota 55337-3817 (612) 895-4400

RECEIVED
SEP 21 1990
ETHICAL
PRACTICES
BOARD

September 19, 1990

Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

SUBJECT: RULES ON ECONOMIC INTEREST DISCLOSURE, LOBBYIST REGISTRATION AND REPORTING, AND CONFLICTS OF INTEREST

Dear Ms. McCoy:

In accordance with state law, I am requesting that a public hearing be held on the above referenced proposed rules.

Sincerely,

Linda M. Barton

Linda M. Barton
City Manager
City of Burnsville

LMB/mc

cc: Ann Higgens, League of Minnesota Cities

HOLMES & GRAVEN
CHARTERED
470 Pillsbury Center, Minneapolis, Minnesota 55402
(612) 337-9300

JAMES J. THOMSON
Attorney at Law

Direct Dial (612) 337-9209



September 20, 1990

Ms. Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101

Re: Proposed Rules Pertaining to Campaign Financing, Economic Interest Disclosure, Lobbyist Registration and Reporting, and Conflicts of Interest

Dear Ms. McCoy:

Thank you for taking the opportunity to discuss the above matter with me on the phone. I have discussed the matter with the City of Plymouth representatives. I request that a public hearing be held on the proposed rules. I believe that the hearing is necessary in order to ensure that the rules are consistent with the recent legislative changes, particularly the rule defining the phrase "population of over 50,000." I am also concerned about some of the proposed rules dealing with economic interest and conflict reporting.

Sincerely,

James J. Thomson

JJT/amm
PL100-32A

cc: James Willis
Laurie Rauenhorst

5800 85th AVENUE NORTH / BROOKLYN PARK, MN. 55443 / 612-424-8000

CITY OF
BROOKLYN
PARK



September 19, 1990

Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

SUBJECT: Rules on Economic Interest Disclosure, Lobbyist Registration and Reporting, and Conflicts of Interest

Dear Ms. McCoy:

In accordance with state law, I am requesting that a public hearing be held on the above referenced proposed rules.

Sincerely,

Charles Darth

Charles L. Darth
Asst. to the City Manager/Intergovernmental Relations

CLD:rs

cc: Craig R. Rapp, City Manager

LAW OFFICES

WURST, PEARSON, LARSON, UNDERWOOD & MERTZ
A PARTNERSHIP INCLUDING PROFESSIONAL ASSOCIATIONS

1100 FIRST BANK PLACE WEST
MINNEAPOLIS, MINNESOTA 55402

A. THOMAS WURST, P.A.
CURTIS A. PEARSON, P.A.
JAMES D. LARSON, P.A.
THOMAS F. UNDERWOOD, P.A.
CRAIG M. MERTZ
ROGER J. FELLOWS

TELEPHONE
(612) 338-4200

FAX NUMBER
(612) 338-2625

September 27, 1990



Ms. Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101

Re: Proposed Rules Pertaining to Campaign Financing, Economic Interest Disclosures, Lobbyist Regulation and Reporting, and Conflicts of Interest

Dear Ms. McCoy:

I have been in contact with the City administration regarding Chapter 608, Laws of 1990, entitled "The Election and Ethics Reform Act." I am the City Attorney for the City of Brooklyn Park, and they have authorized and directed me to request a public hearing be held on the proposed rules. It is important that local officials understand the rules and that the rules be consistent with the Act, since an initial reading of these materials leads us to believe there is going to be a good deal of confusion relating to lobbying disclosures and the economic interest and conflict reporting.

Very truly yours,

Curtis A. Pearson
City Attorney

CAP:lh
cc: Mr. Charles Darth
Mr. Craig Rapp

5800 85th AVENUE NORTH / BROOKLYN PARK, MN. 55443 / 612-424-8000

CITY OF
BROOKLYN
PARK

RECEIVED
OCT 1 1990
ETHICAL
PRACTICES
BOARD

September 28, 1990

Ms. Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

SUBJECT: Rules on Economic Interest Disclosure, Lobbyist Registration and Reporting, and Conflicts of Interest

Dear Ms. McCoy:

In accordance with state law, I am requesting that a public hearing be held on the above referenced proposed rules.

Sincerely,

Alan J. Erickson
Director of Finance/Administrative Services

AJE/CLD/zao

CITY OF BROOKLYN PARK

5800 85th AVENUE NORTH / BROOKLYN PARK, MN. 55443 / 612-424-8000



September 28, 1990

Ms. Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

SUBJECT: Rules on Economic Interest Disclosure, Lobbyist Registration and Reporting, and Conflicts of Interest

Dear Ms. McCoy:

In accordance with state law, I am requesting that a public hearing be held on the above referenced proposed rules.

Sincerely,

Neil M. Johnson

Neil M. Johnson, P.E.
City Engineer

NMJ/CLD/zao

CITY OF BROOKLYN PARK

5800 85th AVENUE NORTH / BROOKLYN PARK, MN. 55443 / 612-424-8000



September 28, 1990

Ms. Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

SUBJECT: Rules on Economic Interest Disclosure, Lobbyist Registration and Reporting, and Conflicts of Interest

Dear Ms. McCoy:

In accordance with state law, I am requesting that a public hearing be held on the above referenced proposed rules.

Sincerely,

James W Driste

James Driste
Fire Chief

JD/CLD/zao

5800 85th AVENUE NORTH / BROOKLYN PARK, MN. 55443 / 612-424-8000

CITY OF
BROOKLYN
PARK

RECEIVED
OCT 1 1990
ETHICAL
PRACTICES
BOARD

September 28, 1990

Ms. Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

SUBJECT: Rules on Economic Interest Disclosure, Lobbyist Registration and Reporting, and Conflicts of Interest

Dear Ms. McCoy:

In accordance with state law, I am requesting that a public hearing be held on the above referenced proposed rules.

Sincerely,

Donald E Davis

Donald E. Davis
Police Chief

DED/CLD/zao

CITY OF BROOKLYN PARK

5800 85th AVENUE NORTH / BROOKLYN PARK, MN. 55443 / 612-424-8000

RECEIVED
OCT 1 1990
ETHICAL PRACTICES BOARD

September 28, 1990

Ms. Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

SUBJECT: Rules on Economic Interest Disclosure, Lobbyist Registration and Reporting, and Conflicts of Interest

Dear Ms. McCoy:

In accordance with state law, I am requesting that a public hearing be held on the above referenced proposed rules.

Sincerely,

Howard J. Rowland
Personnel Director

HJR/CLD/zao

5800 85th AVENUE NORTH / BROOKLYN PARK, MN. 55443 / 612-424-8000

CITY OF BROOKLYN PARK



September 28, 1990

Ms. Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

SUBJECT: Rules on Economic Interest Disclosure, Lobbyist Registration and Reporting, and Conflicts of Interest

Dear Ms. McCoy:

In accordance with state law, I am requesting that a public hearing be held on the above referenced proposed rules.

Sincerely,

James F. Winkels
Director of Community Development

JFW/CLD/zao

CITY OF BROOKLYN PARK

5800 85th AVENUE NORTH / BROOKLYN PARK, MN. 55443 / 612-424-8000



September 28, 1990

Ms. Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

SUBJECT: Rules on Economic Interest Disclosure, Lobbyist Registration and Reporting, and Conflicts of Interest

Dear Ms. McCoy:

In accordance with state law, I am requesting that a public hearing be held on the above referenced proposed rules.

Sincerely,

Craig R. Rapp

Craig R. Rapp
City Manager

CRR/CLD/zao

League of Minnesota Cities
183 University Ave. East
St. Paul, MN 55101-2526
(612) 227-5600 (FAX: 221-0986)



September 28, 1990

Mary Ann McCoy, Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101

Dear Ms. McCoy:

The League of Minnesota Cities hereby requests that a public hearing be held on proposed permanent rules relating to economic interest disclosure, lobbyist registration and reporting and conflicts of interest, in The Minnesota State Register, 15:10, September 4, pp. 558-564, under the authority of the State Ethical Practices Board to adopt rules in compliance with the Administrative Procedures Act.

The League requests that the following rules or portions thereof be addressed. Reasons for comment have been contained in correspondence previously sent to Martin McGowan, immediate past chair of the EPB, (dated June 28) and in the attached summary of the provisions of Chapter 608 that affect city government officials.

* 4505.0100 Definitions (for economic interest disclosure)

* 4505.0900 Filing

* 4510.0100 Definitions (for lobbyist registration & reporting)

* 4510.0300 Obligation to Register

* 4510.0400 Obligation to Report

* 4510.0600 Disclosure of gifts, loans, honorariums or benefits

* 4510.0700 Original Source of Funds

* 4510.1500 Record Retention

* 4515.0100 Definitions (for conflict of interest)

* 4515.0500 Removal from conflict of interest

* 4515.0600 Obtaining and Filing Forms

* 4515.0800 Filing of False Statements

The League supports retaining flexibility for cities to adopt local codes of ethics to establish standards of conduct for elected and non-elected city officials. It is our position that officials at all levels of government be held to standards of ethical conduct in carrying out their duties in public office. It is also clear that observance and compliance with such standards are important to be directed through local government efforts and policies.

While the legislature has adopted statewide policies in the areas of economic interest disclosure, lobbyist registration and reporting, and conflict of interest, it is important to observe that differences in the operation of local government among cities make application of a single standard less responsive to local interests and needs. At the same time, such requirements will demand additional obligation on the part of cities to report information frequently to the Ethical Practices Board as well as to maintain information and to establish record-keeping procedures and policies to implement state requirements at the local level.

The League will participate in the public hearings along with member city officials and encourages the State Ethical Practices Board to assist local officials to comply with final requirements and to provide information necessary to limit intrusion with local government operations and minimize additional record-keeping and reporting costs.

Sincerely,

Donald A. Slater
Executive Director, League of Minnesota Cities



REQUIREMENTS OF H.F. 2666, ELECTIONS AND ETHICS REFORM ACT OF 1990

CHAPTER 608 **LOBBYIST REGULATIONS:** effective 1/1/91

Definition of Lobbyist

The new law expands the definition to include persons authorized to spend funds by political subdivisions, public colleges or the university system to influence actions of metropolitan government agencies and units of government(in addition to state legislative or administrative bodies).

Lobbying of metropolitan governmental units (including cities over 50,000 pop. in the metro area) is regulated under the new provisions. Lobbyists must report expenditures of $250 or more in any reporting rs period spent in an effort to influence local officials. Those reports must be filed with the State Ethical Practices Board.

Exemption from Lobbyist Reporting Requirements for Elected Officials

Local elected officials are not considered lobbyists under the definition incorporated in the legislation.

Non-elected city officials and employees who spend more than 50 hours in any month on lobbying activities must also comply with lobbyist reporting requirements. (Definition of local official on next page.)

Additional Activities Included in Definition of Lobbying by Non-Elected Local Officials and Employees

Lobbying itself includes time spent monitoring state legislative and administrative actions as well as the activities of metropolitan government agencies, light rail transit authorities, counties in the seven-county metropolitan area as well as cities over 50,000 population in the metro area. Research, policy analysis, compilation and dissemination of information related to issues are also included in the definition of lobbying and must be included in the calculation of time spent on lobbying activities.

Definition of Local Official Established

The new statute creates a definition of local official with respect to lobbyist reporting regulations; observance of conflict of interest disclosure; and economic interest reporting requirements.

For purposes of compliance with economic interest reporting and avoidance of conflict of interest requirements, local officials are elected officials as well as those appointed to or employed in public office in metropolitan governmental units (which include cities over 50,000 pop. in the seven-county metropolitan area), counties, metro agencies, light rail authorities, the Minnesota State High School League and the Greater Minnesota Corporation authorized to to make, recommend or vote on major decisions regarding expenditure or investment of public funds. Only those cities included in the definition of metropolitan governmental units will have to comply with provisions in the new regulations. The effective date for compliance with these requirements is January 1, 1991.

For purposes of lobbyist reporting, nonelected local officials and employees are considered to be lobbyists if they spend more than 50 hours in any month engaged in lobbying activities as defined in M.S. 10A.01, as amended by this legislation (see above). The new definition of local official signifies that those city officials officials who make or recommend major decisions regarding expenditure or investment of public funds must comply with these requirements if they spend more than 50 hours a month engaged in lobbying activities.

Number of Lobbyist Reports Reduced (effective May 6, 1990)

The October 15 (quarterly) lobbyist spending report was deleted from the required reporting schedule. The remaining reports are due January 15, April 15, and July 15.

Additional Reporting for Lobbyists (Effective January 1, 1991)

Lobbyist reports must now include total disbursements, with separate listings for legislative, administrative and local lobbying (see below). Reporting of disbursement totals for the following items continue to be required: cost of publishing and distributing materials used in lobbying; postage; travel; fees (including allowances, entertainment; telephone and telegraph (and fax?), and other expenses related to lobbying efforts).

In addition, lobbyists will be required to report each honorarium, gift, loan or other item or benefit (except political contributions) equal in value to $50 or more to local officials (given by the lobbyist, the lobbyist's employer or employee). The report must contain the name and address of each local official to whom such payments were made as well as the date of the transaction.

Lobbyists must also report the each source of funds of more than $500 per year for lobbying in certain cities in the metropolitan area (see below).

Additional Lobbying Expense Reporting Requirements

Individuals or associations (business, firm, partnership, committee, labor organization, club or any other group of two or more persons, other than the immediate family, acting in concert) that spend more than $500 (aggregate) in a year for lobbying, including compensation or authorization of lobbyist expenditures, or which spend a total of at least $50,000 a year for lobbying must submit an annual report to the State Ethical Practices Board by March 15 for the preceding year.

The report must include the total amount spent for lobbying in the following areas and in total amounts set forth in the law: legislative, administrative, and official actions of metropolitan governmental units (including cities over 50,000 pop. - see below).

The new provision means that principals must report spending whether or not they actually employ a lobbyist. Contracting for such services, that results in cost of $50,000 or more in a calendar year for use in activities directed toward influencing official legislative or administrative actions at either the state or by metropolitan governmental units (including cities over 50,000 pop.) would have to be reported by a city or an association comprised of cities, including the League of Minnesota Cities and other municipal government organizations.

The report must include total spending at the following levels: $501-$50,000; $50,001-$150,000; $150,001-$250,000. For spending in amounts beyond $250,000, each additional $250,000 is considered to be another category of spending and must also be reported as a total.

Total funds expended for the following costs must also be reported:

* all direct payments to lobbyists in Minnesota;

* all spending for advertising, mailings, research, analysis, compilation and dissemination of information, and public relations campaigns;

* all salaries and administrative expenses incurred by an association or person required to report lobbying expenses that can be attributed to their activites related to lobbying.

Cities that Must Comply with Lobbying (and other) Regulations

Cities with a population of more than 50,000 in the seven-county metropolitan areaas well as any of the county units, light rail transit authorities, metropolitan agencies, the metropolitan council, the Minnesota State High School League and the Greater Minnesota Corporation must comply with lobbyist reporting, economic interest disclosure and conflict of interest standards for local officials.

Unresolved Issues for Cities over 50,000 pop. in Hennepin County

Elected officials in Minneapolis and Bloomington are already governed by Chapter 383B.053, with respect to filing statements of economic interest. The new provisions will primarily affect cities between 50,000-75,000 in Hennepin County. (At this point, there are no other cities over 50,000 according to the 1980 census figures, but since the law goes into effect in January, 1991, it is possible that at least the following cities in Hennepin County would be governed under the new state law: Brooklyn Park and Plymouth).

An unforeseen consequence of lack of coordination between reporting required under M.S. 383B.053 for local units of government in Hennepin County and the state statute, M.S. 10A.09, as amended, could affect some appointed city officials as well as certain city employees in cities of 75,000 or more in Hennepin County who are required to comply with state economic interest reporting requirements.

Elected officials in those cities who are now required to comply with Hennepin County economic interest disclosure requirements face uncertainty about whether they are to continue to comply with M.S. 383B.054, the special law for Hennepin County, or with the provisions of Chapter 608, which modify state economic interest disclosure and reporting requirements to apply to local officials.

Additional uncertainty is caused by the fact that these new sections (Article 2, Sections 4 and 5) require that economic interest statements be filed with the city while the Hennepin County reporting requirement specifies that elected officials are to file with the county.

The definition of cities over 50,000 population in the metropolitan area also remains to be determined as does the definition of "official" in Section 5 which states that such an officeholder required to file a statement under the new state reporting and disclosure requirements would not be required to file under M.S. 383B.053. For cities over 75,000 pop. in Hennepin County (Minneapolis and Bloomington), this could indicate that economic interest reports continue to be filed under M.S. 383.053 after 1991. City officials in other Hennepin County cities (see below) would comply with new state statute requirements which call for such reporting to be administered at the local level with responsibility established for the city to maintain those reports as public data.

NOTE: (For cities between 50,000 - 75,000 population in Hennepin County, it would appear that all local officials obligated to comply with economic interest disclosure and conflict of interest reporting requirements would be covered under Article II of the new chapter, which amends M.S. 10A.07 and 10A. 09.)

There are many unanswered questions about these provisions. The State Ethical Practices Board will be examining these and other issues raised by the confusing and overlapping sections of local and state law on economic interest disclosure and reporting, particularly as it affects Hennepin County cities over 50,000 pop. and over 75,000 pop. In addition, at least one other city in the metropolitan area, Burnsville, is affected as well. (Preliminary census figures would also include Coon Rapids in Anoka County.)

Random Audits of Lobbyist Finances and Spending Authorized

The State Ethical Practices Board has been authorized to conduct random audits of lobbyist financial records as well as those of individuals or associations that hire lobbyists or spend funds for lobbying services.

Penalties

Under M.S. 10A.03, lobbyists must register with the State Ethical Practices Board (EPB) within five days after becoming a lobbyist. Failure to file within 7 days after receiving a notice from the EPB makes the lobbyist liable for payment of a late filing fee of $5 per day (not to exceed $100) imposed by EPB that commences on the 8th day following receipt of the notice of failure to file. Failure to file within 21 days may subject the lobbyist to criminal penalties. Knowingly failing to file is considered a misdemeanor.

ECONOMIC INTEREST AND CONFLICT OF INTEREST REPORTING:

Elected city officials as well as certain non-elected, appointed and certain city employees in cities over 50,000 population in the Twin Cities metropolitan area must comply with conflict of interest reporting requirements in M.S. 10A. 07. When a conflict of interest exists, such city officials must take the following actions: such officials must take the following actions:

1) submit a written statement describing the issue and the nature of the conflict of interest;

2) deliver copies of the statement to the official's immediate superior, if any, or to the presiding officer; or

3) in the case where isufficient time is available, make an oral statement informing the superior or official body or committee of the body of the potential conflict.

Where it is not possible to abstain from action, such officials must file a statement regarding the conflict of interest and the action taken. The statement must be filed with the State Ethical Practices Board as well as with the local governing body within a week of the action.

Matters covered under Chapter 471.87 and 471.88 (interest in contracts for local officials) are not governed by these requirements.

Filing Statement of Economic Interest

Local officials (see definition above) must file a statement of economic interest with the city as follows:

* within 60 days of accepting employment;
* within 14 days after filing an affidavit of candidacy or petition to appear on the ballot.

The city must maintain these statements on file as public data.

Responsibility for Enforcement at the Local Level:

M.S. 10A.09, Subd.2, provides that officials who nominate or employ an individual required to file a statement of economic interest must notify the State Ethical Practices Board of the name of the individual

This provision applies to state elected and appointed (i.e., "public") officials) as well as to certain legislative employees and members of metropolitan agencies and was not amended to apply to local officials. It is therefore unclear how this requirement is to be enforced.

Local officials are subject to penalties for filing false statements.

(The city is directly responsible for receiving and filing statements of economic interest from councilmembers, mayors, as well as non-elected and appointed officials and city employees required to comply with reporting requirements, but it is unclear whether the city would be authorized to enforce these provisions in the future.)

Penalties

Failure to comply with conflict of interest disclosure requirements is considered a gross misdemeanor under M.S. 10A.10.

The new provisions do not specify penalties for failure to file a the statement of economic interest at the local level. False statementsut with respect to economic interest, conflict of interest or lobbyist reporting are punishable as gross misdemeanors.

At the state level, failure to file a statement of economic interest by the required deadline is cause for suspension without pay, as prescribed in contested case procedures in Chapter 14.

For cities over 75,000 pop. in Hennepin County, failure to file statements of economic interest is considered a misdemeanor. The Hennepin County Auditor is authorized to impose fines of $5 per day, up to $100, for failure to file such statements by the deadline.

STATE OF MINNESOTA
ETHICAL PRACTICES BOARD
625 NORTH ROBERT STREET, SUITE 102
ST. PAUL, MINNESOTA 55101-2520
PHONE: (612) 296-5148

July 3, 1990

Donald A. Slater, Executive Director
League of Minnesota Cities
183 University Avenue East
St. Paul, MN 55101-2526

Dear Mr. Slater:

Your letter of June 28, 1990, arrived in the Ethical Practices Board office on July 2, 1990. The Board is pleased to accept your comments as a response to the Board's Notice of Solicitation of Outside Information or Opinions Regarding Proposed Rule Governing Campaign Financing, Economic Interest Disclosure, Lobbyist Registration and Reporting, and Conflicts of Interest published in the **State Register** on June 11, 1990.

It is my understanding that the Board will attempt to address in proposed rules the portions of Laws of 1990, Chapter 608, which you identify in your letter. For this reason, the Board will consider your letter as comment upon the 1990 law, rather than as a request for the Board's advisory opinion on the issues you raise.

You have included in your letter requests that the Board forward to the Legislature recommendations for law changes, including the elimination of certain reports to the State Auditor that are required by state law other than Minn. Stat. Ch. 10A. These are items that cannot be addressed by rule. The Board's Subcommittee on Legislative Recommendations plans to meet this summer to consider recommendations to the Legislature for amendments to Ch. 10A. I shall notify you when this subcommittee schedules its meeting, in the event you may wish to present your legislative recommendations at that time.

At its meeting of June 28, 1990, the Board directed staff to prepare drafts of proposed rules for consideration by the Board on July 26, 1990, prior to commencement of rulemaking procedures. If in the future you wish to request the Board's advice on the same or additional matters, you are welcome to do so. In the meantime, your letter of June 28, 1990, will be incorporated in the record of the Board's 1990 rulemaking.

Thank you for your continuing interest in the activities of the Board.

Sincerely,

Mary Ann McCoy

Mary Ann McCoy, Executive Director

cc: Martin McGowan, Chair, Ethical Practices Board
William Heaney, Chair, Board Subcommittee on Rules and Forms

League of Minnesota Cities

183 University Ave. East
St. Paul, MN 55101-2526
(612) 227-5600 (FAX: 221-0986)



June 28, 1990

Mr. Martin McGowan, Chair
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55155

Dear Mr. McGowan:

Enactment of Chapter 608, the Elections and Ethics Reform Act of 1990 raises a number of questions for cities. Implementation of provisions that govern lobbyist reporting as well as those sections pertaining to statements of economic interest and conflict of interest reporting will involve new procedures and policies at the local level. Although most of the sections of the new law that affect cities and city officials will not be in force until January 1, 1991, the League requests the advisory opinions from the Ethical Practice Board on the following sections that require compliance by cities:

1. Lobbyist definition: Please clarify the application of the expanded definition in Article 1, Section 1, Subd. 11(b) that specifies activities to be included in the hourly calculation of lobbying activities. (M.S. 10A.09, Subd. 11)

   LMC maintains that this provision applies equally to lobbyists under contract or employed by cities (and other political subdivisions and to those lobbyists retained to represent private sector interests.

   The minutes of the May 9 meeting of the Citizens League Committee on Public Sector Lobbying state that this provision establishes a more comprehensive standard for public sector lobbyists; namely that local government employees and non-elected officials must calculate time spent and report spending on tasks such as monitoring legislative or administrative action or official action of a metropolitan governmental unit, related research, analysis, compilation and dissemination of information related to such actions, etc. The League maintains that the calculation and reporting of spending on these activities applies to lobbyists engaged by private sector interests as well as to those who represent cities.

2. Local official definition: Please specify which city government positions must comply with lobbyist, economic interest and/or conflict of interest reporting requirements.

The definition appears to limit the number of officials to be included to those holding positions vested with "authority to make, to recommend or to vote on...major decisions regarding the expenditure or investment of public money."

The League maintains that only the following positions are logically included in that definition: city manager, administrator, coordinator; city clerk in non-manager/administrator/coordinator cities; mayor and councilmember. These officers hold positions assigned final responsibility for actions outlined in Article 1, Section 2, Subd. 25. (M.S. 10A.01, Subd.25)

3. Reports by principal: please observe additional reporting required in the 1989 Special Session tax law (Article 3, Secton 32). That provision defines time spent for employee lobbying activities differently than Chapter 608, i.e., "over 25 percent of time on on legislative matters during a session" and does not require non-elected or appointed local officials to file individual reports. This provision requires cities to file an annual report of "estimated expenditures paid for the previous calendar year to a lobbyist...and to any staff person not registered as a lobbyist but who spends over 25 percent of his or her time during the legislative session on on legislative matters" on or before January 30, each year. Inasmuch as M.S. 10A.04, Subd. 6 will require annual reports covering additional information, the previous reporting to the State Auditor would appear to be superfluous and unnecessary after 1990.

Therefore, the League requests that the Ethical Practices Board recommend the elimination of the special State Auditor reporting requirement instituted in 1989. Information compiled from the reports submitted under M.S. 10A.04 will permit the State Auditor to obtain data on the level of city spending for lobbying.

4. Definition of metropolitan governmental unit: Please specify a rationale for and identification of cities over 50,000 population in the Twin Cities metropolitan area that will be required to comply with reporting requirements in Chapter 608 as of January 1, 1991. Please also indicate the population determination upon which the Ethical Practices Board will include additional cities in the future.

The League maintains that only those cities whose populations have been determined in the official U.S. Census to be over 50,000 population should be required to comply with economic interest reporting requirements and included in the definition of metropolitan governmental units. This position is consistent with previous state implementation of state-local fiscal assistance programs which holds that cities under 2,500 population are not required to comply with levy limits. The State Department of Revenue has continued to make the determination of whether cities need to comply with levy limits on the

basis of the official 1980 U.S. Census of city population and will change that determination only when the 1990 U.S. Census population for those cities has been officially established.

5. Notification: Please recommend that city clerks be identified as the city official responsible for notifying the Ethical Practices Board of the names of local officials (elected, non-elected, appointed and employees) who must comply with economic interest reporting requirements.

Article 2, Section 3, Subd. 2 requires any official who nominates or employs a local official who is required to file a statement of economic interest to notify the board of the name of that individual and the election filing date (for those seeking elective office) (M.S. 10A.09, Subd. 2). Unless a specific official is designated the responsibility to notify EPB of changes in elective, appointive or personnel positions, it is unlikely that the identity of those who must comply with reporting requirements will be known on any consistent basis over time. The League recommends that the board quickly identify which offices of city government are required to comply with reporting provisions and to communicate that information to city clerks with with instructions on notification as authorized under this section.

Thank you for your consideration of our requests for clarification.

Sincerely,

Donald A. Slater
Executive Director, League of Minnesota Cities

CITY OF BROOKLYN PARK

5800 85th AVENUE NORTH / BROOKLYN PARK, MN. 55443 / 612-424-8000

October 1, 1990



Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

SUBJECT: RULES ON ECONOMIC INTEREST DISCLOSURE, LOBBYIST REGISTRATION AND REPORTING, AND CONFLICTS OF INTEREST

Dear Ms. McCoy:

It is my understanding that legislation has been adopted dealing with the Elections and Ethics Reform Act of 1990. It is our position that a hearing should be held on the proposed rules. This letter shall serve as our official request that such a hearing be scheduled. Please notify me of the time when a public hearing on this matter will be held.

Sincerely,

Craig R. Rapp
City Manager

CRR/mh

CITY OF BROOKLYN PARK

5800 85th AVENUE NORTH / BROOKLYN PARK, MN. 55443 / 612-424-8000



September 28, 1990

Ms. Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

SUBJECT: Rules on Economic Interest Disclosure, Lobbyist Registration and Reporting, and Conflicts of Interest

Dear Ms. McCoy:

In accordance with state law, I am requesting that a public hearing be held on the above referenced proposed rules.

Sincerely,

Dennis C. Palm

Dennis C. Palm
Director of Parks and Recreation

DCP/CLD/zao

GRANNIS, GRANNIS, HAUGE, EIDE, ANDERSON & KELLER, P.A.

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Of Counsel

Fax: (612) 454-4232

RECEIVED
OCT 3 1990
ETHICAL PRACTICES BOARD

October 2, 1990

Ms. Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101

Re: Proposed Rules Pertaining to Campaign Financing, Economic Interest Disclosure, Lobbyist Registration and Reporting, and Conflicts of Interest

Dear Ms. McCoy:

Our office is City Attorney for the City of Burnsville. I would like to request that a public hearing be held on the above referenced proposed rules. I concur with James Thomson's letter, which indicates that such a hearing is necessary in order to ensure that the rules are consistent with the recent Legislative changes. Please let me know when such a hearing is scheduled.

Very truly yours,

GRANNIS, GRANNIS, HAUGE, EIDE, ANDERSON & KELLER, P.A.

BY: Vance B. Grannis Jr
Vance B. Grannis, Jr.

VBGjr/svk
cc: Linda Barton
William Wells
James J. Thomson

CITY OF
MOORHEAD
MINNESOTA
500 CENTER AVENUE, BOX 779, MOORHEAD, MINNESOTA 56561
(218) 299-5301



October 2, 1990

Mary Ann McCoy, Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101-2520

Dear Ms. McCoy:

This letter will serve as my written request for a public hearing on proposed permanent rules related to campaign financing and ethical practices reporting requirements. I believe there are several areas contained within the rules that would benefit from the input of public hearings under the Administrative Procedures Act. I have several areas within the proposed rules on which I would like to comment. I will comment on each area separately.

4510.0500 - Disbursement Reports

Under proposed rule 4510.0500, Subpart 3, it is unclear who will be responsible for reporting total disbursements under this section. An example would be when a city has engaged a private lobbyist to assist them at the legislature, but also has an individual employee who must also register as a lobbyist. It appears that both the outside lobbyist and the employee lobbyist will be required to report the total disbursements on behalf of the principle. This could lead to duplication of disbursement reporting and provide an inaccurate total amount. Further, this would also appear to require the outside lobbyist to report disbursements made by the principal of which he is unaware. This could be a cumbersome process.

Another concern I have is proposed Rule 4510.0500, Subpart 4, Paragraph A. My general concern is with the ambiguity of the sentence "the cost of researching and writing reports from which data are used in preparing lobbying material is reportable as a lobbyist disbursement." It is unclear what the definition of "reports" is under this Paragraph. I believe interpretation of this provision will be difficult because it will require judgement calls on which

research and written reports are actually used in preparing lobbying materials. Additional direction in this area appears warranted.

4510.0400 - Obligation to Report

I would also like to comment on proposed rule 4510.0400. It is my interpretation of Minnesota Statutes and the proposed rule that should a city belong to an association which participates in lobbying activities, any portion of their dues for lobbying purposes be reported in their principal report under Subpart 4. My problem with the proposed rule is the lack of direction on how to determine which portion of an association's dues is attributable for education and research or lobbying purposes. If the total amount of dues for any association membership is disclosed in the report, I believe this will lead to an over-reporting problem. However, it will be difficult for each individual association member to determine the pro-rata portion of their dues that is actually used for influencing legislative action, administrative action or an official action of the metropolitan government unit.

I appreciate the opportunity to share with you my general comments on these proposed rules.

Sincerely,

James W. Antonen
City Manager

JWA/bj:OCT\2MAM

CITY OF SAINT PAUL
OFFICE OF THE CITY ATTORNEY

JANE A. MC PEAK, CITY ATTORNEY
647 City Hall, Saint Paul, Minnesota 55102
612-298-5121
FAX 612-298-5619

JAMES SCHEIBEL
MAYOR



October 3, 1990

Mary Ann McCoy
Executive Director
Ethical Practices Board
625 N. Robert Street
Saint Paul, MN 55101-2520

RE: Adoption of Rules Pertaining to Campaign Financing, Economic Interest Disclosure, Lobbyist Registration and Reporting

Dear Ms. McCoy:

In reviewing the new statute concerning Ethics in Government, and the Draft Rules prepared by your office, we have become concerned that the impact on the City of Saint Paul, and persons who interact with us, could be very significant. I have spent some time reviewing the statute and rules, and have prepared a memo outlining our concerns based on a very strict interpretation of the statute and rules. You will find a copy of the memo enclosed for your review.

Apparently you have received a number of requests for a contested case hearing on the proposed rules. We too wish to request such a hearing. Our concerns are not that the rules as drafted are improper or erroneous, rather our concerns are that they still leave us wondering exactly what we, and persons who interact with us, will be required to do.

It would seem that many of the concerns we raise are going to have to be addressed through legislative revision of the statute. In the interim, a statement of policy by your Board would be most helpful by detailing what exactly will be required to by cities to comply with the statute. Knowing what will be acceptable reporting detail, and having that information available at the beginning of the year, will allow us to more effectively compile the data to

ensure compliance when the reports are due. In addition, it will allow us to advise the dozens of groups that appear before the City Council and Mayor, what they will be required to do to avoid running afoul of the statute.

To the extent that a hearing on the rules accomplishes this, or helps focus on the problems, we believe it will be time well spent.

Please let me know when the hearings are going to take place. Also, please advise whether you intend to issue guidelines on what will constitute compliance by the City, and organizations who deal with the City.

Thank you for your anticipated cooperation.

Sincerely,

Thomas J. Weyandt
Assistant City Attorney

CITY OF SAINT PAUL
INTERDEPARTMENTAL MEMORANDUM

September 5, 1990

To: John McCormick, Deputy City Attorney

From: Thomas J. Weyandt

Re: Ethics in Government - Analysis of the Impact of Chapter 608 of the 1990 Session Laws on the City of Saint Paul

You asked for a review of Chapter 608 of the 1990 Session Laws and an indication of what changes, if any, would be required in current City practices or policies as a result of the statute. Chapter 608 made extensive amendments of Minn. Stat. 10 A, the Minnesota Ethics in Government statute, making numerous provisions of that statute applicable to local governments.

Attached you will find a memo of August 15 to Councilmember Long outlining the requirements of Minnesota Statute 10 A and various provisions of the Saint Paul Charter, Legislative and Administrative Codes dealing with the issues of ethics in government. I will not reproduce the analysis of that memo in this document, rather I will provide my review of what the new statute requires.

In completing your request I have attempted to provide examples of possible problems created by the new statutory provisions. However, it is very possible that I have not given all possible applications within the City, as the various groups such as elected officials, exempt employees, certified employees, Commissioners, District Council members, Board members etc., are impossible to catalog.

The changes in operation required by a strict interpretation of the new statute are significant. Very loose definitions of the term 'lobbyist' and 'local government official' could require extensive filings with the EPB by numerous city employees, and commissioners, board members etc., and persons who appear before the City Council. The definitions greatly expand the requirements for filing as a lobbyist with the State Ethical Practices Board, and will require

filing statements of economic interest, often by persons who seem to be beyond the common sense interpretation of who should have to make those filings. These filings will be required beginning January 1, 1991 unless the EPB issues some sort of interim ruling or amnesty pending Legislative revision of the statute. Since there are potential criminal penalties for failure to file, or for making false filings, the need for clarification is very strong. This should be of concern to the City to avoid violations of the statute, as well as a basis for seeking legislative relief.

In essence, Chapter 608 of the 1990 Session Laws deals with three areas of concern to the City; lobbying, economic interest disclosure, and conflict of interest disclosure. The statute applies the reporting and disclosure system of state government to local units of government in the Metropolitan Area, sometimes with awkward results.

Lobbying

Two key changes were made in the law. Lobbying of local units of government in the Metro Area are now subject to reporting, and lobbying by local units of government must be reported to the state's Ethical Practices Board (EPB).

Both provisions create a problem for the City. In order to understand the problem you need the definitions of "Lobbyist" and "Local Official" from the statute. The statutory definitions are:

> **"Lobbyist** means a person who is paid or authorized to spend money by another person, political subdivision or public higher educations system who spends more than 5 hours in any month or more than $250 in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating with public or local officials."
> "Lobbyist" does not mean:
> * a public official (defined to include state elected officials, and a number of high level state officials such as the director of Indian affairs etc.)
> * an employee of the state or public higher education system
> * an elected local official
> * a nonelected local official or an employee of a political subdivision so long as that person doesn't spend more than 50 hours (note the discrepancy in hours) in any month trying to influence legislative, administrative or official action of a metropolitan governmental unit other than the employing subdivision, including time spending monitoring legislative or administrative action or the official action of a metropolitan governmental unit, and related research, analysis, and compilations and dissemination of

information relative to legislative or administrative policy in the state, or to policies of metropolitan governmental units.

"Local Official" means a person who holds elective office in a political subdivision or who is appointed to or employed in a public position in a political subdivision in which the person has authority to make, to recommend, or to vote on as a member of the governing body, major decisions regarding the expenditure or investment of public money.

The new definitions dramatically expand what one would normally consider lobbying and who one would normally consider a lobbyist. A strict interpretation of the statute could result in a requirement that many employees of the City be registered as lobbyists, and many persons who contact the City Council may also be required to register as lobbyists.

Minn. Stat. 10A.03 requires the filing of registration forms with the EPB by both the person who is doing the lobbying, and by the client or employer of that person. The section contains provisions that include criminal prosecution for failing to file forms when requested to by the EPB, as well as provisions for the levying of fines. In addition Minn. Stat. 10A.10 imposes a criminal penalty for filing false statements with the EPB. These sanctions are more important when you consider the breath of the new filing requirements.

The new filing requirements must be considered under two scenarios: one where the City is doing the lobbying, the other is when the City is being lobbied.

<u>City as Lobbyist</u>

The definition requires a filing with the EPB of all lobbyists. That includes persons who spend more than 5 hours per month engaged in what is typically considered lobbying, appearing before deliberative bodies of elected officials or meeting with them in less formal settings. However, it also includes less traditional forms of activity if a person spends more than 50 hours a month doing such things as research, analysis, and compilations and dissemination of information relative to legislative or administrative policy in the state, or to policies of metropolitan governmental units. A city employee could be a lobbyist without ever leaving her desk if she spend 50 hours a month doing research or analysis of the actions of other units of government.

The EPB is promulgating rules to assist in the interpretation of the statute. However the rule only assists in the lobbying definition by indicating that it includes time spent testifying,

not time spent at hearings waiting to testify. Given the definition language which includes time spent 'monitoring action.... and related research, analysis and compilations and disseminations', the relief offered by the proposed rule seems minor.

Since the definition also includes local governmental units and administrative agencies the application could apply to literally dozens (hundreds?) of City employees. The timekeeping responsibility could become extremely burdensome, particularly for someone not regularly involved in traditional lobbying activity. The statute is unclear whether the 50 hour limit applies to the same target agency, or whether it is cumulative for all work. For example, a research assistant in Council Research could spend 10 hours a month looking at MPCA regulations on wastewater discharge, 20 hours a month looking at a proposed tax plan being considered by the legislature, 20 hours on an airport noise issue being considered by the MAC, and 2 hours on an ordinance being considered by the Minneapolis City Council, and under a strict interpretation of the statute that employee would be required to register as a lobbyist.

The significance of the filing requirement again must be kept in perspective since there is a potential for criminal sanction for either failing to file when ordered to, or for filing false statements. As a 'client' of a lobbyist the City is going to have to file a report with the EPB disclosing the costs of the lobbying, who was lobbied, etc. Who is going to certify the City's report as being complete and accurate given the problems noted?

<u>City as target of lobbyists</u>

Under the definition targets of lobbying includes local officials which includes any person who has authority to make, to recommend, or to vote on as a member of the governing body, major decisions regarding the expenditure or investment of public money. The statute does not contain any indication of what level of recommendation is the trigger, nor how much money is being considered for expenditure.

Examples again best show the problem. The City has hundreds of activity codes within the Special Funds Budget which rely on outside sources for funding. Each of these codes has a manager. The manager of each activity code prepares a budget for that activity, and therefore that person "recommends the expenditure of public money." Is anyone who spends time discussing that expenditure with that "local official" a lobbyist? Is the activity manager a lobbyist when discussing the budget with the outside agency that provides the funding? Are the Department heads who meet directly with the outside agencies lobbyists? Will persons who monitor the Council and appear on occasion have to register as lobbyists (such as the District Council members, representatives

of regulated industries, or individuals involved in large projects such as Riverfest)?

Another question that will inevitably arise is the need to correlate who is registered with the EPB as a lobbyist with that person's other clients, or with that person's activities before local units of government. The EPB must notify each local unit of government quarterly of all persons filing as lobbyist of local units of government. An interesting specter is created when you think of someone scanning that list every time someone gets up to speak at the Council, or having to check it whenever a phone call is received.

Economic Interest and Conflict Reporting

Economic Interest Reporting

Minn. Stat. 10A as amended in 1990 requires a filing of a statement of economic interest with the governing body of the City by anyone seeking elected office, and by "local officials." The statement requires disclosure of the name, address, place of employment, a list of all non-homestead real property owned where the interest exceeds $2,500, and any interest in a horse racing enterprise. For some reason it does not require disclosure of any ownership interests in any other property or investments. The form needs to be filed within 60 days of accepting public employment, or within 14 days of becoming a candidate.

The broad definition of local official in the statute creates the same problem here as in the lobbying arena. Will each special fund activity code manager have to file a statement of economic interest? Since each manager will have authority to recommend expenditure of monies to the City Council, the statute could apply.

Again criminal penalties are possible if someone files a false economic interest report, or fails to file a report when ordered to by the EPB.

Conflict of Interest Reporting

Saint Paul City Charter Section 17.04 generally prohibits City officers or employees from having a financial interest in any sale, lease or contract with the City, and establishes sanctions for violations. This Charter provision is more broad than the statute, prohibiting any financial conflicts.

Minn. Stat. 10A as revised places an affirmative duty on people to disclose real or potential conflicts of interest. I found no requirement for this type of disclosure in the past by local

officials. It requires that the conflict be determined, reported, and if possible the official is to recuse himself from acting further in the matter.

Again, broad definitions create problems. However, this section (MS 10A.07) gives several options. If a local official is "required to take action or make a decision which would substantially affect the official's financial interests or those of an associated business, unless the effect on the official is no greater than on other members of the official's business classification, profession or occupation, the local official must:

> Make disclosure by written statement describing the matter requiring action and the nature of the potential conflict of interest;
>
> It is to be delivered to the official's immediate supervisor, or if an elected official by giving a copy to the presiding officer "of the body of service";
>
> The supervisor must reassign the employee if possible, or the employee must abstain if possible from the vote of the body taking the action.

If there is not enough time to file the disclosure as noted above, the local official must make oral disclosure to the City Clerk.

There are several statutory exclusions from application of the conflict of interest rule. They are not likely to be encountered, and are outlined in the memorandum of the law.

Clearly, the Legislature envisioned application to nonelected officials, but again the broad definition of local official gives the matter a much greater scope that one imagines. Given the charter prohibition against any financial interest between the City and an employee the conflict disclosure requirement of the new statute will likely be less of a problem for the City of Saint Paul.

CONCLUSION

The Legislature erred when it tried to deal with the issue of ethics in government by simply overlaying the statute onto local government. The statute clearly was written with the model of the Legislature in mind, with no thought of the complexities of local government. The problems I have outlined have not presented themselves before because the old statute provided for exemption for many of the requirements for state officials. It is very difficult to believe that the goal of the Legislature was to have hundreds of people who never approach elected officials file as lobbyists or require economic interest disclosures by these same people.

The possibility of criminal sanctions, although unlikely, is within the law. This certainly raises the ante on the whole issue, making it very difficult for any official to approach the problem lackadaisically. It is incumbent that the City resolve these problems prior to placing anyone at such risk.

Clearly, the City of Saint Paul is not alone in facing the problems created by this statute. The League of Minnesota Cities has been dealing with the Ethical Practices Board to try and resolve some of the problems. The EPB is considering rules, with the Comment period to run this September, which deal with a few of the concerns.

However, in my opinion it will require action by the Legislature to unravel this mess. Since the effective date of the legislation is January 1, 1991, there will be a period of time during which the new law will be in effect. The City will have to keep in touch with the League and the EPB to find out what the practical solution to this dilemma is. Someone will have to be made aware of the problems, act to monitor the progress made at the EPB, and keep the City abreast of the solution.

Please let me know if you have any questions.

HOLMES & GRAVEN
CHARTERED
470 Pillsbury Center, Minneapolis, Minnesota 55402
(612) 337-9300

CORRINE A. HEINE
Attorney at Law

Direct Dial (612) 337-9217



October 3, 1990

Ms. Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, MN 55101

Re: Proposed Rules Pertaining to Campaign Financing, Economic Interest Disclosure, Lobbyist Registration and Reporting, and Conflicts of Interest

Dear Ms. McCoy:

I am an assistant city attorney for the city of Plymouth. I concur with the September 20, 1990 letter that was written to you by James J. Thomson, the attorney for the city of Plymouth. I likewise believe that a hearing is necessary before the proposed rules are adopted.

Sincerely,

Corrine Heine

Corrine A. Heine

CAH/amm
PL100-32A

cc: James Willis
Laurie Rauenhorst

HA

JAMES SCHEIBEL
MAYOR

CITY OF SAINT PAUL
OFFICE OF THE CITY CLERK

ALBERT B. OLSON, CITY CLERK
386 City Hall, Saint Paul, Minnesota 55102
612-298-4231

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OCT 4 1990
ETHICAL PRACTICES BOARD

October 3, 1990

Mary Ann McCoy
Executive Director
Ethical Practices Board
625 N. Robert St.
Saint Paul, MN 55101-2520

Dear Ms. McCoy,

Please accept this letter as a request for a public hearing on the proposed rules on economic interest disclosure, conflict of interest, and lobbyist registration and reporting. As the City Clerk for the City of Saint Paul, I am concerned about the impact of the rules and the legislation on the city and on those who interact with the city.

From an administrative perspective, compliance will be difficult under the proposed rules. I feel that the potential problems warrant a public discussion of the rules.

Please notify me of the date, time, and place of the hearing.

Sincerely,

Al Olson

Al Olson
City Clerk

CITY OF SAINT PAUL
OFFICE OF THE MAYOR

JAMES SCHEIBEL
MAYOR

347 CITY HALL
SAINT PAUL, MINNESOTA 55102
(612) 298-4323



October 3, 1990

Mary Ann McCoy
Executive Director
Ethical Practices Board
625 N. Robert St.
Saint Paul, MN 55101-2520

Dear Ms. McCoy,

Please accept this letter as a request for a public hearing on the proposed rules on economic interest disclosure, conflict of interest, and lobbyist registration and reporting. As Mayor, I am very concerned about the impact of the rules and the legislation on the City of Saint Paul and on those who interact with local government. Given the potential problems, I feel that an open discussion of the rules is warranted.

Please notify me of the date, time, and place of the hearing.

Sincerely,

James Scheibel
Mayor

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H 2

CITY OF SAINT PAUL

OFFICE OF THE CITY COUNCIL

BOB LONG
Councilmember



October 3, 1990

Mary Ann McCoy
Executive Director
Ethical Practices Board
625 N. Robert Board
Saint Paul, MN 55101-2520

Dear Ms. McCoy,

Please accept this letter as a request for a public hearing on the proposed rules on economic interest disclosure, conflict of interest, and lobbyist registration and reporting. I believe that a number of questions have been raised about the impact of the new rules and legislation on Saint Paul and on those who interact with local government.

The Office of the Mayor, the City Attorney, and the City Clerk all have raised concerns relating to the breadth and reasonableness of the rules. I believe that a public hearing is needed to discuss these issues.

Please notify me of the date, time, and location of the hearing.

Best regards,

Bob Long
Councilmember
Saint Paul

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STATE OF MINNESOTA

OFFICE OF THE ATTORNEY GENERAL

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

BUSINESS REGULATION SECTION
1100 BREMER TOWER
SEVENTH PLACE & MINNESOTA ST.
ST. PAUL, MN 55101
TELEPHONE: (612) 296-9412
FACSIMILE: (612) 296-7438

October 4, 1990

RECEIVED
OCT 4 1990
ETHICAL
PRACTICES
BOARD

Mary Ann McCoy
Executive Director
Ethical Practices Board
625 North Robert Street
St. Paul, Minnesota 55101-2520

Re: In the Matter of the Proposed Adoption of the Rule Relating to Campaign Financing, Economic Interest Disclosure, Lobbyist Registration and Reporting, and Conflicts of Interest

Dear Ms. McCoy:

In response to the Ethical Practices Board's ("Board") Notice of Intent to Adopt a Rule without a Public Hearing, the Department of Public Service ("Department") and Office of the Attorney General-Residential Utilities Division (OAG-RUD) hereby submits its comments in the above-titled matter. Specifically, the Department and OAG-RUD are concerned with the Board's proposed Rule 4510.0500, subp. 7 concerning costs of regulation. The Department and OAG-RUD have particular concern about any changes to lobbyist registration and reporting requirements since registration requirements became an issue in a recently litigated rate case before the Minnesota Public Utilities Commission.

The Board's proposed rule 4510.0500, subp. 7 provides in part:

> The costs incurred by a principal to research and prepare a rate case, including pro rata payments for in-house expert witnesses, to comply with state or federal laws regulating public utilities may be excluded from the principal's report of total disbursements.

The Board's proposed Statement of Need and Reasonableness, in addressing this subpart, states:

> This rule reflects comment received by the Board. The rule is needed to clarify that certain expenses incurred or required in the course of ratemaking as required to comply with state or federal law regulating public utilities are not considered "lobbying".

The Department and OAG-RUD recommend that the Board withdraw this subpart from its proposed rules. This subpart appears contrary to existing statutes, and singles out utilities involved in ratemaking for lessened reporting requirements. In the most recent legislative session, the legislature acted to require more disclosure by lobbyists in Minnesota, not less. Therefore, the appropriate forum for a change in lobbyist reporting requirements of the magnitude contemplated by the Board's proposed rules is the legislature, not Board rulemaking.

Minn. Stat. § 10A.04, subd. 6 adopted in the most recent legislative session, provides in part:

> Each principal shall report which of the following categories includes the total amount, rounded to the nearest dollar, spent by the principal during the preceding calendar year to influence legislative

> action, administrative action, and the official action of metropolitan governmental units . . .

(Emphasis added.) This statute further provides:

> The principal shall report under this subdivision a total amount that includes: . . . all expenditures for advertising, mailing, research, analysis, compilation and dissemination of information, and public relations campaigns related to legislative action, administrative action or the official action of metropolitan government units in Minnesota.

(Emphasis added.)

Minn. Stat. § 10A.01, subd. 2 defines administrative action by stating:

> "Administrative action" means an action by any official, board, commission or agency of the executive branch to adopt, amend, or repeal a rule pursuant to chapter 14. "Administrative action" does not include the application or administration of an adopted rule, except in cases of rate setting, power plant and power line siting and granting of certificates of need under chapter 116J.

(Emphasis added.)

Thus, the current statutory scheme envisions the reporting by principals of research and preparation costs incurred in the course of ratemaking. Any changes to the current statutory requirements must come from the legislature itself. As the Minnesota Supreme Court has stated:

> It is axiomatic that an administrative body can neither make nor change substantive law. It may adopt administrative rules, but in doing so cannot change existing, or make new, law.

Bielke v. American Crystal Sugar Co., 288 N.W. 584, 586 (Minn. 1989).

The Department and OAG-RUD understand that the Board drafted proposed Rule 4510.0500, subp. 7 in response to comments received from Otter Tail Power Company ("Otter Tail" or "the Company"). In its comments, Otter Tail recognizes that the proposed rule would create a substantive change to Minnesota Statutes. At page 2 of its comments, Otter Tail discusses rate case expenses by noting that, "it appears that none of these costs are excluded from the statutory coverage, except when a paid expert witness is requested to prepare testimony." Similarly, at page 3 of its comments, Otter Tail notes that "all regulatory documentation, research, preparation, testimony, printing, distribution, etc., may well fall under Minnesota's definition of lobbying, in Chapter 10A.01." The Department and OAG-RUD agree. Therefore, any change in this definition should come from the legislature, not through rulemaking.

Otter Tail also raised the concern that if rate case expenses are considered lobbying, confusion and unnecessary costs may result. In connection with this, the Company creates the spectre of having these expenses disallowed by the Minnesota Public Utilities Commission costing the Company hundreds of thousands of

dollars. However, as Otter Tail also notes, utilities are allowed to recover these expenses through rates. Clear reporting by the affected utilities should resolve the Company's concerns on this matter.

In summary, the Department and OAG-RUD recommend that the Board withdraw proposed rule 4510.0500, subp. 7 concerning costs of regulation. The recent amendments to Minn. Stat. ch. 10A by the legislature made clear the legislature's desire for more, not less, disclosure from Minnesota lobbyists. Until and unless the legislature speaks again on the issue, Minn. Stat. ch. 10A requires reporting by principals of all administrative lobbying expenses, including those incurred in the course of regulation of public utilities.

Very truly yours,

ERIC F. SWANSON
Special Assistant
Attorney General
Telephone: (612) 296-8703
Attorney for Minnesota Department
of Public Service

DENNIS D. AHLERS
Special Assistant
Attorney General
Office of the Attorney General
Residential Utilities Division
Telephone: (612) 297-4609

ES:jf/.aj3

JOHN J. MARTY
Senator 63rd District



Senate

State of Minnesota

October 4, 1990

TO: Ethical Practices Board

FROM: Senator John Marty

RE: Proposed Rule Changes

Although I have not had the opportunity to read over all of the proposed rule changes in great detail, I know that we are at the end of the public comment period and I wanted to at least express comments on certain portions of the proposed rule changes.

Under Rule 4510.0500, I believe the new language in subpart 4 does an excellent job of clarifying the previous language and making it consistent with state law, one of the concerns that I had expressed to the Board earlier.

I have a strong concern about the new subpart 7 under Cost of Regulation. This language seems to be similar to language that was at one time considered by the Senate in the legislation that later became Chapter 608. However, the provision was dropped from the legislation and not reinstated due to some concerns about implications of the change. I question whether it is appropriate for the Board to include such a change in a rule making process without a public hearing when the Legislature was reluctant to make such a modification in the law.

Although subpart 5 of 4510.0600 is a definite improvement in the rules, I am concerned that either the rule or the forms developed by the Board make it clear that any gift over $50 must be reported even if the lobbyist apportions the cost to several clients and personal funds.

235 State Capitol, Saint Paul, Minnesota 55155 (612) 296-5645

I would urge the rule to be either further clarified or that the Board make sure the new forms are clear that the law requires reporting of any gift over $50 and that it is not appropriate to avoid reporting a larger gift by apportioning the gift among several clients and personal funds as a collection of small unreportable gifts.

I hope these comments are helpful to the Board in the rule making process. I appreciate the Board's hard work in modifying the rules to address concerns raised by me and others and also to accommodate the new statutes.

Thanks again for your attention to these comments.

STATE OF MINNESOTA

DEPARTMENT OF ADMINISTRATION

In the Matter of the Proposed Adoption of the Rule of the State Ethical Practices Board Governing Campaign Financing

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.

Martha J. Casserly

MARTHA J. CASSERLY
Special Assistant
Attorney General

Dated: November 26, 1990.

Ethical Practices Board

Proposed Permanent Rules Relating to Campaign Financing

Rules as Proposed

CAMPAIGN FINANCING

4500.0100 DEFINITIONS.

[For text of subps 1 to 3, see M.R.]

Subp. 4. **File, filed, filing.** "File," "filed," and "filing" mean delivery to the office of the board of a document bearing the original signature of the individual who submits the document by 4:30 p.m. on the prescribed filing date or postmarked on the filing date. If the filing date is a Saturday, Sunday, or legal holiday, the filing date is the next regular business day.

[For text of subps 5 to 8, see M.R.]

4500.1100 CERTIFICATION.

Subpart 1. **Signature.** The original signature of the treasurer or deputy treasurer of record ~~shall be~~ is sufficient certification on forms prescribed by the board. ~~Notarization is not required.~~ A candidate may sign forms that the treasurer or deputy treasurer of the committee is required to file.

Subp. 2. **Notarization.** Notarization is not required, except for the affidavit of contributions in Minnesota Statutes, section 10A.323.

4500.1200 CHANGE OF OFFICE SOUGHT BY CANDIDATE.

[For text of subpart 1, see M.R.]

Subp. 1a. **Exception.** A candidate with principal campaign committees for more than one statewide office who signs a public subsidy agreement for one of the offices must aggregate the campaign expenditures of all of the committees for statewide office for purposes of the application of the limits on campaign expenditures under Minnesota Statutes, section 10A.25, subdivision 2, clauses (a) to (c).

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[For text of subp 2, see M.R.]

Subp. 3. **Public ~~financing~~ subsidy agreement.** A candidate may sign a public ~~financing~~ subsidy agreement for the office for which the candidate files an affidavit of candidacy in the general election year, as provided in part 4500.3500.

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~~ sections 10A.20 and 10A.22, subdivision 7. If an association uses this option, the ~~disclosure~~ report must include the association's transactions ~~from the beginning of the reporting period~~ covering at least the 30 days immediately preceding and through the end of the business day on which the contribution is made.

Subp. 2. **Exception.** ~~A Minnesota domiciled~~ An 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.

[For text of subp 3, see M.R.]

4500.1700 CONTRIBUTION LIMITS; POLITICAL PARTY DEFINITION.

Subpart 1. **List of categories.** The registration and statement of organization of a political party under Minnesota Statutes, section 10A.14, subdivision 2, clause (f), must include the list of the names of the party units organized within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

Subp. 2. **Aggregate political party contribution limit.** For purposes of determining an aggregate political party contribution limit, the organization of a political party does

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not include a political party ward organization; a social club of a political party in a congressional district, legislative district, municipality, or precinct; an auxiliary committee of a political party unit defined by Minnesota Statutes, section 10A.27, subdivision 4; or an association as defined in Minnesota Statutes, section 10A.01, subdivision 3 ~~which~~, that uses a political party name and is not listed in Minnesota Statutes, section 10A.27, subdivision 4.

4500.2200 FUNDRAISING EVENT.

Subpart 1. **Fundraising event held for one or two candidates.** The expenses of a fundraising event held by the state or local committee of a political party for one or two candidates are a donation in kind and, except for food and beverage consumed at the fundraising event and the payment for entertainment and facility rental for the fundraising event, ~~shall~~ must be reported as a campaign expenditure by the candidate or candidates under the following conditions: the fundraising event is expressly or implicitly approved by the candidate~~,~~ ~~his~~ or the candidate's treasurer~~,~~ or agent to be held on behalf of the candidate; and the candidate or candidates are clearly identified in advertisements, tickets, or any advance publicity for the fundraising event; and the candidate receives proceeds, if any, from the fundraising event. "Clearly identified" means that the name of the candidate is used, or a photograph or drawing of the candidate appears, or the identity of the candidate is apparent by unambiguous reference.

Subp. 2. **Joint fundraising event.** A separate committee may be established by two or more candidates to report the contributions and expenditures as required by the act for a fundraising event held jointly. The expenses of the fundraising event ~~shall~~ must be allocated among the candidates on a reasonable proportionate basis as donations in kind, and, except for food and beverage consumed at a fundraising event and the payment for entertainment and facility rental for the fundraising event, as campaign expenditures. A transfer of

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funds to a candidate combined with the value of donations in kind from that committee may not exceed the applicable contribution limit for an individual, political committee, or political fund set forth in Minnesota Statutes, section 10A.27, subdivision 1.

Subp. 3. **Sessional fundraising.** If the board makes a public finding that there is probable cause to believe a violation of Minnesota Statutes, section 10A.065, has occurred, in lieu of pursuing or enforcing a judgment, the board may attempt to negotiate a settlement agreement with the candidate, political committee, or political fund for payment of the civil fine.

4500.2500 JOINT LIMITS FOR GOVERNOR AND LIEUTENANT GOVERNOR.

Subpart 1. **Public ~~financing~~ subsidy agreement.** Following their joint endorsement or filing for office, candidates for governor and lieutenant governor must jointly sign the public ~~financing~~ subsidy agreement if they wish to ~~participate in~~ receive a public ~~financing~~ subsidy.

[For text of subps 2 to 4, see M.R.]

4500.2900 USE OF CREDIT CARDS.

Subpart 1. **Contributions.** A candidate or treasurer of a political committee or political fund may approve the solicitation and collection of campaign contributions through the use of credit cards. An organization ~~which~~ that issues credit cards, when acting in the ordinary course of business by collecting and disbursing funds designated by the card holders for contributions to a ~~political~~ committee or ~~political~~ fund, is not required to register or report.

Subp. 2. **Expenditures; disbursements.** A treasurer who reimburses a credit card company for campaign expenditures or noncampaign disbursements that require itemization on a report of receipts and expenditures under Minnesota Statutes, section 10A.20, must disclose the purpose and the name and address of the vendor supplying the good or service for which payment is made.

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4500.3200 MISCELLANEOUS NONCAMPAIGN DISBURSEMENTS.

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

4500.3300 ORGANIZATION OF POLITICAL COMMITTEES AND POLITICAL FUNDS.

[For text of subpart 1, see M.R.]

Subp. 1a. **Principal campaign committee.** A candidate may be ~~his~~ chair or treasurer of the candidate's own ~~chairman-and/or treasurer~~ principal campaign committee. All candidates are ultimately responsible for the principal campaign committee's compliance with Minnesota Statutes, chapter 10A.

[For text of subps 2 to 4, see M.R.]

4500.3500 PUBLIC ~~FINANCING~~ SUBSIDY.

Subpart 1. **Expenditure limits.** A candidate or officeholder who signs an agreement to participate in the state elections campaign fund is bound by the expenditure limits in an election year and nonelection year whether or not the candidate actually receives funds from the state elections campaign fund.

Subp. 2. **Filing date.** To be effective, a public ~~finance~~ subsidy agreement must bear the original signature of the candidate and must be received in the office of the Ethical Practices Board or postmarked no later than September 1 of the general election year. For a special election for which the

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filing period does not coincide with a general election, the candidate must submit the agreement to the board not later than the day after filing an affidavit of candidacy or nominating petition for the office sought.

Subp. 3. **Contribution refund receipts.** The board shall provide to a political party upon request or to a candidate with an effective public subsidy agreement a supply of official contribution receipt forms. A contributor who is given a receipt form may be eligible to claim a refund of the contribution by filing a claim with the Department of Revenue under Minnesota Statutes, section 290.06, subdivision 23.

Subp. 4. **Affidavit of contributions.** To be eligible to receive payment of a public subsidy, a candidate who has timely signed and filed a public subsidy agreement must file with the board an affidavit stating that the candidate has accumulated contributions equal to 20 percent or more of the August 15 estimate of what the candidate would receive from the state elections campaign fund. The affidavit must be notarized and received by the board on or before or postmarked on October 1 of the general election year. For a special election for which the filing period does not coincide with a general election, the candidate must submit the affidavit not later than five days after filing an affidavit of candidacy or nominating petition for the office sought.

4500.4300 SPECIAL ELECTIONS.

[For text of subps 1 and 2, see M.R.]

Subp. 4. **Public subsidy.** A candidate in a special election who wishes to be eligible to receive a public subsidy must sign and file with the board a public subsidy agreement and affidavit of contributions as provided in Minnesota Statutes, section 10A.315, and according to part 4500.3500, subparts 2 and 4.

Subp. 5. **Contribution refund receipts.** A candidate in a special election who has signed and timely filed a public subsidy agreement may issue contribution receipt forms to

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contributors according to part 4500.3500, subpart 3.

4500.4400 TERMINATION OF REGISTRATION.

[For text of subpart 1, see M.R.]

Subp. 1a. **Exception.** A committee or fund with debts more than six years old that receives no contribution or makes no expenditure during a reporting period and has disposed of all its assets may file a termination report under Minnesota Statutes, section 10A.24, subdivision 2. The treasurer must send notice by certified mail to any remaining creditors and furnish to the board a copy of the notice when filing the termination report.

[For text of subp 2, see M.R.]

Subp. 3. **Dissolution of inactive committee or fund.** An inactive committee or fund that must dissolve according to Minnesota Statutes, section 10A.242, must liquidate available assets to pay its debts. If unable to pay the debts, the treasurer may propose to the board a payment schedule to settle the debts. Upon establishment of the schedule, the board may allow the committee or fund to defer dissolution until all debts are paid.

ECONOMIC INTEREST DISCLOSURE

4505.0100 DEFINITIONS.

[For text of subps 1 and 1a, see M.R.]

Subp. 1b. **Candidate.** For the purposes of parts 4505.0100 to 4505.1000, unless otherwise specified, "candidate" means an individual who seeks nomination or election to a state legislative or executive office or to a local elective office in a metropolitan governmental unit.

[For text of subps 2 to 6, see M.R.]

Subp. 7. **Public official.** "Public official" has the meaning given in Minnesota Statutes, section 10A.01, subdivision 18.

Subp. 8. **Local official.** "Local official" has the meaning given in Minnesota Statutes, section 10A.01, subdivision 25. However, only a local official in a metropolitan governmental

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unit, as defined in Minnesota Statutes, section 10A.01, subdivision 26, is required to file under the economic interest provisions of Minnesota Statutes, section 10A.09, and parts 4505.0100 to 4505.1000.

Subp. 9. **Major decisions.** "Major decisions" regarding the expenditure or investment of public money are decisions made by an elected local official or an employee in a political subdivision with authority to make final recommendations to a public body.

Subp. 10. **Population over 50,000.** For the purpose of determining that a city located in the seven-county metropolitan area qualifies as a metropolitan governmental unit, "population over 50,000" means the population figures from the latest Metropolitan Council estimates or the latest United States Census, whichever is the more current figure.

4505.0200 ACTING OR PART-TIME LOCAL OR PUBLIC OFFICIAL.

An individual who is employed or appointed as an acting local or public official or who is employed part time as a local or public official is required to file a statement of economic interest.

4505.0300 LATE FILING FEES.

Subpart 1. **Notice to board.** The city clerk, county auditor, or the chief administrative officer of a metropolitan governmental unit must notify the board within five business days after a candidate or local official fails to file a statement of economic interest required by Minnesota Statutes, section 10A.09. The notice must include the name and address of the individual, the office held or sought, and the date that the statement was due.

Subp. 2. **Notice to official.** The board shall send a delinquency notice by certified mail to a local official in a metropolitan governmental unit, a public official, or a 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

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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 local or public official or candidate. An undelivered notice of late filing is considered received by the recipient five business days after the first class mailing. 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.

4505.0600 OCCUPATION AND PRINCIPAL PLACE OF BUSINESS.

When asked to give a statement of occupation, an individual shall state his or her principal occupation.

"Principal occupation" means the occupation at which an individual spends the most working hours or which provides the individual's major source of compensation. "Source of compensation" means the corporation, partnership, or other entity from which the individual receives compensation. A self-employed individual is required to list only a description of the occupation in which the individual is self-employed, for example, farming or practice of law, and is not required to list the names of corporations, partnerships, or other entities which pay compensation to the local official in a metropolitan governmental unit, a public official, or a candidate as a self-employed individual.

"Principal place of business" means the name of the entity providing the individual's principal occupation.

4505.0700 REAL PROPERTY.

For the purpose of determining the value of an individual's interest in real property, the value of the property shall be the market value shown on the property tax statement. For the purpose of an original statement of economic interest, the individual shall disclose only those real properties owned on the date of appointment as a local or public official or filing as a candidate. For the purpose of a supplementary statement of economic interest, the individual shall disclose any real

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property owned at any time between the end of the period covered by the preceding statement of economic interest and through the last day of the month preceding the current filing or the last day of employment, if no longer a local or public official.

4505.0900 FILING.

Subpart 1. **Delivery ~~to board~~.** A statement of economic interest, bearing the original signature of a public official or state candidate, is considered filed if it is delivered to the office of the board by 4:30 p.m. on the prescribed filing date or postmarked on the filing date. If the filing date is a Saturday, Sunday, or legal holiday, the filing date is the next regular business day. A statement of economic interest, bearing the original signature of a local official or candidate for elective office in a metropolitan governmental unit, is considered filed if it is delivered to the office of the governing body of the appropriate political subdivision by 4:30 p.m. on the prescribed filing date or postmarked on the filing date.

[For text of subp 2, see M.R.]

Subp. 3. **Statement after period when no statement required.** A local or public official or candidate, who previously filed a statement of economic interest and who is required to file a new statement of economic interest following a period when no statement was required, shall file an original statement.

Subp. 4. **Termination ~~as a public official~~ statement.** An individual shall file a statement of economic interest to cover the period for which the individual served as a local official in a metropolitan governmental unit or a public official even though at the time the statement is filed, the individual is no longer holding that office as local or a public official.

Subp. 5. **Option.** An individual whose term as a local or public official has ended after April 1 and before March 31 shall file either a supplementary statement on the next following April 15 through the last date of service or file a

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statement of termination as a local or public official through the last date of service. The latter statement may be filed at any time after the term ends and before the next following April 15.

[For text of subp 6, see M.R.]

Subp. 7. **Change of local official position.** A local official in a metropolitan governmental unit who leaves one local position and is appointed to another local official position within the year between the time when the individual filed either an original statement or a supplementary statement and April 15 of the following year shall file a termination statement for the former office within ten days after leaving that office. The individual shall file an original statement relative to the new office within the time imposed by Minnesota Statutes, section 10A.09, subdivision 1.

4505.1000 JOINT INTERESTS.

A local official in a metropolitan governmental unit or a public official or a candidate who holds a joint interest in a security, or in a partnership, shall disclose ownership in the security or the partnership if the official's proportionate share of the holding is valued at $2,500 or more.

LOBBYIST REGISTRATION AND REPORTING

4510.0100 DEFINITIONS.

[For text of subps 1 and 1a, see M.R.]

Subp. 1b. **Association.** "Association" includes a political subdivision as defined in Minnesota Statutes, section 10A.01, subdivision 27.

[For text of subp 2, see M.R.]

Subp. 3. **File; filed; filing.** "File," "filed," and "filing" mean delivery to the office of the board of a document bearing the original signature of the individual who submits the document by 4:30 p.m. on the prescribed filing date or postmarked on the filing date. If the filing date is a Saturday, Sunday, or legal holiday, the filing date is the next regular business day.

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Subp. 4. **Lobbyist.** "Lobbyist" means an individual as set forth in Minnesota Statutes, section 10A.01, subdivision 11. "Lobbyist" does not include an individual who merely communicates with a local or public official to obtain information or request an interpretation of a law, rule, or agency action.

Subp. 4a. **Local official.** "Local official" has the meaning given in Minnesota Statutes, section 10A.01, subdivision 25. A lobbyist must report disbursements on lobbying to influence the official actions of local officials in a metropolitan governmental unit, as defined in Minnesota Statutes, section 10A.01, subdivision 26.

Subp. 4b. **Public higher education system.** "Public higher education system" means any public post-high-school educational system.

Subp. 4c. **Public official.** "Public official" has the meaning given in Minnesota Statutes, section 10A.01, subdivision 18.

Subp. 5. **~~Urging/urges~~ Urging or urges others to communicate.** "~~Urging/urges~~ Urging or urges others to communicate" means any written or oral communication by a lobbyist which requests that an individual or association advocate a particular position to a local or public official concerning any legislative ~~action~~ or administrative action or the official action of a metropolitan governmental unit, or which requests an individual or association to advocate a local or public official initiate any particular legislative or administrative action or the official action of a metropolitan governmental unit. The term does not include mere presentation of factual material without comment.

4510.0300 OBLIGATION TO REGISTER.

Subpart 1. **Compliance.** An individual shall register as a lobbyist as required by Minnesota Statutes, sections 10A.01, subdivision 11, and 10A.03~~, subject to the following~~. The lobbyist shall identify on the registration form whether the

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lobbyist is attempting to influence legislative action, administrative action, the official action of a metropolitan unit, or any combination of the three kinds of lobbying.

Subp. 2. **Attendance at ~~legislative or administrative~~ hearings.** For purposes of determining time calculation necessary to require registration as a lobbyist, mere attendance at a public hearing without testifying or communicating with a local or public official ~~shall~~ must not be considered time spent attempting to influence a legislative or administrative action or the official action of a metropolitan governmental unit.

Subp. 3. **Paid expert witness registration.** An individual who is hired or paid by a lobbyist as an expert witness and whose testimony is requested by a legislative committee, or an agency defined by Minnesota Statutes, section 14.02, subdivision 2, or a state administrative law judge, or a metropolitan governmental unit defined in Minnesota Statutes, section 10A.26, shall not be required to register as a lobbyist if the committee, agency, ~~or~~ administrative law judge, or unit, by order, resolution, recorded vote, or other formal means requests such expert testimony. This exclusion is applicable only to the extent of preparing or delivering the requested testimony.

4510.0400 OBLIGATION TO REPORT.

[For text of subpart 1, see M.R.]

Subp. 2. **Alternative report.** Notwithstanding subpart 1, a lobbyist whose reportable disbursements in a reporting period total less than $100 and whose disclosure under part 4510.0600 would be less than ~~$20~~ $50 may file a statement to that effect in lieu of a lobbyist disbursement report. All previously unreported disbursements shall be disclosed annually on the ~~October~~ January 15 report, even though the total for the year is less than $100.

Subp. 3. **Termination report.** A lobbyist who ~~terminates his registration as a lobbyist prior to~~ ceases lobbying activities for an individual or association whom the lobbyist

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represents before a reporting date shall file a lobbyist disbursement report through the date of termination. If ~~an~~ the individual subsequently renews lobbyist activity, the individual shall reregister as required by Minnesota Statutes, section 10A.03, subdivision 1.

Subp. 4. **Principal's report.** Each principal, as defined in Minnesota Statutes, section 10A.01, subdivision 28, shall report which of the dollar categories include the total amount spent during the preceding calendar year to influence legislative action, administrative action, and the official action of metropolitan governmental units. Each principal shall report this information annually by March 15. The first report of each principal is due March 15, 1992, covering calendar year 1991.

4510.0500 DISBURSEMENT REPORTS.

Subpart 1. **Lobbyists covered by report.** A lobbyist shall identify the names and, if known, the registration numbers of other lobbyists ~~for-whom-he-is-reporting~~ whose disbursements are included in the report.

Subp. 2. **Names and addresses of directors and officers.** On January 15 of each year a lobbyist shall file a current list of names and addresses of directors and officers of the association ~~that-he-represents~~ represented if there have been changes in the membership of said boards during the preceding calendar year.

Subp. 3. **Total disbursements.** A lobbyist disbursement report ~~shall~~ must include the total disbursements for the reporting period by the lobbyist, and any employer, principal, or employee of the lobbyist, for ~~lobbyist~~ lobbying activities, separately listing disbursements to influence legislative action, administrative action, and the official actions of a metropolitan governmental unit.

Subp. 4. **Categories.** A report must include total disbursements for the three kinds of lobbying activities listed in subpart 3 in each of the following categories:

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A. preparation and distribution of lobbying materials. This category ~~shall include~~ includes all disbursements for preparation and distribution of printed material, publication, film, slide, recording and video tape. "Lobbying material" means any material, except media advertising, ~~which is~~ prepared or purchased ~~by a lobbyist~~ for a lobbying purpose. The cost of researching and writing reports from which data ~~is~~ are used in preparing lobbying materials is ~~not~~ reportable as a lobbyist disbursement ~~even if the individual preparing the research material is a registered lobbyist~~. The cost of preparation, printing, and distribution of a newsletter or other publication, including ~~but not limited to~~ a reasonable estimate of pro rata office expenses and compensation paid to employees for the preparation of such a publication or a portion of the publication, ~~shall~~ must be reported ~~as a lobbyist disbursement~~ if used for a lobbying purpose. Only the cost of that portion of a newsletter or publication ~~which~~ that is lobbying material ~~shall~~ must be reported ~~as a lobbyist disbursement.~~;

B. media advertising~~.--This category shall include~~, including only ~~lobbyist~~ disbursements for billboards, newspapers, radio and television time purchased for a lobbying purpose. ~~The term~~ "Media advertising" does not include mere presentation of factual material without comment~~.~~;

C. telegraph and telephone~~.--The cost includes~~, including a reasonable estimate of a pro rata share of business office telephone expense incurred for lobbying purposes~~.~~;

D. postage~~.~~;

E. fees and allowances~~.--This category shall include~~, including disbursements for consulting fees, or other fees, for services done or to be done, as well as expenses incurred in rendering such services. This category ~~shall~~ does not include compensation paid to the lobbyist by ~~his~~ the lobbyist's employer or principal for services rendered as a lobbyist on behalf of the employer~~.~~ or principal;

F. entertainment~~.--This category shall include~~

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~~lobbyist~~, including disbursements for entertainment provided to local or public officials including but not limited to sporting, theatrical, and musical events~~, as well as~~. In addition, this category includes the cost of entertainment for the lobbyist, and the employer, principal, or employee of the lobbyist, when in the company of the local or public official for a lobbying purpose~~.~~;

G. food and beverages~~.--This category shall include:~~, including all disbursements for food and beverages provided to local or public officials~~, as well as~~. In addition, this category includes food and beverages for the lobbyist, and any employer, principal, or employee of the lobbyist, when in the company of a local or public official for a lobbying purpose~~; all disbursements for food and beverages provided to public officials who are invited to conferences, conventions, banquets, legislative days, or other similar functions for a lobbying purpose~~. This category includes the cost of food and beverages provided by a lobbyist, the employer, principal, or employee of the lobbyist, at meetings or conferences for the purpose of urging others to communicate with local or public officials~~, the cost of food and beverages~~ or provided to expert witnesses by a lobbyist, the employer, principal, or employee of the lobbyist, when paid expert witnesses are brought to testify before legislative committees, metropolitan governmental units, or in hearings conducted pursuant to Minnesota Statutes, sections 14.05 to 14.36, if the paid expert witness does not register as a lobbyist~~.~~;

H. travel and lodging~~.--This category shall include:~~, including all disbursements for travel and lodging ~~of~~ provided to local or public officials. In addition, this category includes the cost of travel and lodging for the lobbyist, any employer, principal, or employee of the lobbyist~~, or those provided to a public official, for a lobbying purpose, except those incurred for the purpose of enabling the lobbyist, or any employer or employee of the lobbyist, to attend a meeting of or to appear before a committee of the legislature, or a state~~

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~~board,-commission,-or-agency;~~ when in the company of a local or public official. This category includes the cost of travel and lodging for the lobbyist, ~~the~~ any employer, principal, or employee of the lobbyist ~~when-in-the-company-of-a-public-official-for-a-lobbying-purpose,-the-cost-of-travel-and-lodging-paid-by-a-lobbyist,-the-employer-or-employee-of-the-lobbyist~~ when urging others to communicate with local or public officials; the cost of travel and lodging ~~paid-by-a-lobbyist, the-employer-or-employee-of-the-lobbyist,-to-bring~~ for paid expert witnesses to testify before legislative committees, metropolitan governmental units, or in hearings conducted pursuant to Minnesota Statutes, sections 14.05 to 14.36~~,-if-the-paid-expert-witness-does-not-register-as-a-lobbyist~~; and the cost of travel and lodging paid by a lobbyist or any employer, principal, or employee of the lobbyist to transport individuals for the purpose of lobbying~~.~~; and

I. other disbursements~~.--This-category-shall-include~~, including a reasonable estimate of a pro rata share of compensation paid to clerical employees incurred for the purpose of lobbying if not reported in the categories in items A to H.

Subp. 5. **Exception.** A lobbyist need not disclose under subpart 4, item H, the cost of travel and lodging to enable a lobbyist, any employer, principal, or employee of the lobbyist, or a paid expert witness who registers as a lobbyist, to attend a meeting of or to appear before a committee of the legislature or a state board, commission, agency, or a metropolitan governmental unit.

Subp. 6. **Principal's total disbursements.** Each principal as defined in Minnesota Statutes, section 10A.01, subdivision 28, shall report by March 15 which of the dollar categories specified in Minnesota Statutes, section 10A.04, subdivision 6, includes the total amount spent during the preceding calendar year to influence legislative action, administrative action, and the official action of metropolitan governmental units in Minnesota. The report must include the names of all lobbyists registered to represent the principal.

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Subp. 7. **Costs of regulation.** The costs incurred by a principal to research and prepare a rate case, including pro rata payments for in-house expert witnesses, to comply with state or federal laws regulating public utilities may be excluded from the principal's report of total disbursements. However, the principal must include total expenditures for the purpose of attempting to influence public opinion or influence the decisions of local or public officials with respect to legislative action, administrative action, or the official action of a metropolitan governmental unit.

4510.0600 DISCLOSURE OF GIFTS, LOANS, HONORARIUMS, ITEMS, OR BENEFITS.

Subpart 1. **General requirements.** The lobbyist shall report the name and address of each local or public official receiving any gift, honorarium, loan, item, or benefit from the lobbyist, or any employer, principal, or employee of the lobbyist, equal in value to $50 or more in a single transaction, to include the amount, the date on which it was received, and a description of the transaction, whether or not it was given for lobbying purposes, in the following categories.

Subp. 2. **Gifts or benefits.** ~~The~~ "Gifts or benefits ~~category shall include~~" includes, but is not ~~be~~ limited to, entertainment, food, beverage, travel, and lodging as defined in parts 4510.0500 to 4510.0700, given or paid voluntarily by the lobbyist, or any employer, principal, or employee of the lobbyist, to a local or public official without the ~~public~~ official's providing full and adequate consideration. This category ~~shall~~ does not include campaign contributions.

Subp. 3. **Loans.** ~~The~~ "Loans ~~category shall include~~" includes loans, given or paid voluntarily by the lobbyist, or any employer, principal, or employee of the lobbyist, to a local or public official which the ~~public~~ official agrees to return at some future time or to repay with something of value, except loans from financial institutions made in the ordinary course of business on substantially the same terms as those prevailing for

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comparable transactions with other persons.

Subp. 4. **Honorariums.** ~~The~~ "Honorariums ~~category shall include~~" includes a payment paid voluntarily by the lobbyist, or the employer, principal, or employee of the lobbyist, to a local or public official for services for which there is no obligation to make repayment; for example, honorariums paid for speeches, articles, or similar services.

Subp. 5. **From personal funds.** A lobbyist must disclose separately any payments from the lobbyist's personal funds that are not attributable to or reimbursed by any employer or principal of the lobbyist, for gifts, loans, honorariums, items, or benefits to a local or public official according to subpart 1.

4510.0700 ORIGINAL SOURCE OF FUNDS.

Subpart 1. **General requirements.** The lobbyist shall report the following information as to ~~the~~ each original source of funds in excess of $500 in the calendar year used for the purpose of lobbying~~:~~ to influence legislative action, administrative action, and the official action of metropolitan governmental units.

Subp. 2. **Report.** For each original source of funds listed in subpart 1, the lobbyist shall report the name, address, and employer, or if self-employed, the occupation and principal place of business, of each original source of funds in excess of $500. ~~It~~ The lobbyist shall not ~~include~~ report the amount paid.

Subp. 3. **Payment to lobbyist.** For reporting purposes, "original source of funds" ~~shall mean~~ means any individual or association who disburses more than $500 ~~or more~~ in any year directly to the lobbyist, or to any employer or principal of the lobbyist, to be used for purposes of lobbying, including fees or salary paid to a lobbyist as compensation.

4510.0800 LOBBYIST RETAINED BY MORE THAN ONE EMPLOYER OR PRINCIPAL.

A lobbyist retained by or representing more than one employer or principal shall submit a separate lobbyist

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registration form and separate lobbyist disbursement report for each employer or principal by whom the lobbyist is retained. If a disbursement has been made on behalf of more than one employer or principal, the lobbyist must report a reasonable allocation for each employer or principal.

4510.1500 RECORD RETENTION.

Subpart 1. **Records to maintain.** An individual required to file a report under this chapter shall maintain records on the matters required to be disclosed, including vouchers, canceled checks, bills, invoices, worksheets, and receipts, which will provide in sufficient detail the necessary information from which the filed report may be verified, explained, clarified, and checked for accuracy and completeness.

Subp. 2. **Duration.** The individual shall keep the records available for audit, inspection, or examination by the board or its authorized representatives for four years from the date of filing of the report or of changes or corrections to the report.

CONFLICTS OF INTEREST

4515.0100 DEFINITIONS.

[For text of subps 1 to 5, see M.R.]

Subp. 5a. **Local official.** "Local official" has the meaning given in Minnesota Statutes, section 10A.01, subdivision 25. However, only a local official in a metropolitan governmental unit, as defined in Minnesota Statutes, section 10A.01, subdivision 26, may be required to file under the potential conflicts of interest provisions of Minnesota Statutes, section 10A.07, and this chapter.

[For text of subp 6, see M.R.]

Subp. 7. **Superior for purposes of notification of a potential conflict of interest.** "Superior for purposes of notification of a potential conflict of interest" means:

A. if the public official is a member of a board or commission having rulemaking authority~~, or a member of a metropolitan agency~~, the ~~chairman~~ chair of ~~such~~ the board~~,~~ or commission~~, or agency~~, or, if the potential conflict of

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interest involves the ~~chairman~~ chair, the superior ~~shall be deemed to be~~ is considered the appointing authority for that office;

B. if the local official is appointed by a metropolitan governmental unit, the chair of the unit, or, if the potential conflict involves the chair, the superior is considered the appointing authority;

C. if the public official is an employee of a state agency, the department head of that agency or, if the potential conflict of interest involves the department head, the superior ~~shall be deemed to be~~ is considered the appointing authority for that office;

~~C.~~ D. if the local or public official is a member of the legislature or of the governing body of a metropolitan governmental unit, the presiding officer of the body in which the local or public official serves, or if the potential conflict of interest involves the presiding officer, the acting presiding officer; and

~~D.~~ E. if the public official is a member of the staff of the legislature, the chief clerk of the house or the secretary of the senate ~~shall be deemed to be~~ is considered the superior, or, if the potential conflict should involve the chief clerk of the house or the secretary of the senate, the presiding officer of the legislative body which the public official serves.

4515.0300 APPLICABILITY OF THE CONFLICTS OF INTEREST PROVISIONS.

Any local or public official who, in the discharge of official duties, would be required to take action or make a decision which would substantially affect the official's financial interests, or those of an associated business, as that term is defined in Minnesota Statutes, section 10A.01, subdivision 4, must ~~file a~~ disclose the matter and describe the potential conflict of interest ~~notice~~, unless the effect on the official is no greater than on other members of the official's business classification, profession, or occupation.

4515.0400 NOTICE OF POTENTIAL CONFLICT OF INTEREST.

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Subpart 1. **Normal procedure.** ~~Whenever~~ If a local or public official is required to ~~file~~ disclose a potential conflict of interest ~~statement he~~, the official shall prepare a potential conflict of interest notice describing the matter requiring action or decision and the nature of ~~his~~ the potential conflict of interest. The local or public official shall deliver ~~copies of~~ the potential conflict of interest notice to ~~the board and to his~~ the official's immediate superior.

Subp. 2. **Insufficient time available.** If a potential conflict of interest presents itself and there is insufficient time to comply with the provisions of subpart 1, the local or public official shall orally inform his or her immediate superior of the potential conflict. ~~He shall file a potential conflict of interest notice with the board within one week after the potential conflict presents itself. This notice shall indicate the reason for noncompliance with the provisions of subpart 1.~~

4515.0500 REMOVAL FROM CONFLICT OF INTEREST.

Subpart 1. **~~Nonlegislator~~ Nonelected official.** ~~If the public official is not a legislator,~~ Subsequent to the ~~filing~~ delivery of a potential conflict of interest notice, or subsequent to oral notice of a potential conflict of interest by a local or public official, ~~his~~ the official's immediate superior shall assign the matter, if possible, to another employee who does not have a potential conflict of interest. If the local or public official who has a potential conflict of interest does not have an immediate superior except for notification purposes, the local or public official ~~shall do one of the following. Where the public official having the potential conflict of interest is~~, if not required by law to determine the matter, ~~he~~ shall ~~either assign the matter to a subordinate for disposition or request the appointing authority to designate another to determine the matter~~ abstain, if possible, in the manner provided in subpart 3, from influence over the action or decision in question. ~~Where~~ If the public

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official having the potential conflict of interest is required by law to determine the matter, ~~he~~ the public official shall ~~so~~ notify by certified mail all known affected parties ~~known-to-him~~ by providing these parties with copies of the potential conflict of interest notice. A public official having the potential conflict of interest shall not chair a meeting, participate in any vote, or offer any motion on the matter giving rise to ~~his~~ the potential conflict of interest.

Subp. 2. ~~**Legislator**~~ **Elected official.** If the local or public official is a legislator or an elected official in a metropolitan governmental unit, the ~~house~~ body of which ~~he~~ the official is a member may, at ~~his~~ the official's request, excuse ~~him~~ the official from taking part in the action or decision in question.

Subp. 3. **Nonelected official; no immediate superior.** If the local or public official is required by law to determine the matter, the official shall notify by certified mail all affected parties known to the official by providing these parties with copies of the potential conflict of interest notice. An official having the potential conflict of interest shall not chair a meeting, participate in any vote, or offer any motion on the matter giving rise to the potential conflict of interest.

Subp. 4. **Unable to abstain.** An elected or nonelected local or public official who is not permitted or is otherwise unable to abstain from action in the matter presenting the potential conflict must file a statement describing the potential conflict and the action taken. A public official must file the statement with the board, and a local official must file the statement with the official's political subdivision. The statement required by this subpart must bear the original signature of the official who submits the statement and must be filed within one week of the action taken.

4515.0600 OBTAINING AND FILING FORMS.

All potential conflict of interest notices ~~shall~~ must be on the forms made available by the board ~~and-must-be-filed-with-the~~

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~~board~~. A local official shall file the potential conflict of interest notice and the notice of inability to abstain with the governing body of the official's political subdivision. An appointed public official shall file the notice with the official's immediate superior. A legislator shall file the notice with the presiding officer of the body of service. A public official, including a legislator, shall file the notice of inability to abstain with the board.

4515.0700 CHANGES AND CORRECTIONS.

Any material changes in information contained in a potential conflict of interest notice or a notice of inability to abstain previously submitted, and any corrections, ~~shall~~ must be reported in writing to the body or board with which the original document was filed within ten days following the date of the event prompting the change or the date upon which the ~~person~~ local or public official filing became aware of the inaccuracy. The change or correction ~~shall~~ must identify the form and paragraph containing the information to be changed or corrected and ~~shall~~ must be signed and certified to be true by the ~~person~~ official filing it.

4515.0800 FILING OF FALSE STATEMENTS.

Any statement or notice required by parts 4515.0100 to 4515.0800 ~~shall~~ must be signed and certified to be true by the ~~person~~ local or public official required to file the statement or notice. Any ~~person~~ official who signs and certifies to be true a statement or notice which ~~he~~ the official knows contains false information or who knowingly omits required information is guilty of a gross misdemeanor.

EFFECTIVE DATE. The amendments to Minnesota Rules, parts 4505.0100, subparts 1b, 8, 9, and 10; 4505.0200; 4505.0300; 4505.0600; 4505.0700; 4505.0900; 4505.1000; 4510.0100, subparts 1b, 4, 4a, 4b, 4c, 5; 4510.0300; 4510.0400, subpart 4; 4510.0500, subparts 3, 4, 6, 7; 4510.0600; 4510.0700; 4510.0800; 4510.1000; 4510.1500; 4515.0100, subparts 5a and 7; 4515.0300;

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4515.0400; 4515.0500; 4515.0600; 4515.0700; and 4515.0800 are effective January 1, 1991.

REPEALER. Minnesota Rules, part 4510.1000, is repealed.

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Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Campaign Financing

AGENCY: Ethical Practices Board

MINNESOTA RULES: Chapters 4500; 4505; 4510; and 4515

The attached rules are approved for
publication in the State Register

Paul M. Marinac
Assistant Deputy Revisor