

Minnesota

Campaign Finance and Public Disclosure Board Meeting

Thursday, November 10, 2016 – 10:00 A.M.
Nokomis Room, Third floor, Centennial Office Building
658 Cedar St., St. Paul, MN

REGULAR SESSION AGENDA

- 1. Minutes**
Regular session, October 5, 2016
- 2. Chair's report**
 - A. Meeting schedule
- 3. Executive director topics (no written material)**
- 4. Potential administrative rule topics**
- 5. Enforcement report**
- 6. Prima facie determinations finding no violation**
- 7. Legal report**
- 8. Other business**

EXECUTIVE SESSION

Immediately following regular session

Section 1

Minutes

**STATE OF MINNESOTA
CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD**

.....
**October 5, 2016
Nokomis Room
Centennial Office Building**
.....

MINUTES

The meeting was called to order by Chair Rosen.

Members present: Flynn, Greenman, Leppik, Oliver, Rosen

Others present: Sigurdson, Goldsmith (left after website demonstration), Fisher, Pope, staff; Hartshorn, counsel

MINUTES (September 7, 2016)

After discussion, the following motion was made:

Member Leppik's motion: To approve the September 7, 2016, minutes as drafted.

Vote on motion: Unanimously passed.

CHAIR'S REPORT

Meeting schedule

The next Board meeting is scheduled for 10 a.m. on Thursday, November 10, 2016. The December Board meeting is scheduled for 10 a.m. on Monday, December 5, 2016.

EXECUTIVE DIRECTOR TOPICS

Demonstration of website redevelopment

Mr. Goldsmith attended this portion of the meeting to demonstrate the new website. Mr. Goldsmith told members that the new website's beta release was scheduled for October 10th. Mr. Goldsmith said that the new site has a different style than the current website and creates a new visual identity for the Board. The structure of the new website is based on the user's identity and the MyCFB feature will allow users to customize their homepages. Mr. Goldsmith stated that all program staff will be able to update the content on the new site, which will make the site more responsive and free the Board's IT staff for work on other projects.

Special election in house district 32B

Mr. Sigurdson presented members with a memorandum on this topic that is attached to and made a part of these minutes. Mr. Sigurdson said that because this matter had not been placed on the agenda at least seven days before the meeting, a majority of the members would have to consent to vote on the matter.

Mr. Sigurdson then told members that the governor had called a special election in house district 32B under Minnesota Statutes section 204B.13, subdivision 2, which is a new statute that governs vacancies in nomination that occur shortly before a general election. Mr. Sigurdson said that this was the first special election called under section 204B.13, subdivision 2. Unlike a typical special election, special elections called under section 204B.13, subdivision 2, do not have filing periods. Mr. Sigurdson said that this was a problem because under Chapter 10A the timing of several actions necessary to qualify for public subsidy payments in a special election are triggered by the close of the filing period for the special election. Mr. Sigurdson said that staff had reviewed section 204B.13, subdivision 2, and had determined that the deadline for filing the nomination certificate was the date most analogous to the close of a filing period. Staff then used the deadline for filing the nomination certificate to calculate the due dates for the actions necessary to qualify for public subsidy payments. Mr. Sigurdson asked the Board to ratify staff's actions and the established filing dates.

After discussion, the following motions were made:

Member Greenman's motion: To consider the matter of the filing dates for public subsidy payments for the special election in house district 32B.

Vote on motion: Unanimously passed.

Member Flynn's motion: To adopt the following resolution:

RESOLVED, that the Board adopts the following filing dates for all candidates in the special election in house district 32B:

Constructive close of the filing period:	November 15, 2016 (seven days after general election)
Public subsidy agreement due:	November 16, 2016 (one day after close of filing period)
Contributions raised/affidavit due:	November 21, 2016 (five days after close of filing period)
Economic interest statement due:	November 29, 2016 (14 days after close of filing period)

Vote on motion: Unanimously passed.

Appointment of new member

Mr. Sigurdson told members that 12 people had applied for the opening on the Board and that the governor expected to appoint a new Board member by the November meeting.

Governor's budget

Mr. Sigurdson told members that he was working on the governor's proposed budget for the Board. The governor was recommending that the Board receive the same amount that it received in the last biennium. Mr. Sigurdson said that this amount would be enough to fund the current staff level and operations of the Board unless there was a significant cost of living adjustment included in the state employee contracts for the upcoming biennium. Mr. Sigurdson said that he would monitor this situation and alert the Board if action became necessary.

POTENTIAL ADMINISTRATIVE RULE TOPICS AND PROCEDURE FOR ADOPTION

Mr. Sigurdson and Ms. Pope presented members with a memorandum on this matter that is attached to and made a part of these minutes. Ms. Pope reviewed the rule development process and said that staff recommended appointing a rule subcommittee to develop the rule language. Ms. Pope also briefly discussed the procedures for adopting rules and told members that a regular rulemaking would take approximately 12 to 14 months to complete.

Mr. Sigurdson then briefly reviewed some of the rulemaking topics that could be pursued. Members discussed the matter and asked staff to divide the list of proposed topics into noncontroversial and potentially controversial changes and to present those lists at the next meeting.

ENFORCEMENT REPORT

A. Discussion Items

1. Request for balance adjustment – Dan Hall Volunteer Committee - \$564.23 less in bank than reported

Mr. Fisher told members that the Dan Hall Volunteer Committee was asking to adjust its 2014 ending cash balance from \$14,200.10 to \$13,635.87. This was a discrepancy of \$564.23. Mr. Fisher said that the discrepancy could not be located at this time and that it predated the current treasurer who had worked diligently to amend recent reports to accurately reflect the committee's finances. Mr. Fisher said that the committee had registered with the Board on June 18, 2009.

After discussion, the following motion was made:

Member Leppik's motion: To grant the Dan Hall Volunteer Committee's balance adjustment request.

Vote on motion: Unanimously passed.

2. Request for reconsideration of waiver request and/or payment plan – DFL Hunting and Fishing Caucus

Mr. Fisher told members that this committee had accrued a \$200 late filing fee on its 2016 pre-primary-election report due on 7/25/2016. At its September 7, 2016, meeting, the Board passed a motion to reduce the late fee to \$142 on a waiver request that was summarized as follows:

Treasurer's employment status changed four days before report was due.

Mr. Fisher said that the committee had reported a cash balance of \$142 on its pre-primary-election report but that bank charges of \$5 per month had reduced the balance since that time. Mr. Fisher said that the account had, at the time of the treasurer's most recent email, \$132 remaining and should, at the time of the meeting, have \$127 remaining. Mr. Fisher said that the treasurer was asking that the Board reduce the fee to \$100 and/or approve a payment plan for the committee of \$20/month.

After discussion, the following motion was made:

Member Flynn's motion: To approve a payment plan of \$20 per month for the DFL Hunting and Fishing Caucus.

Vote on motion: Unanimously passed.

B. Waiver requests

<u>Name of Candidate or Committee</u>	<u>Late Fee & Civil Penalty Amount</u>	<u>Reason for Fine</u>	<u>Factors for waiver</u>	<u>Board Member's Motion</u>	<u>Motion</u>	<u>Vote on Motion</u>
Friends of MN School Bus Operators	\$1,000 LFF	8/8/2016 24 hr.	Treasurer was out of the office in August due to a death in the family.	Member Rosen	To waive the late filing fee.	Passed unanimously.
Minn Young DFL	\$200 LFF	7/25/2016 Pre-primary	Treasurer experienced issue with missing file that caused him to be unable to view reports. Treasurer also entered name for certification in different form than registered in software.	Member Rosen	To waive the late filing fee.	Passed unanimously.
United Steelworkers District 11	\$200 LFF	7/25/2016 Pre-primary	Attempt to upload report made prior to deadline. Pop-up box indicating that report was successfully uploaded was shown, but in the background, status indicated it had failed. Problem is believed to involve a firewall issue.	Member Leppik	To waive the late filing fee.	Passed unanimously.
Small Business MN PAC	\$200 LFF	7/25/2016 Pre-primary	Report was 4 days late, not 1 day late as request states. Former treasurer was apparently dealing with death in family and estate issues. New treasurer has registered to replace former treasurer. No income or expenditures since 2012.	No motion		
Coalition of MN Businesses	\$550 LFF	7/25/2016 Pre-primary	Attempt to upload report was made on deadline, but download of information was conducted instead of upload.	Member Greenman	To reduce the late filing fee to \$200.	Passed unanimously.
7th Senate District DFL	\$425 LFF	2/1/2016 YE Report	Former treasurer states that she believed the report had been filed on time. Report was not received by the Board until 2/25/2016. The software is not at issue as the party unit filed paper reports at that time.	No motion		

UFCW Council 6	\$400 LFF	8/1/2016 24 hour	Treasurer requests waiver due to receipts being normal monthly income reported consistently. In phone conversation with treasurer, it appeared she was unaware of 24 hour notice period.	No motion		
UAW Minn State CAP Council PF	\$1,000 LFF; \$625 LFF	4/14/2016 1st quarter; 6/14/2016 2nd quarter	Deputy treasurer simply forgot to file the reports. Fund had no expenditures during reporting periods and only income was allocation from UAW. Deputy treasurer has now registered as treasurer so that he can receive Board notices, as he is responsible for filing reports.	No motion		
Minn Farm Bureau PAC	\$500 LFF	7/25/2016 Pre-primary	Treasurer states that turnover in administrative assistants led to report falling through cracks. However, individual has been registered as treasurer of the organization since 6/2012. Treasurer also states that organization had no activity since 2/2015.	No motion		

Informational Items

- A. Payment of a late filing fee for 2015 year-end report of receipts and expenditures**
 Grassroots for Michael Griffin, \$112.30 (revenue recapture)
- B. Payment of a late filing fee for June 14, 2016, report of receipts and expenditures**
 MPA Political Action Committee, \$50
- C. Payment of a late filing fee for July 25, 2016, report of receipts and expenditures**
 15B House District DFL, \$100
 Jon Applebaum for Representative, \$50
 Chilah Brown for Senate, \$50
 Laura Woods for House, \$200
 Iron Workers Local 512, \$50
 Larkin Hoffman Political Fund, \$50
 Lommen Nelson Political Action Committee, \$200
 Minneapolis Downtown Council PAC, \$500
- D. Payment of a late filing fee for June 15, 2016, lobbyist disbursement report**
 Jon Tollefson, MN Nurses Association, \$75
- E. Payment of a civil penalty for a contribution during the legislative session**
 Pipefitters Local 539, \$125
 Todd Podgorski for State Senate, \$125
- F. Deposit to the General Fund, State Elections Campaign Fund**
 Douglas County DFL, \$50 anonymous contribution

PRIMA FACIE DETERMINATIONS FINDING NO VIOLATION

Mr. Sigurdson presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Mr. Sigurdson told members that since the last meeting, Chair Rosen had dismissed one complaint on the grounds that it did not state a prima facie violation.

LEGAL COUNSEL'S REPORT

Mr. Hartshorn told members that he had nothing to add to the report that is attached to and made a part of these minutes.

OTHER BUSINESS

There was no other business to report.

EXECUTIVE SESSION

The Chair recessed the regular session of the meeting and called to order the executive session. Upon recess of the executive session, the regular session of the meeting was called back to order and the Chair reported the following matters into regular session:

Probable cause determination in the matter of the complaint of Nancy Barsness regarding the Citizens for Jeff Backer Jr House Committee

Findings, conclusions, and order in the matter of the complaint of Erwin Rud regarding the Committee to Elect Mike Moore; Michael Moore; and Ed Lavelle

There being no other business, the meeting was adjourned by the chair.

Respectfully submitted,

Jeff Sigurdson
Executive Director

Attachments:

Memorandum regarding special election in house district 32B

Memorandum regarding potential administrative rules topics and procedures for adoption

Memorandum regarding prima facie determination finding no violation

Legal report

Probable cause determination in the matter of the complaint of Nancy Barsness regarding the Citizens for Jeff Backer Jr House Committee

Findings, conclusions, and order in the matter of the complaint of Erwin Rud regarding the Committee to Elect Mike Moore; Michael Moore; and Ed Lavelle

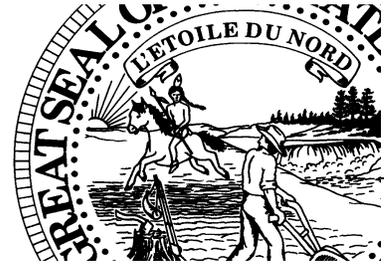
Section 2

Chair's Report

Campaign Finance and Public Disclosure Board

190 Centennial Bldg, 658 Cedar St, St Paul, MN 55155

www.cfboard.state.mn.us



Board Meeting Dates for Calendar Year 2016 and 2017

Meetings are at **10:00 A.M.** unless otherwise noted.

2016

Monday, December 5

2017

Wednesday, January 4

Wednesday, February 1

Wednesday, March 1

Wednesday, April 5

Wednesday, May 3

Wednesday, June 7

Wednesday, July 5

Wednesday, August 2

Wednesday, September 6

Wednesday, October 4

Wednesday, November 1

Wednesday, December 6

Section 3
Executive Director Topics
(No written materials)

Section 4

Potential Administrative Rules

Campaign Finance *and* Public Disclosure Board



190 Centennial Building . 658 Cedar Street . St. Paul, MN 55155-1603

DATE: November 3, 2016

TO: Board Members

FROM: Jeff Sigurdson
Executive Director

TELEPHONE: 651-539-1189

Jodi Pope
Management Analyst

651-539-1183

SUBJECT: Review of administrative rule topics

At the October meeting, members asked staff to separate the potential rulemaking topics presented into categories according to the level of potential controversy. The attached document divides the potential topics into three categories: controversial; potentially controversial; and noncontroversial. The controversial and potentially controversial sections provide examples of why an administrative rule on a subject may be needed. Some examples are based on Board investigations or advisory opinions, and others are more hypothetical. The noncontroversial rules are rules that need to be updated because they contain obsolete statutory references or requirements, or the entire rule is obsolete or duplicative and should be repealed. Because the noncontroversial rules are existing rules, each specific subpart is listed.

Because of time constraints it may not be possible for the Board to reach a conclusion on all of the proposed rulemaking subjects in November. Concluding the determination on the subjects to include in the Request for Comments at the December meeting should still allow for the final adoption of the administrative rules before the start of the 2018 election year.

Staff is recommending a dual track approach that will separate the controversial and potentially controversial rules into one rulemaking proceeding and the noncontroversial rules into a separate proceeding. Although this approach creates some duplication in staff efforts, it will ensure that the noncontroversial changes occur and focus efforts on reaching a consensus on the controversial subjects.

If the Board decides to proceed with rulemaking at this time, it should adopt the resolution attached to this memo. The resolution authorizes the executive director to give notice of a Request for Comments. The Request will state that two rulemakings are being considered: one for noncontroversial provisions and one for all other amendments.

The rulemaking progress chart also is attached for reference.

Attachments

List of proposed rulemaking topics
Rulemaking progress chart
Resolution authorizing request for comments

Controversial changes

Clarifying conduct, actions, or relationships that prevent an expenditure from being independent and related topics

George Beck petitioned the Board to adopt rules clarifying what conduct, actions, and relationships would prevent an expenditure from being independent. Other potential topics for rulemaking in the independent expenditure area include republication of communications, fundraising, common consultants, former staff, and agents of the candidate. These topics all would be controversial.

Here are examples of specific issues that have arisen in this area:

- Can a candidate and a committee making independent expenditures use the same vendor to prepare their communications? See Advisory Opinion 400 (discussing circumstances under which consultants may provide services to both candidates and IE committees).
- When a candidate fundraises for a committee, can any expenditures made by the committee on that candidate's behalf ever be independent? See Advisory Opinion 412 (determining that candidate committee may not contribute to IE committee or fund when candidate has signed public subsidy agreement); Advisory Opinion 437 (discussing consequences when candidate fundraises for IE committee).
- Under what circumstances does posting pictures or videos on a candidate's public website constitute cooperation or implied consent to expenditures that later use those pictures or videos? See Complaint of the Republican Party of Minnesota Regarding the Minnesota DFL Party and the Mark Dayton for a Better Minnesota Committee (finding no violation when DFL used short part of campaign video published by Dayton committee on YouTube in independent expenditure, but warning that different fact situation involving more of video or entire video may have resulted in different finding).
- Under what circumstances does a candidate's cooperation with the production of photographs or other media defeat the independence of expenditures that include the photographs or other media? See Findings in the Matter of the Investigation of Expenditures Made by the DFL Senate Caucus (finding that communications and interactions between senate caucus and candidates and candidate's assistance in arranging and completing photo shoots constituted cooperation that defeated independence of any material using photographs).
- What relationships make a person an agent of a candidate? See Advisory Opinions 296 and 338 (discussing agent relationships); Complaint Regarding the Tim Pawlenty for Governor Committee and the Republican Party of Minnesota (finding Pawlenty committee responsible for actions of staff that were not authorized by candidate).
- Are there actions that do not prevent expenditures from being independent? See Advisory Opinion 410 (discussing 19 different questions regarding communications that could affect the independence of subsequent expenditures).

Noncampaign disbursements

There probably are some provisions regarding this topic to which no one would object. For example, the Board has recognized two noncampaign disbursement categories in advisory opinions that could be enacted into rule. See Advisory Opinion 415 (contributions to recount fund); Advisory Opinion 424 (cost of retirement reception for retiring legislator). Others,

however, would be controversial. To ensure that any regulations adopted are comprehensive, all provisions related to noncampaign disbursements should be included in the controversial list.

Candidates frequently seek guidance from staff about whether an expense should be classified as a noncampaign disbursement or a campaign expenditure. An expense that does not fit into these two categories, or that is not a charitable contribution of \$100 or less, is an improper use of committee funds. Many of the questions concern the noncampaign disbursement categories for the expenses of serving in office, food and beverage expenses, and technology expenses. The Hoppe and Atkins committee findings also demonstrate the need to provide standards for the use of committee funds for noncampaign disbursements.

The following is a list of areas where additional rule language would help committees use their funds for permitted uses and properly report those expenditures.

- Provide that a cell phone plan paid for as a noncampaign disbursement or a campaign expenditure must be a single user plan and may not be a part of a family plan;
- Clarify that membership fees and dues for local organizations may be campaign expenditures but not costs of serving in office;
- Clarify when mileage reimbursements qualify as campaign expenditures, noncampaign disbursements, or personal expenses;
- Clarify when a committee may pay for the cost of meals as a campaign expenditure or a noncampaign disbursement; and
- Provide that the purchase of computers, printers, and similar items are always campaign expenditures. See Advisory Opinions 211 and 228 (stating that computer purchases are always campaign expenditures).

Potentially controversial changes

Clarify disclaimer requirements and exemptions for independent expenditure and attribution disclaimers

Chapters 10A and 211B regulate disclaimers on campaign material and independent expenditures. These statutes contain terms and provisions which would benefit from clarification in administrative rule.

Here are examples of issues that have arisen regarding this topic that could be resolved through administrative rulemaking.

- What is the minimum type size necessary for an independent expenditure disclaimer to be “conspicuous” as required by Minnesota Statutes section 10A.17, subdivision 4, and for a campaign material disclaimer to be “prominent” as required by Minnesota Statutes section 211B.04? Do conspicuous and prominent mean the same thing?
- Because an independent expenditure communication must include both the independent expenditure disclaimer and the campaign material disclaimer, is there language that can be used that satisfies the requirements of both statutes?
- What should the form of the disclaimer be when more than one entity is participating in preparing, disseminating, and/or paying for a communication?
- Clarify the requirement, if any, for the use of a disclaimer on material that may be reported as a noncampaign disbursement.

Revise investigation rules to allow staff reviews to be resolved immediately through issuance of findings, conclusions, and order

A staff review is an investigation where staff works informally with a respondent to determine whether a violation has occurred and, if so, how best to resolve that violation. The rules currently specify what the Board must do when a staff review is resolved by a conciliation agreement or elevated to a full investigation.

In practice, however, there have been cases where the proper resolution for a staff review was the immediate issuance of findings, conclusions, and an order ending the matter. For example, in some disclaimer matters, the respondent can cure a violation by quickly adding a disclaimer to the disputed material. In these cases, there is no need to elevate the matter to a full investigation. Instead, the Board should have the flexibility to conclude some staff reviews by issuing findings, conclusions, and an order. A modification to the rules in this area should lead to a shorter period of time between the start of the staff review and the conclusion of the investigation.

Clarify how to report reimbursements and the purpose of expenditures

The current rules specifying how to report reimbursements to candidates and others and what level of detail is necessary to explain an expenditure's purpose should be clarified so that these items are reported uniformly by all committees.

For example, many committees currently report large lump sum reimbursements to candidates using general terms such as "expenses of serving in office" or "campaign expenses." These committees also report the date that the reimbursement was made to the candidate instead of the date of each transaction that should be itemized. Lumping multiple purchases together under a broad description and a single date does not adequately disclose to the public what the committee is spending its campaign funds on or when those expenses actually occurred. Similarly, some committees use vague terms such as "campaign expense" or "printing" to describe the purpose of their expenditures. Again, these vague terms do not adequately disclose to the public how the committee is using its funds.

Without an accurate description of the purpose of a reimbursement or an expenditure, the Board and the public cannot be sure that a committee's funds were spent for a use permitted under Minnesota Statutes section 211B.12.

Clarify when contributions made electronically are received

The rules governing receipt of contributions should be updated to cover receipt of electronic contributions.

The current rules provide that a contribution is considered to be a contribution when it is received. The rules go on to provide that a monetary contribution is received when the committee takes physical possession of the instrument conveying the contribution.

These provisions were adopted before the advent of electronic contributions and they do not reflect the manner in which electronic contributions are processed. Typically, PayPal and other electronic contribution processors hold a contribution for a length of time before transferring the funds to the candidate. The candidate then must electronically move the funds from the processor to the candidate's account. Questions have arisen regarding when the candidate

receives these electronic contributions, and if received near a filing deadline, on which report to disclose the contributions.

In addition, the Board has issued advisory opinions answering questions about whether electronic contribution processors are bundling or making contributions themselves to the candidates when they forward the contributed funds and whether these processors therefore must register as political committees. See Advisory Opinions 319, 369, and 434 (holding that electronic contribution processors are not bundling or making contributions themselves when they forward contributed funds to candidates as part of their businesses). Similar questions arose when committees began using credit cards for expenditures and rules were enacted specifying that activities conducted in a credit card company's ordinary course of business did not require the company to register or report. Similar language could be adopted for electronic contribution processors.

Replace redundant language governing public subsidy payments in special elections with language governing special elections called under Minnesota Statutes section 204B.13

The rules currently contain language specifying when an affidavit of contributions in a special election must be filed. This language is redundant and should be repealed because this deadline has been codified into statute.

New language should be added to this part to establish the public subsidy filing deadlines in special elections called under Minnesota Statutes section 204B.13. Section 204B.13 is a new statute that governs vacancies in nomination that occur in partisan offices after the official filing period has closed. This statute was recently invoked to call a special election in house district 32B after the Minnesota Supreme Court found a candidate was ineligible to run for that seat and removed him from the ballot.

In a typical special election, the deadlines for actions necessary to qualify for public subsidy payments are calculated based on the close of the filing period for the special election. Special elections called under Minnesota Statutes section 204B.13, however, do not have filing periods. To calculate the public subsidy deadlines for the special election in house district 32B, Board staff first determined that the deadline for filing the nomination certificate was the date most analogous to the close of the filing period. Staff then calculated the required public subsidy deadlines based on the deadline for filing the nomination certificate.

To ensure that everyone knows the deadlines for actions needed to qualify for public subsidy in a special election called under Minnesota Statutes section 204B.13, the current rules should be amended to specify that the deadline for nomination certificates is the date on which filing deadlines for the public subsidy agreement, affidavit of contributions, and the economic interest statement for candidates in the special election must be calculated.

Revisit the definition of securities for economic interest statements to ensure that it is not overbroad

The definition of securities for economic interest statements should be revisited to ensure that it is not overbroad and that only those holdings where potential conflicts of interest actually could exist are disclosed.

For example, given the size of most mutual funds, it is possible that disclosing ownership interests in those funds is not very helpful to the public, particularly when the funds are part of a 401k account. There also is confusion about which “holdings in a pension or retirement plan” do not have to be disclosed and whether new investment options such as 529 college savings plans should be disclosed.

Non-controversial changes

4501.0500, subpart 2, item A - Repeal language stating that faxes or electronic files received after 4:30 are considered received the next business day. This requirement is more stringent than statute and does not comply with current practice. (In obsolete rule report – ORR)

4501.0500, subpart 2, item B - Remove sentence stating that filing electronically is optional. The statute now requires all campaign finance reports to be filed electronically unless the filer has a waiver. Other language in Chapter 10A specifies that all other reports may be filed electronically. Consequently, the rule language either contradicts the statute or is redundant.

4503.0200, subpart 6 – Repeal language that no longer applies to political funds and that repeats the statutory requirement for political committees. (ORR)

4503.0300, subpart 4 - Repeal language requiring payment plans for terminating committees with debts because statutory requirement to retire debt before terminating was repealed in 2014.

4503.0400, subpart 1 – Repeal subpart because it restates statutory language requiring in-kind contributions over the itemization threshold to be disclosed, it refers to the old \$100 itemization threshold, and it includes a statutory citation that no longer applies to disclosure of in-kind contributions.

4503.0500, subpart 5 - Change threshold for disclosure from \$100 to \$200. (ORR)

4503.0500, subpart 8 - Remove sentence that requires automobile use to be reimbursed or counted as an in-kind contribution to conform to statutory change. (ORR)

4503.0700, subparts 2 and 3 - Change language to conform to new election segment/nonelection segment terminology. (ORR)

4503.1300, subpart 5 - Change time period for returning contributions to source to 90 days to comply with change to statutory time period.

4503.1400, subpart 9 - Change language to conform to new election segment/nonelection segment terminology. (ORR)

4503.1400, subpart 1 – Repeal language referring to the general account public subsidy agreement and its requirements because this type of agreement and its requirements have been abolished.

4503.1450, subpart 3 - Repeal language regarding estimate of general account public subsidy payment that is obsolete due to statutory changes in this area. (ORR)

4503.1600 – Repeal language to conform to new statutory investigation requirements.

4503.1700 - Repeal language regarding filing of 48-hour notice that is obsolete due to statutory changes. (ORR)

4503.1800, subparts 1 and 2 - Change \$100 to \$200 to conform to new itemization threshold. (ORR)

4505.0100, subpart 3 - Change “supplementary” to “annual” to reflect change to economic interest statement terminology. (ORR)

4505.0900, subparts 2 through 6 - These changes are necessary to conform the rule to new statutes requiring all public officials to file annual statements by the last Monday in January and to ensure that officials are not required to file unnecessary statements. (ORR)

4505.0900, subpart 7 - Change reporting threshold to “more than” to conform to statutory requirement.

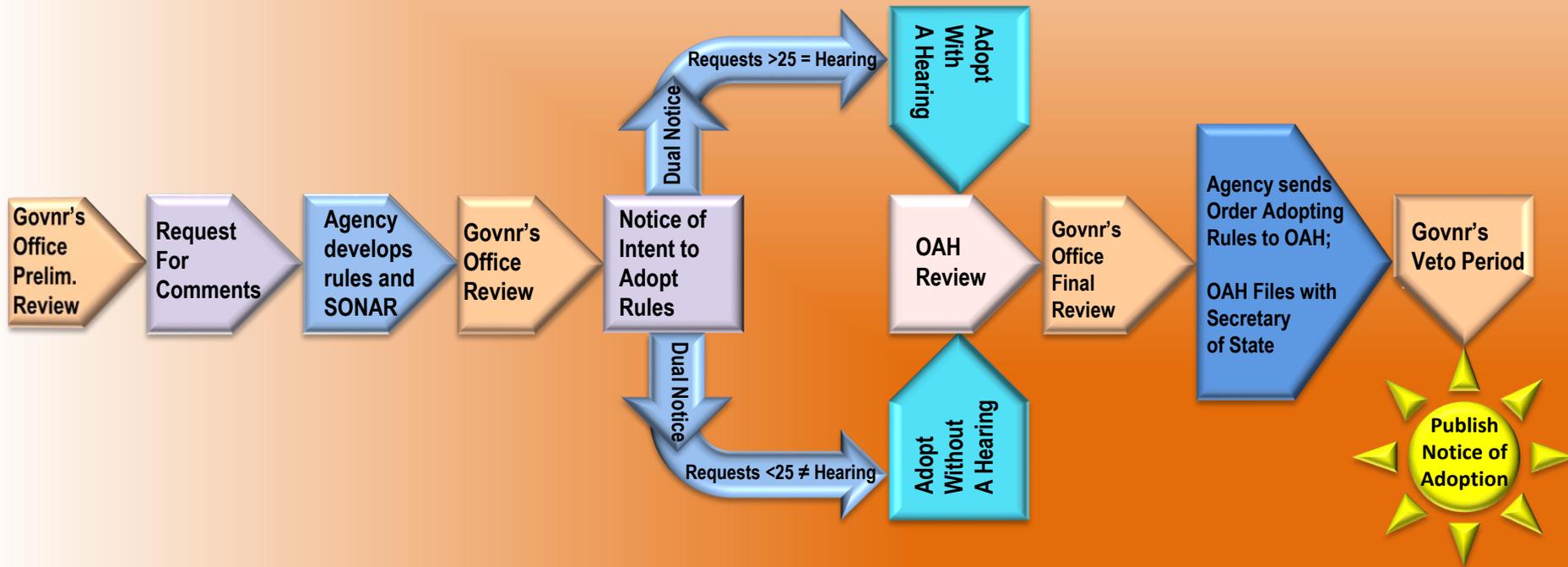
4511.0500, subpart 2, item E - Change late fee and notice provisions to conform to new statutory requirements that impose late fee on day after report was due without notice.

4512.0100, subpart 2 – Repeal definition of “field of specialty” because this term is no longer used in gift ban statute. (ORR)

4512.0100, subpart 5 - Repeal “or similar memento” because this phrase is no longer used in the reference to plaques in the gift ban statute. (ORR)

4525.0210, subpart 1 - Repeal language referring to right to respond to complaint at prima facie stage to conform with statutory repeal of this provision.

Rulemaking Progress Chart



Minnesota Campaign Finance and Public Disclosure Board

**CERTIFICATE OF THE CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD;
AUTHORIZING RESOLUTION**

Proposed amendment to and repeal of rules governing campaign finance regulation and reporting, independent expenditures, economic interest disclosure, lobbying, gift ban provisions, and audits and investigations, Minnesota Rules chapters 4501 through 4525

I, Daniel N. Rosen, certify that I am a member and the chair of the Campaign Finance and Public Disclosure Board, a board authorized under the laws of the State of Minnesota; that the following is a true, complete, and correct copy of a resolution that the Board adopted at a properly convened meeting on November 10, 2016; 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 Jeff Sigurdson, the executive director of the Campaign Finance and Public Disclosure Board, is authorized and directed to sign and to give notice of a Request for Comments on rules related to campaign finance regulation and reporting, independent expenditures, economic interest disclosure, lobbying, gift ban provisions, and audits and investigations, Minnesota Rules chapters 4501 through 4525. The Request must note that two rulemaking proceedings are being considered: one for noncontroversial provisions and one for all other amendments. The executive director must give notice of the Request to all persons who have registered their names with the Board for that purpose. The executive director must also publish notice of the Request in the State Register. Furthermore, the executive director is authorized and directed to do anything else needed to complete the Request and notice of the Request, including giving notice to the governor’s office.

Date

Daniel N. Rosen, Chair
Campaign Finance and Public Disclosure Board

Section 5 Enforcement Report

Minnesota

Campaign Finance and Public Disclosure Board

190 Centennial Building . 658 Cedar Street . St. Paul, MN 55155-1603 FAX: 651-539-1196 or 800-357-4114

DATE: November 3, 2016

TO: Board Members
Counsel Hartshorn

FROM: Kyle Fisher, Legal Analyst

SUBJECT: Enforcement Report for Consideration at the November 10, 2016, Board Meeting

A. Discussion Items

- 1. Request to adjust 2014 year-end cash balance to zero and terminate committee as of 12/31/2014 – Mike Bidwell Volunteer Committee.**

The committee registered with the Board on July 23, 2008. The candidate last ran for office in 2008, and the committee has filed no change reports or reports disclosing only the payment of late filing fees since that time. The committee last reported a cash balance of \$702.59 as of 12/31/2014. The candidate states that the bank balance is actually zero and no records now exist to explain the discrepancy given the passage of time. Terminating the committee as of 12/31/2014 will also effectively waive the \$1,000 late filing fee and \$1,000 civil penalty that have accrued due to the committee failing to file its 2015 year-end report.
- 2. Request for reconsideration of waiver request – Small Business MN PAC.**

The committee accrued a \$200 late filing fee on its pre-primary-election report due 7/25/2016. The committee last reported a cash balance of \$435.85 as of 9/20/2016. At its meeting of October 5, 2016, no motion was made to waive or reduce the late filing fee. The initial waiver is included. The request for reconsideration includes more information on the treasurer's issues at the time of filing the report.
- 3. Request to settle outstanding judgments – Ray Egan and (Ray) Egan for Senate.**

Almost ten years ago the Board obtained two judgments against Mr. Egan and his committee. On December 1, 2006, a judgment of \$1,163.16 was entered, and on November 15, 2007, a judgment of \$1,157.32 was entered. Judgments are enforceable for ten years after their entry. The initial judgment therefore becomes unenforceable on 12/1/2016. An attorney representing Mr. Egan's estate reached out to the Board in order to attempt to resolve the matters. An offer of \$1,163.16 has been made to resolve both outstanding judgments.
- 4. Staff request for referral to Attorney General's Office – Ellingboe (Brenden) for House and Brenden Ellingboe.**

The committee registered with the Board on March 21, 2014. The committee's 2014 year-end report disclosed a cash balance of \$1,535.52 as of 12/31/2014. Despite numerous letters and staff outreach attempts, the committee has failed to file its 2015 year-end report of receipts and expenditures. The failure to file this report has resulted in the committee incurring the maximum \$1,000 late filing fee and \$1,000 civil penalty. Staff requests that the Board authorize the Executive Director to refer this matter to the Attorney General's Office to seek an order compelling the filing of the 2015 year-end report and to obtain a judgment against the committee and the candidate for the \$2,000 in accrued late filing fees and civil penalties.

B. Waiver Requests

	Committee/ Entity	Late Fee or Civil Penalty	Report Due	Factors	Most Recent Balance	Previous Waivers Granted
1	Minn African American Political Committee	\$25 LFF; \$50 LFF	6/14/2016 2nd Report; 7/25/2016 Pre-primary	Previous treasurer experienced health issues around filing periods. New treasurer registered with the Board on 8/15/2016.	\$6,205	Yes; \$50 LFF 2014 24 hour; \$600 LFF 2016 1st Q
2	Mohamoud Hassan Volunteer Campaign Committee	\$1,000 LFF; \$200 CP	7/25/2016 Pre-primary	Candidate was new to process and paying the assessed fees would be financially burdensome. Board staff spoke with Mr. Hassan on the day the report was due to remind him of filing. He said he would call staff the following Monday (8/1) for assistance. His report was filed on 9/19. The committee has now terminated.	\$0	No
3	Trial-PAC	\$1,000 LFF	8/9/2016 24 Hour ¹	Committee did not understand that 24 hour notice threshold applies to total contributions from a source and not to each contribution, individually.	\$123 ²	No
4	Minn State Council of UNITE HERE Unions	\$1,000 LFF	8/5/2016 24 Hour ¹	Fund did not believe that a transfer of funds from the Council's general checking account constituted a contribution.	\$2,948 ³	No
5	Minn Electrical Industry PAC	\$550 LFF	7/25/2016 Pre-primary	Committee believed that no report was required as there was no activity and no change since the previous report. Individual has been registered as treasurer since the committee was formed in 2006 and has filed numerous no change reports. Committee was first notified by Board staff of outstanding report on 8/9 and filed the same day.	\$3,118	No
6	St Louis County DFL	\$700 LFF	7/25/2016 Pre-primary	Treasurer states that he attempted to file the report on 7/16 and it apparently did not go through. Treasurer states he did not receive any confirmation that report had been uploaded. Board logs contain no record of activity for the party unit prior to filing the report on 8/14. Board staff left a voicemail with treasurer regarding outstanding report on 7/29.	\$1,658	No

Informational Items

A. Payment of a late filing fee for 2014 Pre-general Report of Receipts and Expenditures:

Watonwan County RPM, \$50

B. Payment of a late filing fee for 2015 Report of Receipts and Expenditures:

7th Senate District DFL, \$425

C. Payment of a late filing fee for 2016 April 14 Report of Receipts and Expenditures:

Compete Minnesota!, \$25
UAW MN State CAP, \$1,000

¹ In 2012, the Board reduced 24 hour report late filing fees to \$250. In 2014, the Board also reduced many 24 hour report late filing fees because a committee does not receive notification that a report was due until the next committee filing. This often results in the accrual of a maximum late filing fee.

² Trial-PAC has \$50,244 in receipts and \$71,011 in expenditures through 9/20 this year.

³ Committee has \$50,800 in receipts and \$49,756 in expenditures through 9/20 this year.

D. Payment of a late filing fee for 2016 June 14 Report of Receipts and Expenditures:

Compete Minnesota!, \$200
UAW MN State CAP, \$625
Volunteer Fire Fighters Political Committee, \$50
White Earth PAC, \$50

E. Payment of a late filing fee for 2016 July 25 Report of Receipts and Expenditures:

Brian Abrahamson for Senate, \$25
Tony Cornish for State Representative, \$150
Neighbors for Carlos Mariani, \$100
Friends of Tracy Nelson for House, \$450
Phil Sterner for Senate, \$50
5th Congressional District GPM, \$300
30th Senate District DFL, \$50
38th Senate District DFL, \$200
46th Senate District RPM, \$200
48th Senate District RPM, \$100
Dodge County RPM, \$200
Swift County DFL, \$50
Traverse County RPM, \$100
Austin Chamber Business Leadership Committee, \$650
Coalition of Minn Businesses PAC, \$200
Compete Minnesota!, \$200
DFL Hunting and Fishing Caucus, \$20 (partial payment)
Leech Lake PAC, \$500
Minn Farm Bureau, \$550
Minn Power PAC, \$200

F. Payment of a late filing fee for 2016 September 27 Report of Receipts and Expenditures:

Minn Gun Owners Political Committee, \$50

G. Payment of a late filing fee for a 24-hour Notice of Large Contribution:

United Food and Commercial Workers Council 6, \$400

H. Payment of a late filing fee for June 15, 2016 Lobbyist Disbursement Report:

Kara Genia, Karen Organization of MN, \$25
Blake Johnson, Prairie Island Dakota Indian Community, \$25

I. Payment of a late filing fee for Candidate Economic Interest Statement:

Jerry Loud, \$35
Ilhan Omar, \$30

J. Payment of a civil penalty for misuse of committee funds:

Tim Manthey, \$200 payment

K. Civil penalty for 2016 disclaimer violation:

Committee to Elect Mike Moore, \$350

From: [Mike Bidwell](#)
To: [Pope, Jodi \(CFB\)](#)
Subject: Re: terminating your committee's registration
Date: Friday, October 21, 2016 3:43:07 PM

To whom it may concern,

I would very much like to terminate my registration of Mike Bidwell Volunteer Committee from my 2008 campaign for state representative. Having had no staff for several years, I have lost records of where money has been spent, but my account, which shows \$702.59 on the records, now has a zero balance, and I have no records of where that money was disseminated. If possible, can the reported cash balance be adjusted to \$0? Additionally, would the board be willing to waive any late fees that have accrued? Frankly, I have paid little attention to the details of the inactive committee, as my political career has ceased. I would very much like to close this chapter of my life.

Thank you.

Mike Bidwell

Larson, Joyce (CFB)

From: Audrey Britton <audrey@brittoncomm.com>
Sent: Tuesday, October 18, 2016 3:37 PM
To: Larson, Joyce (CFB)
Cc: Sigurdson, Jeff (CFB)
Subject: Request for reconsideration: Small Business MN PACT

(Jeff, thank you for your thorough voicemail. Our SBM email is down today, so I am sending from my personal business email.)

Dear Campaign Finance Board,

It has been recommended by the CFB ED and a state senator that I resubmit Small Business Minnesota PAC's request to have a \$200 fine reconsidered. It was suggested the request be clearer and more concise.

- Small Business MN is a very small PAC; it has not had any financial transactions of any kind, expenses or donations, in years. Our balance is around \$430.
- Our most recent report was submitted around 2 days late due to the following circumstances beyond our control:
 - A new treasurer agreed to take over SBM PAC reporting/filings
 - She had a sudden death in her family
 - We were unaware that this rendered her entirely unavailable and that the report had not been filed
 - This new person was taken by surprised by the death and the awful circumstances that followed and had, at first, thought she could continue with her new duties...but did not inform anyone when it was evident that she could not continue on with SBM. (She moved out of state within weeks.)
- My understanding is that the person formerly submitting the SBM PAC reports/filings filed the report after being informed by the CFB that the report was missing

Additionally, it is disconcerting that a PAC would be fined 50% of its entire budget.

- We believe, more than likely PACs with huge budgets would not face a 50% fine. For example, we doubt that a PAC with a \$500,000 budget would be fined \$250,000 for a report filed 2 days late
- We believe that makes the fine assessed to SBM unfair and excessive

For your reference, the original request is below this one.

Thank you for your reconsideration and for all you do.

Sincerely,

Audrey Britton
audrey@smallbusinessmn.org
 12500 53rd Ave N
 Plymouth MN 55442
 (612) 807-0311

From: Audrey Britton [<mailto:audrey@smallbusinessmn.org>]
Sent: Tuesday, September 20, 2016 11:43 AM
To: Larson, Joyce (CFB)
Subject: Small Business MN PACT

Dear Joyce,

Larson, Joyce (CFB)

From: Audrey Britton <audrey@smallbusinessmn.org>
Sent: Tuesday, September 20, 2016 11:43 AM
To: Larson, Joyce (CFB)
Subject: Small Business MN PACT

Dear Joyce,

Today I met with the former PACT chair for Small Business Minnesota (SBM). It is my understanding that due to unexpected and unavoidable circumstances, our PACT report was one day late. As you can see from the report there was no financial activity and we do not expect any financial activity in the near future.

We had asked an SBM member to become the PACT chair. She agreed and took all the information and materials, but soon after became difficult to reach. As it turns out, her mother became suddenly ill and passed away. The would-be PACT chair became the administrator of the estate and a vicious family quarrel ensued. We have now discovered that she found the ordeal so horrific that she picked up and moved out of state with only a week's notice and soon after left for Europe.

The would-be PACT chair is aware of the situation and sends her deep regrets and promises, upon return, to turn over all records, etc. to a new PACT chair yet to be named. (I will serve in that role for now.)

Since we have not fundraised for the PACT, there were no financial transactions or other activity, were taken by surprise that the report was not going to be filed by the person who had promised to take on this role, and were more surprised to learn of her circumstances and that she had moved, we request that the Campaign Finance Board please reconsider the \$200 fine. We will ensure future reports are submitted on time.

Sincerely,

Audrey Britton
SBM Chair
(612) 807-0311

TERRI A. MELCHER
ATTORNEY AT LAW
6299 UNIVERSITY AVENUE NE, SUITE 120
FRIDLEY MINNESOTA 55432
tmelcher@tmelcher.com

FORMERLY LARSON & MELCHER
DONALD L. LARSON (1928 - 2010)

PHONE: 763-571-0095
FAX: 763-571-7791

October 28, 2016

Kyle Fisher
Campaign Finance & Public Disclosure Board
190 Centennial Office Building
658 Cedar Street
St. Paul, Minnesota 55155-1603

RE: Ramon Egan Judgments at Files 27-CV-07-26635 and 62-C4-06-008728

Dear Mr. Fisher:

I write in response to your e-mail in connection with the above referenced outstanding Judgments against Ramon Egan. Mr. Egan would propose to settle both of these outstanding Judgments with a payment of \$1,163.16. Payment would be made by certified funds by December 1, 2016.

I understand you will present this offer to the Campaign Finance & Public Disclosure Board at the November 10 meeting for review.
I will look for your response following that meeting.

Thank you.

Very truly yours,

Terri A. Melcher

Terri A. Melcher
TAM:jma
cc: Ray Egan

Fisher, Kyle (CFB)

From: Todd Stump <tstump@gmail.com>
Sent: Friday, October 14, 2016 10:33 AM
To: Fisher, Kyle (CFB)
Subject: Re: Minnesota African-American Political Committee late fee

Mr. Fisher,

Yes, please include the 6/14 fee within my request, as well.

The health issues of the previous treasurer include a traumatic brain injury, blood issues, and mental health. This spring and summer, she had a rapid drop in hemoglobin count that led to hospitalizations. This, in combination with her diagnosis of depression, resulted in her recommending to be removed from the committee as treasurer, as regular tasks with deadlines became challenging.

Todd

On Fri, Oct 14, 2016 at 9:59 AM, Fisher, Kyle (CFB) <Kyle.Fisher@state.mn.us> wrote:

- > Mr. Stump,
- >
- > Two follow-up items for you:
- >
- > I notice that the committee also has a \$25 late filing fee outstanding for its report due 6/14/2016. Would you like to also request a waiver of that late filing fee at this time?
- >
- > Could you provide a bit more insight, without being too specific or divulging personal details, about the health issues that made it difficult to file the reports?
- >
- > Best,
- >
- > Kyle Fisher
- > Management Analyst / Legal Analyst
- > Minnesota Campaign Finance and Public Disclosure Board
- > 190 Centennial Office Building
- > 658 Cedar Street
- > St. Paul, Minnesota 55155
- > (651) 539-1182
- > kyle.fisher@state.mn.us

- > -----Original Message-----
- > From: Todd Stump [mailto:tstump@gmail.com]
- > Sent: Thursday, October 13, 2016 11:04 AM
- > To: Fisher, Kyle (CFB) <Kyle.Fisher@state.mn.us>; Goldsmith, Gary
- > (CFB) <gary.goldsmith@state.mn.us>
- > Subject: Minnesota African-American Political Committee late fee

>
> Mr. Fisher and Mr. Goldsmith,
>
> I recently took over as Treasurer for the MAAPC because the previous treasurer had health problems that made it difficult for her to perform the necessary maintenance of the committee. In July, she missed the deadline for submission of the committee's Campaign Finance Report because of these health issues (there were no receipts nor expenditures during the time period covered within the report). In order to remedy future occurrences of late submission, I replaced her as the treasurer, and have submitted the most recent report within the required timeframe.
>
> Due to the circumstances listed above, I am writing to ask the Board to waive the \$75 late fee. Please let me know if this is a possible outcome.
>
> Thank you!
>
> Todd Stump
> Treasurer
> Minnesota African-American Political Committee

16 SEP 20 PM 1:47
CAMPAIGN FINANCE &
PUBLIC DISCLOSURE BOARD

09/19/16

TO: BOARD MEMBERS,
CAMPAIGN FINANCE COMMITTEE

RE: MOHAMOUD HASSAN - CANDIDATE FOR 62 STATE SENATE

MR. HASSAN, IN ^{MY} HIS EFFORT TO BECOME MORE INVOLVED
IN THE VARIOUS ASPECTS OF FULL CITIZEN INVOLVEMENT,
TO RUN FOR OFFICE IN A STATE SENATE DIST. 62, AND
BEING NOT FAMILIAR WITH ALL OF THE PAPER WORK
AND STEP-BY-STEP PROCEDURES MY APPLICATION
WAS FILED LATE.

I WOULD LIKE TO REQUEST A WAIVER OF THE LATE
FILING FEES FOR I AM UNABLE TO PAY THEM AT
THIS TIME, I AM UNEMPLOYED AND IN SEARCH OF
A JOB.

IT IS MY HOPE THAT YOU WOULD BE SO KIND TO
GRANT ME THIS WAIVER.

THANK YOU VERY MUCH FOR YOUR CONSIDERATION.

SINCERELY,

Mohamoud Hassam



October 13, 2016

Campaign Finance and Public Disclosure Board
 190 Centennial Office Bldg.
 658 Cedar Street
 Saint Paul, MN 55155

16 OCT 17 AM 11:15
 CAMPAIGN FINANCE &
 PUBLIC DISCLOSURE BOARD

Dear Board Members,

This letter is a request for a waiver of late filing fees regarding violation of the 24-hour filing rule.

In a letter dated September 27, 2016 we were notified of possible violation of Chapter 10A regarding a loan or contribution to a political committee or fund from a single source of more than \$1,000.00 that is received between July 17, 2016 and August 8, 2016. Contributions over \$1,000 must be reported to the board within 24 hours of their receipt or in person the next business day.

First, a contribution in the amount of \$1,000.00 from Joel D. Carlson, entered in as having been received on August 8th, 2016. However, that entry was made in error and has been corrected in the Campaign Finance Reporter software.

Then, Mr. Carlson contributed two amounts in the month of August; one for \$1,000.00 on August 2nd, 2016 and an ongoing monthly contribution of \$150.00 on August 5th, 2016.

Although both of these contributions did fall within the window of time that that 24-hour reporting rule was in effect, we understood the 24-hour filing rule to be applied to each contribution, standing on its own. With that interpretation and understanding of the 24-hour rule each contribution did not exceed the \$1,000.00 threshold and therefore did not require 24-hour reporting.

We now understand that it was the total contributions by Mr. Carlson in this period that triggered the 24-hour reporting rule. This was an oversight on our part and we will not make that mistake moving forward with a clearer understanding of the rule. We did contact CFPDB staff when we received the \$1,000 contribution to confirm the amount was under the 24 reporting threshold, but did not consider that Mr. Carlson's monthly contribution would exceed the limit.

Thank you for your understanding and consideration of our request.

Sincerely,

Carla Ferrucci
 Trial PAC Administrator

UNITE HERE

Minnesota State Council of UNITE HERE Unions

16 OCT 10 AM 11:31

Headquarters Office

312 Central Avenue · Room 444 · Minneapolis, Minnesota 55414-1089

Phone: 612-379-4730

MINNESOTA STATE CAMPAIGN FINANCE &
PUBLIC DISCLOSURE BOARD
Fax: 612-379-8698

September 6, 2016

Andrew Schons, Programs Assistant
MN State Campaign Finance &
Public Disclosure Board
190 Centennial Office Building
658 Cedar Street
Saint Paul, MN 55155

Dear Mr. Schons,

I am in receipt of your letter dated September 23rd. Thank you also for the brief conversation on September 27th regarding the letter stating that the Minnesota State Council of UNITE HERE Unions failed to file notice for a contribution of more than 1,000.00 dollars in the special reporting period of July 19th – August 8th, 2016.

On August 4th, 2016 the State Council Bookkeeper transferred 3,000.00 dollars from the Council's general checking account to our political account so that we could make two contributions to two unregistered (Mpls. City Council) campaigns. Those were the only contributions during the special period.

I would ask that you consider two things regarding this issue. First, we thought of it as a transfer of funds and not a deposit or contribution. Second, the reason for the transfer in excess of the 1000.00 dollars was to avoid a banking charge.

I regret any misunderstanding of the rule and please know there was no intent to not report our activity. I respectfully request the fine be waived and in turn we commit to the best of our ability continued appropriate reporting.

Thank you for your consideration.

Sincerely,



Wade C. Luneburg
Secretary-Treasurer

opeiu#12/lm

Gary Goldsmith, Executive Director
Minnesota Campaign Finance & Public Disclosure Board
190 Centennial Office Building
658 Cedar Street
St. Paul, MN 551155

16 OCT -5 AM 11:30
CAMPAIGN FINANCE &
PUBLIC DISCLOSURE BOARD

October 4, 2016

Re: Appeal of Late Filing Fee for Reg. No. 70040, Minnesota Electrical Industry PAC

Dear Mr. Goldsmith:

I am seeking a waiver of the late filing fee of \$550.00 assessed against the Minnesota Electrical Industry PAC for late filing of the Report of Receipts and Expenditures due on July 25, 2016.

I apologize for the late filing. I was under the mistaken impression that the filing was not required since there was no activity and no change in the amount money in the PAC. I understand that that is incorrect and that I am required to file regardless of the amount of activity. There was no intent to evade my responsibility to file. Although I did not receive your office's courtesy call reminding me of the need to file, I understand that it is my responsibility to file the documents in a timely fashion. I have made administrative changes in my procedures so this will not happen again.

I would appreciate the Board waiver of the assessment of the \$550.00 late filing fee.

Thank you.



Gary Thaden
Treasurer
Minnesota Electrical Industry PAC

Minnesota Electrical Industry Political Action Committee

830 Transfer Road - St. Paul - MN - 55114
(651) 646-2121 - Gthaden@Gmail.Com

Fisher, Kyle (CFB)

From: cthelen@rangenet.com
Sent: Saturday, October 01, 2016 1:43 PM
To: Fisher, Kyle (CFB)
Subject: RE: St Louis County 06 dfl

>Kyle,

It was done on July 16th as I am only home on weekends.

Did not receive either of the messages.

Gordon

Gordon,

>
 > The software has a pop-up box that indicates the report was
 > successfully uploaded and you should receive an email at the address
 > you have listed in the software. Did you receive either of these
 > messages? Do you recall what day did you attempted to upload the report on?

>

> Best,

>

> Kyle Fisher

> Management Analyst / Legal Analyst

> Minnesota Campaign Finance and Public Disclosure Board

> 190 Centennial Office Building

> 658 Cedar Street

> St. Paul, Minnesota 55155

> (651) 539-1182

> kyle.fisher@state.mn.us

>

> -----Original Message-----

> From: cthelen@rangenet.com [<mailto:cthelen@rangenet.com>]

> Sent: Wednesday, September 21, 2016 12:24 PM

> To: Schons, Andrew (CFB)

> Subject: St Louis County 06 dfl

>

> Andrew,

>

> We are asking that the fee be waved.

>

> Evidently the report did not go through.

>

> It would be helpful if there was a confirmation number at the end to

> make sure that the report has been received.

>

Section 6

Prima Facie Determinations

Minnesota

*Campaign Finance and
Public Disclosure Board*



Date: November 3, 2016

To: Board Members

From: Jeff Sigurdson, Executive Director

Telephone: 651-539-1189

Re: Prima facie determinations finding no violation

Complaints filed with the Board are subject to a prima facie determination made by the Board chair in consultation with staff. If the Board chair determines that the complaint states a violation of Chapter 10A or the provisions of Chapter 211B under the Board's jurisdiction, the complaint moves forward to a probable cause determination by the full Board.

If, however, the chair determines that the complaint does not state a prima facie violation, the chair must dismiss the complaint without prejudice. When a complaint is dismissed, the complaint and the prima facie determination become public data. The following three complaints were dismissed by the chair and the prima facie determinations are provided here as an informational item to the other Board members. No further action of the Board is required.

Complaint regarding citizenfororono.com:

On October 5, 2016, the Board received a complaint submitted by Denny Walsh regarding citizenfororono.com and its responsible entity. The complaint alleged that: (1) Various pieces of campaign material do not identify who is responsible for the material by including the required disclaimer, in violation of Minnesota Statutes section 211B.04; (2) no entity relating to "citizenfororono" has registered with the Board, in violation of Minnesota Statutes section 10A.14; and (3) a mailing sent out by the entity contains certain false allegations, in violation of Minnesota Statutes section 211B.06. Because the candidate in question in the subject literature was a local-level candidate, and because the Board does not have the authority to investigate complaints involving local races, the Board chair made a determination on October 7, 2016, that the complaint did not state a prima facie violation.

Attachments: Complaint, Prima Facie Determination

Complaint regarding Kevin Dahle for Senate and the David Bly Committee 20B:

On October 11, 2016, the Board received a complaint submitted by Douglas Jones regarding Kevin Dahle for Senate and the David Bly Committee 20B. The complaint alleged that the Dahle and Bly Committees occupied space rented by a federal campaign and failed to report a corresponding expenditure or contribution relating to that space on campaign finance reports filed with the Board. Failure to report in-kind contributions or expenditures would be a violation of Minnesota Statutes, section 10A.20. The Board chair made a determination on October 14, 2016, that the complaint did not state a prima facie violation.

Attachments: Complaint, Prima Facie Determination

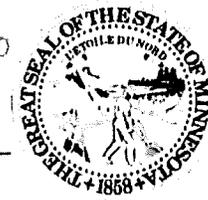
Complaint regarding the Republican Party of Minnesota and the House Republican Campaign Committee:

On October 13, 2016, the Campaign Finance and Public Disclosure Board received a complaint submitted by Ken Martin, chair of the Minnesota DFL Party, regarding the Republican Party of Minnesota (RPM) and the House Republican Campaign Committee (HRCC). The complaint alleged that disclaimers printed on six independent expenditure pieces stating that the communications were prepared and paid for by the RPM and the HRCC were false and violated Minnesota Statutes section 211B.04. The complaint alternatively alleged that, if the disclaimers were correct, then the RPM violated the reporting requirements in Minnesota Statutes section 10A.20 by not disclosing those expenditures on its September report. The Board chair made a determination on October 27, 2016, that the complaint did not state a prima facie violation

Attachments: Complaint, Prima Facie Determination

16 OCT -5 AM 11:31

CAMPAIGN FINANCE &
PUBLIC DISCLOSURE BOARD



Campaign Finance & Public Disclosure Board

190 Centennial Office Building, 658 Cedar St, St Paul, MN 55155

www.cfboard.state.mn.us

Complaint for Violation of the Campaign Finance and Public Disclosure Act

All information on this form is confidential until a decision is issued by the Board.
A photocopy of the entire complaint, however, will be sent to the respondent.

Information about complaint filer

Name of complaint filer	Denny Walsh		
Address	1354 Rest Point Circle	Email address	ftkdenny@aol.com
City, state, and zip	Orono, MN 55364	Telephone (Daytime)	612-414-5055

Identify person/entity you are complaining about

Name of person/entity being complained about	Citizenfororono.com
Address	Unknown
City, state, zip	Unknown
Title of respondent (if applicable)	Unknown
Board/Department/Agency/District # (if legislator)	

Signature of person filing complaint

09/30/2016

Date

Send completed form to:

Campaign Finance & Public Disclosure Board
190 Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

If you have questions:

Call 651-539-1190, 800-657-3889, or for TTY/TDD communication contact us through the Minnesota Relay Service at 800-627-3529. Board staff may also be reached by email at cf.board@state.mn.us.

This document is available in alternative formats to individuals with disabilities by calling 651-539-1180, 800-657-3889, or through the Minnesota Relay Service at 800-627-3529.

Give the statutory cite to the section of Chapter 10A, Chapter 211B, or Minnesota Rules you believe has been violated: _____

You will find the complete text of Chapter 10A, Chapter 211B, and Minnesota Rules chapters 4501 - 4525 on the Board's website at www.cfboard.state.mn.us.

Nature of complaint

Explain in detail why you believe the respondent has violated the campaign finance and public disclosure laws. Attach an extra sheet of paper if necessary. Attach any documents, materials, minutes, resolutions, or other evidence to support your allegations.

1. A mail piece marked as independent expenditure went out to encourage people to vote against Denny Walsh. Even though the piece is marked as independent expenditure it does not state who its furnished by, the name or the address of the organization.
2. A website is set up www.citizenfororono.com. Again no where does it say who furnished this website, not does it say who paid for it. There is a disclaimer stating that the website is an independent expenditure.
3. CFB does not have a citizenfororono group registered.
4. The mailing says that in 2014, Walsh was convicted with disorderly contact for harassing the neighbor. There is no citation and Walsh has never been convicted of Disorderly Contact.
5. Digital advertising promoting the website is also running with no disclaimer
6. Facebook page <https://www.facebook.com/Citizen-for-Orono-874733249328424/?fref=ts>

Minnesota Statutes section 10A.022, subdivision 3, describes the procedures required for investigating complaints. A full description of the complaint process is available on the Board's website.

Briefly, the Board will notify you when it has received your complaint. The Board must send a copy of the complaint to the respondent. Complaints and investigations are confidential. Board members and staff cannot talk about an investigation except as required to carry out the investigation or to take action in the matter. After the Board issues a decision, the record of the investigation is public.

The law requires a complaint to go through two stages before the Board can begin an investigation: a prima facie determination and a probable cause decision. If the complaint does not pass one of the stages, it must be dismissed.

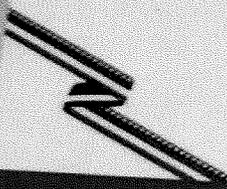
The Board has 10 business days after receiving your complaint to determine whether the complaint is sufficient to allege a prima facie violation of the campaign finance laws. If the Board determines that the complaint does allege a prima facie violation, the Board has 45 days to decide whether probable cause exists to believe a violation that warrants a formal investigation has occurred. Both you and the respondent have the right to be heard on the issue of probable cause before the Board makes this decision. The Board will notify you if the complaint moves to the probable cause stage.

If the Board determines that probable cause does not exist, the Board will dismiss the complaint. If the Board determines that probable cause exists, the Board will start an investigation. The Board will send you monthly updates regarding the status of the investigation. At the end of the investigation, the Board will offer you and the respondent the opportunity to be heard before the Board makes a final decision.

In most cases, the Board will issue findings, conclusions, and an order as its decision. For a spending or contribution limits violation, the Board can enter into a conciliation agreement with the respondent instead of issuing findings, conclusions, and an order. The Board's final decision will be sent to you and posted on the Board's website.

*****55323
Aaron Printup
PO Box 104
Crystal Bay MN 55323-0104

7/2/16



GET THE FACTS

WWW.CITIZENFORORONO.COM

Candidate Dennis Walsh says he's running for Mayor of Orono....
because he's capable of Illuminating Local Government.

CAN THAT BE TRUE?

Walsh, did get local police to illuminate their squad cars red lights on in 2001
when Walsh was charged with a DUI - driving under the influence of alcohol.

Dennis Walsh can apparently illuminate funding for our local government too
He has spent thousands of dollars in litigation battling
his own legal disputes at tax payers' expense

CHECK OUT WALSH'S RECORD FOR YOURSELF

www.CitizenForOrono.com

This is not an official campaign expenditure and is not approved by any candidate nor is any candidate responsible for it.

4111

CITIZENFORORONO.COM

Candidate Dennis Walsh says he is running for Mayor of Orono... because of his business experience and record?

WHAT RECORDS IS WALSH TALKING ABOUT ??

- The Public Records of Walsh's multiple run-ins with local law enforcement?
- In 2014 Walsh was convicted with disorderly conduct after harassing a neighbor.
- And in 2001 - Walsh was charged with Felony DUI - driving under the influence of alcohol while resisting arrest, he verbally assaulted & violently attacked our own police officers.

Is that the kind of civic leadership and track record of bad behavior you want to put Orono's comprehensive plan in the hands of?

Check out Walsh's record for yourself

Go to www.CitizenForOrono.com

Disclaimer: This communication is an independent expenditure and is not approved by any candidate nor is any candidate responsible for it.



HOME

WHY NOT WALSH

NEWS

CITIZEN FOR ORONO

On November 8th, citizens of Orono will be deciding on the Mayoral race - a critical decision for the future of our community

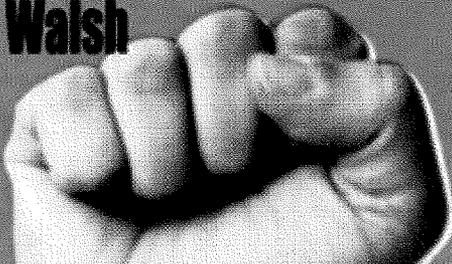
This site was created to provide the POWERFUL facts about the candidates and to empower the voters with the correct information

Disclaimer: This communication is an independent expenditure and is not approved by any candidate nor is any candidate responsible

COUNTDOWN TO ELECTION **DAYS** **11**

Leaders are supposed to inspire you
but **NOT Dennis Walsh**

he'd rather insult you
than motivate you



Walsh repeatedly demeans and berates his colleagues... and **Belittles any Issues Raised he Doesn't Like**

He once stated during a council meeting "feel like I'm talking to my kids because nobody is listening"
Now that we've seen Walsh flailing to do our business - we now know why his kids stop listening too

www.citizenforornono.com

Contracting Walsh is
**costing Orono taxpayers
a pile of money**

Thousands of dollars to hire special prosecutors to
defend him in his legal disputes with neighbors - and
thousands more on unnecessary personal printing
costs because he voted against going paperless

STOP THE SPENDING MADNESS!

www.citizenforornono.com

STATE OF MINNESOTA
CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

PRIMA FACIE
DETERMINATION

IN THE MATTER OF THE COMPLAINT OF DENNY WALSH REGARDING CITIZENFORORONO.COM:

On October 5, 2016, the Campaign Finance and Public Disclosure Board received a complaint submitted by Denny Walsh regarding citizenfororono.com and its responsible entity.

The complaint appears to allege the following violations:

1. Various pieces of campaign material do not identify who is responsible for the material by including the required disclaimer, in violation of Minnesota Statutes section 211B.04.
2. No entity relating to "citizenfororono" has registered with the Board, in violation of Minnesota Statutes section 10A.14.
3. A mailing sent out by the entity contains certain false allegations, in violation of Minnesota Statutes section 211B.06.

Determination:

Section 10A.14 of the Minnesota Statutes requires a group to register with the Board if it spends over \$750 in a calendar year for the purpose of influencing the nomination or election of a state-level candidate. The candidate in question in the subject literature is a local-level candidate. No allegation is made in the complaint that the entity has conducted spending beyond the subject literature that would subject it to the Board's regulation. For that reason, the complaint does not support a finding of a prima facie violation regarding the failure of "citizenfororono" to register with the Board.

Similarly, pursuant to Minnesota Statutes section 10A.022, subdivision 3, the Board has jurisdiction over alleged violations of section 211B.04 of the Minnesota Statutes by state-level committees. Because no allegation is made in the complaint indicating that the entity was required to register with the Board, and because the piece relates to a local race, the alleged violation is not under the Board's jurisdiction. Therefore, the complaint does not support a finding of a prima facie violation regarding the disclaimer requirement.

Section 211B.06 of the Minnesota Statutes, regarding false political and campaign material, is not under the Board's jurisdiction. The Office of Administrative Hearings is charged with administering this provision of the statutes. Therefore, the complaint does not support a finding of a prima facie violation regarding false statements.

Pursuant to Minnesota Statutes section 10A.022, subdivision 3, paragraph (1), this prima facie determination is made by a single Board member and not by any vote of the entire Board. Based on the above analysis, the Chair concludes that the complaint does not state a prima facie violation of Chapter 10A or of those sections of Chapter 211B under the Board's jurisdiction. The complaint is dismissed without prejudice.



Date: 10/7/16

Daniel N. Rosen, Chair
Campaign Finance and Public Disclosure Board

Thursday October 5, 2016

Minnesota Campaign Finance Board
Suite 190
658 Cedar Street
St. Paul, MN 55155-1603

16 OCT 11 PM 1:45
CAMPAIGN FINANCE &
PUBLIC DISCLOSURE BOARD

Gentlemen: I am a voter in Wheeling Township, Rice County, Minnesota.
My contact information is: Douglas C. Jones, PO Box 26, Nerstrand, MN 55053
Tel. 507 663-6191.

Your web site says that private citizens may bring a claim. Like having a day in court, I thank you for this opportunity as a citizen to present you a case against State Senator Kevin Dahl and Rep. David Bly, both of Northfield in Rice County.

I believe the relevant statute is MN Statute 10A, Chapter 211B.12, about use of money.

In June of 2016 Suite 10, half the second floor of 205 Water Street South, Northfield, MN 55057 was rented by some entity for \$2,500 per month. The landlord is Mr. Brett Reese of Northfield (507 663-6731). The initial occupant was the campaign of Angie Craig, CD@ candidate for Congress. In July, the campaign of Kevin Dahl physically moved in. As has happened in politics in many places and times, there is the day time operation, and then in the evening a different campaign comes in to utilize the phone bank.

We look forward to a hearing where we can show pictures of the complete paraphernalia of the campaigns of Angie Craig, Kevin Dahle, and David Bly. We will have testimony of a witness to the presence and participation of David Bly and Kevin Dahle at campaign functions in these offices. Bly and Dahle have no other campaign offices listed anywhere except their homes. A sign has been posted in public places many times to my knowledge directing campaign workers to "Angie's campaign" with an arrow pointing upstairs. There is a history in Northfield from the time of Wellstone to Franken and now Craig for the top DFL candidate on the local ticket to rent large quarters, with \$12,500 paid so far in rent, and then allow local House and Senate candidates to share the facilities.

None of these candidates's public expense accounts have disclosed any of this rental expense, as a shared expense or in-kind expense or receipt.

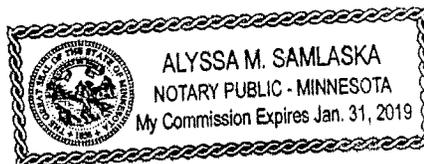
Respectfully submitted by Douglas C. Jones



Cc: Elliot Dallavalle, Treasurer, Bly for House, 211 N. Lincoln St, Nfld, MN 55057
Beth Dahle, Treasurer, Dahle for Senate SD20, 2311 Greenfield Drive E, Nfld 55057

*Subscribed to and sworn
before me this 6th day
of October, 2016.*

Alyssa Samlaska



STATE OF MINNESOTA
CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

PRIMA FACIE
DETERMINATION

IN THE MATTER OF THE COMPLAINT OF DOUGLAS JONES REGARDING KEVIN DAHLE FOR SENATE AND THE DAVID BLY COMMITTEE 20B

On October 11, 2016, the Campaign Finance and Public Disclosure Board received a complaint submitted by Douglas Jones regarding Kevin Dahle for Senate and the David Bly Committee 20B. Kevin Dahle for Senate is the principal campaign committee of Kevin Dahle for the seat in the Senate for district 20. The David Bly Committee 20B is the principal campaign committee of David Bly for the seat in the House of Representatives for district 20B.

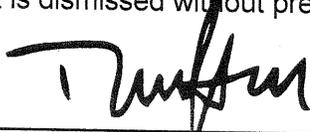
The complaint alleges that the Dahle and Bly Committees occupied space rented by a federal campaign and failed to report a corresponding expenditure or contribution relating to that space on campaign finance reports filed with the Board. Failure to report in-kind contributions or expenditures would be a violation of Minnesota Statutes, section 10A.20.

Determination:

The Complaint alleges, "In July [without alleging a more specific date], the campaign of Kevin Dahl physically moved in to the space." Reports for a significant portion of July are not yet due. Accordingly, the Complaint does not state a prima facie violation of Minnesota Statutes, section 10A.20 against Kevin Dahle for Senate.

The Complaint does not allege that the David Bly Committee has moved into the space. The only allegation connecting the space to the David Bly Committee is the statement that the complainant will present evidence of "the presence and participation of David Bly ... at campaign functions in these offices." The mere presence or participation of a candidate at an event, if proven, would not be sufficient to establish that the space in question was either rented by the committee or provided to the committee as a contribution. Accordingly, the Complaint does not state a prima facie violation of Minnesota Statutes, section 10A.20 against the David Bly Committee.

Pursuant to Minnesota Statutes section 10A.022, subdivision 3, paragraph (1), this prima facie determination is made by a single Board member and not by any vote of the entire Board. Based on the above analysis, the Chair concludes that the complaint does not state a prima facie violation of Chapter 10A or of those sections of Chapter 211B under the Board's jurisdiction. The complaint is dismissed without prejudice.



Daniel N. Rosen, Chair
Campaign Finance and Public Disclosure Board

Date: 10/14/16

October 13, 2016

Mr. Jeff Sigurdson
Executive Director
jeff.sigurdson@state.mn.us
Campaign Finance & Public Disclosure Board
190 Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

RE: Complaint against the Republican Party of Minnesota and HRCC for
Violations of Minnesota Statutes, Section 211B.04

Dear Jeff:

I submit this complaint on behalf of Ken Martin, Chair of the Minnesota DFL Party, to request that the Minnesota Campaign Finance and Public Disclosure Board investigate violations of Minn. Stat. § 211B.04 by the Republican Party of Minnesota (“RPM”) and the HRCC.¹ In September and October 2016, HRCC distributed campaign materials which falsely state that the campaign materials were “prepared and paid for by the Republican Party of Minnesota and HRCC.” They were not. RPM Chair, Keith Downey, specifically denied that RPM distributed one of the campaign materials in question and the campaign finance reports filed by RPM and HRCC indicate that the remaining campaign materials – all of which are independent expenditures – were paid for exclusively by HRCC. The disclaimer on the campaign materials is false and misleading and violates Minn. Stat. § 211B.04(b).

FACTUAL SUMMARY

On or about October 3, 2016, HRCC distributed campaign material which carried a disclaimer stating that it was “prepared and paid for by the Republican Party of Minnesota and HRCC.”² See Exhibit 1. After the irony of RPM sending a mailing highlighting the fact that a

¹ The Campaign Finance and Public Disclosure Board has jurisdiction to investigate violations of Minn. Stat. § 211B.04 by political party units. See Minn. Stat. § 10A.022, subd. 3.

² The disclaimer includes an address of 525 Park Street, Suite 250, St. Paul, MN. According to their most-recent registration information with the Campaign Finance and Public Disclosure Board and their own websites, neither RPM nor HRCC have their offices at 525 Park Street, Suite 250, St. Paul, MN.

candidate had not paid income taxes was raised on Twitter, RPM Chair Keith Downey specifically denied that RPM had distributed the campaign material. *See* Exhibit 2.

The campaign material distributed on or about October 3, 2016 is consistent with a pattern of campaign materials carrying a disclaimer stating that they were prepared and paid for by the Republican Party of Minnesota and HRCC notwithstanding that RPM appeared to have no involvement in the mailings whatsoever. At least, five other mailings were sent in September 2016 which carried the same disclaimer. *See* Exhibit 3. The HRCC 2016 September Pre-General Report of Receipts and Expenditures identified each of the mailings as independent expenditures paid for by HRCC, Exhibit 4, whereas the RPM 2016 September Pre-General Report of Receipts and Expenditures did not reflect any payments for independent expenditures, Exhibit 5.³

Moreover, the campaign finance reports demonstrate that RPM did not even pay for the postage for the mailings even though the campaign materials carry its nonprofit postal indicia. *See* Exhibit 5 (showing the only postage expense for RPM was a \$300 payment to USPS on April 12, 2016). This practice violates U.S. Postal Service regulations which restrict the use of the nonprofit standard rate to qualified political committees which include the organization responsible for the day-to-day operations of a political party at the state level, like RPM, but not subordinate committees, like HRCC. In fact, the regulations specifically prohibit the use of a qualifying organization's postal license to send mail on behalf of a non-qualifying entity, such as HRCC.⁴

In addition, at least one other mailing was sent after the reporting period for the 2016 September Pre-General Report of Receipts and Expenditures carrying the same disclaimer. *See* Exhibit 6. Upon information and belief, and consistent with the other campaign materials, RPM did not pay any portion of the costs for this later mailing or any other independent expenditures by HRCC.

ARGUMENT

Minn. Stat. § 211B.04 requires that campaign materials must include a disclaimer in the form: "Prepared and paid for by the committee,(address)." The purpose of the disclaimer is to "identify who or what committee prepared, disseminated and paid for the campaign material." *Hanson v. Stone*, OAH Docket No. 4-6326-16911, Findings of Fact, Conclusions of Law, and Order (Oct. 28, 2005) at 4.

³ Respondents cannot attempt to avoid liability for distributing campaign material with a false disclaimer by asserting that RPM in fact paid for the campaign material as this would mean that the reports filed with the Campaign Finance and Public Disclosure Board are false; resulting in a different violation of Minnesota campaign finance law.

⁴ USPS Direct Mail Manual, § 703.1, at: <http://pe.usps.com/text/dmm300/703.htm#ep1114977>.

Mr. Jeff Sigurdson
October 13, 2016
Page 3

The disclaimers stating that the campaign materials which are the subject of this complaint were “prepared and paid for by the Republican Party of Minnesota and HRCC” are unquestionably false. RPM Chair Keith Downey specifically stated that RPM did not send the ironic October 3, 2016 tax mailing and the RPM 2016 September Pre-General Report of Receipts and Expenditures confirms that RPM did not pay for any portion of the earlier campaign materials. The disclaimer is false, misleading, and violates Minn. Stat. § 211B.04(b).

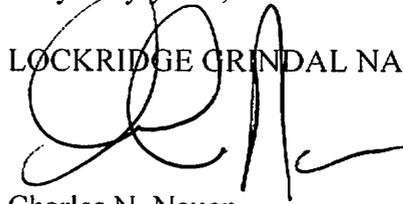
CONCLUSION

In light of the foregoing, Ken Martin, Chair of the Minnesota DFL Party, respectfully requests that the Campaign Finance and Public Disclosure Board investigate the violations of Minn. Stat. § 211B.04(b) by the Republican Party of Minnesota and HRCC and assess appropriate penalties.

Thank you.

Very truly yours,

LOCKRIDGE GRINDAL NAUEN P.L.L.P.

A handwritten signature in black ink, appearing to read 'CN Nauen', written over the typed name.

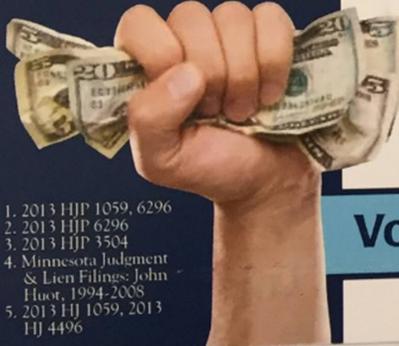
Charles N. Nauen

Enclosures

c: Ken Martin
David J. Zoll



John Huot wants to raise your taxes even though he repeatedly failed to pay his own.



1. 2013 HJP 1059, 6296
2. 2013 HJP 6296
3. 2013 HJP 3504
4. Minnesota Judgment & Lien Filings: John Huot, 1994-2008
5. 2013 HJ 1059, 2013 HJ 4496

Politician John Huot didn't pay his taxes but that doesn't stop him from wanting to raise yours.

John Huot is just another politician who doesn't think the rules apply to him.

Huot's campaign is supported by the ultra liberal party bosses because he supports their failed agenda. That means higher taxes for us so they can waste more of our money.

Support higher taxes

John Huot is backed by the career politicians who raised taxes on families and small businesses by over \$2 billion.¹ They are bankrolling his campaign because Hout will give them a blank check to waste more of our hard-earned tax dollars.

Wasting taxpayers' money

John Huot wants to go back to one-party rule when liberal career politicians had a blank check to waste our money on things like:

- \$90 million on luxury offices for politicians²
- \$300,000 on a remote lakeside outhouse³
- Big Bonuses for failed MNsure executives⁵

But doesn't pay his own taxes

Even though he wants to decide how much you pay in taxes, John Huot didn't pay his own.⁴

Official records show he failed to pay his taxes on time — causing the rest of us to pay even more to cover his delinquency.

Vote NO on John Huot. He doesn't pay his own taxes but will raise ours.

Independent expenditure prepared and paid for by the Republican Party of Minnesota and the HRCC. Not on behalf of any candidate or candidate's committee. 525 Park St, Ste 250, St. Paul, MN 55103.

EXHIBIT 2

AT&T Wi-Fi 9:14 PM 31%

Glen Stubbe @gspphoto · 1d
Unintentionally funny hit piece in yesterday's mail from @mngop on DFLer @huotforhouse shows timing is everything in politics!



119 likes, 91 retweets

Keith Downey @KeithSDowney · 2h
@gspphoto Not a @mngop mailer. You cropped off the legal disclaimer. Please repost full mailer so we know who sent it. Thanks!

Glen Stubbe @gspphoto · 46m
@KeithSDowney @mngop Keith

Reply to Keith Downey, Glen Stubbe

Home Notifications Moments Messages Me

AT&T Wi-Fi 9:14 PM 31%

Glen Stubbe @gspphoto · 46m
@KeithSDowney @mngop Keith @mbrodkorb tweeted the reverse side earlier today.

Keith Downey @KeithSDowney

@gspphoto You first attributed the mailer to MNGOP. Please post an uncropped photo w/disclaimer. Thanks.

10/3/16, 8:46 PM

Home Notifications Moments Messages Me

David Montgomery @dhmontgom... · 26m
@KeithSDowney @gspphoto It says "Paid for the by the Republican Party of Minnesota and the HRCC"...

Home Notifications Moments Messages Me

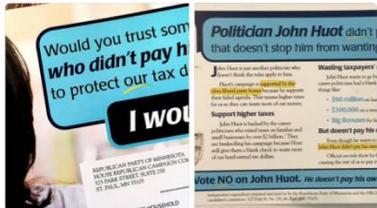
AT&T Wi-Fi 9:14 PM 31%

Jeremy Nelson @jeremynelson77 · 14m
@KeithSDowney @gspphoto



Home Notifications Moments Messages Me

Love @Love_GOP · 11m
@dhmontgomery @jpkolb @KeithSDowney @gspphoto



Reply to Keith Downey, Glen Stubbe

Home Notifications Moments Messages Me

EXHIBIT 3

REPUBLICAN PARTY OF MINNESOTA
HOUSE REPUBLICAN CAMPAIGN COMMITTEE
525 PARK STREET, SUITE 250
ST. PAUL, MN 55103

CONFIRMED
1200 1 84 900

2014 ELECTION NEWS

**Voters reject wasteful spending
and special perks for politicians.**

**TAX-AND-SPEND POLITICIAN LISA BAYLEY
MISSED THE NEWS.**

**Why is tax-and-spender Lisa Bayley
running on failed policies we rejected?**

**Lisa Bayley supports the tax-and-spend
policies we rejected in 2014**

Lisa Bayley wants to go back to complete one party control of government in Minnesota, giving ultra-liberal politicians a blank check and no balance for hardworking taxpayers. Bayley is running on the same failed policies we rejected two years ago.

A history of raising taxes and fees

Lisa Bayley is a typical tax-and-spend politician who raises taxes first and never cuts wasteful spending.

When faced with a budget gap while on the Red Wing City Council, Lisa Bayley refused to cut wasteful spending. Instead, she voted in favor of higher gas and electric fees that cost Red Wing families \$200,000!

Wasteful perks for politicians

Lisa Bayley is backed by ultraliberal politicians that raised taxes on families, farmers and small businesses by over \$2 billion¹ and used our money to build \$90 million luxury offices for politicians² and \$300,000 remote lakeside outhouses.³ They even gave themselves a free pass to lavish parties hosted by lobbyists and special interests.⁴

2014 ELECTION NEWS

**Lisa Bayley doesn't know
taxpayers are tired of paying for
politicians' wasteful spending.**

1. Post Bulletin, 12/14/10
2. 2013 HJP 1059, 6296
3. 2013 HJP 6296
4. 2013 HJP 3504
5. 2013 HJ Page 6431

Independent expenditure prepared and paid for by the Republican Party of Minnesota and the HRCC. Not on behalf of any candidate or candidate's committee. 525 Park St, Ste 250, St. Paul, MN 55103.

Vote NO on Lisa Bayley
We can't afford her failed policies again



Liberal **Patti Fritz** made things worse for Minnesota families.

Patti Fritz voted to bring ObamaCare to Minnesota and to raise taxes on our families.

- 1. 2013 HJ 1059, 2013 HJ 4734
- 2. 2014 MNSure Rates: <https://www.mnsure.org/mnsure/2014/09/26/Coverage-PlanRates-2014.pdf>
- 3. 2016 MNSure Rates: <https://www.mnsure.org/mnsure/2016/MNSure-healthcare-coverage-plan-rates.pdf>
- 4. 2008 HJP 688, 2008 HJP 789
- 5. 2013 HJP 626
- 6. 2013 HJP 354

Skyrocketing healthcare costs

Patti Fritz brought ObamaCare to Minnesota and voted to tax your health insurance to pay for the failed \$400 million MNSure website.¹ Even though Fritz promised \$500 in savings for every family, we are now paying \$4,500 more for an average health insurance plan.²

Higher taxes

Tax-and-spend politician Patti Fritz voted twice to raise the gas tax.³ Her vote drove up the cost for everything from food to driving to a job interview and left less hard-earned money in our pockets.

More waste

Patti Fritz voted for \$90 million luxury offices for politicians in St. Paul⁴ and wasted \$300,000 of our money on a taxpayer-funded outhouse⁵ instead of focusing on economic development and jobs in our communities.

Vote NO on Patti Fritz
We can't afford her as our State Representative

Independent expenditure prepared and paid for by the Republican Party of Minnesota and the HRCC. Not on behalf of any candidate or candidate's committee. 525 Park St, Ste 250, St. Paul, MN 55103

REPUBLICAN PARTY OF MINNESOTA
HOUSE REPUBLICAN CAMPAIGN COMMITTEE
525 PARK STREET, SUITE 250
ST. PAUL, MN 55103

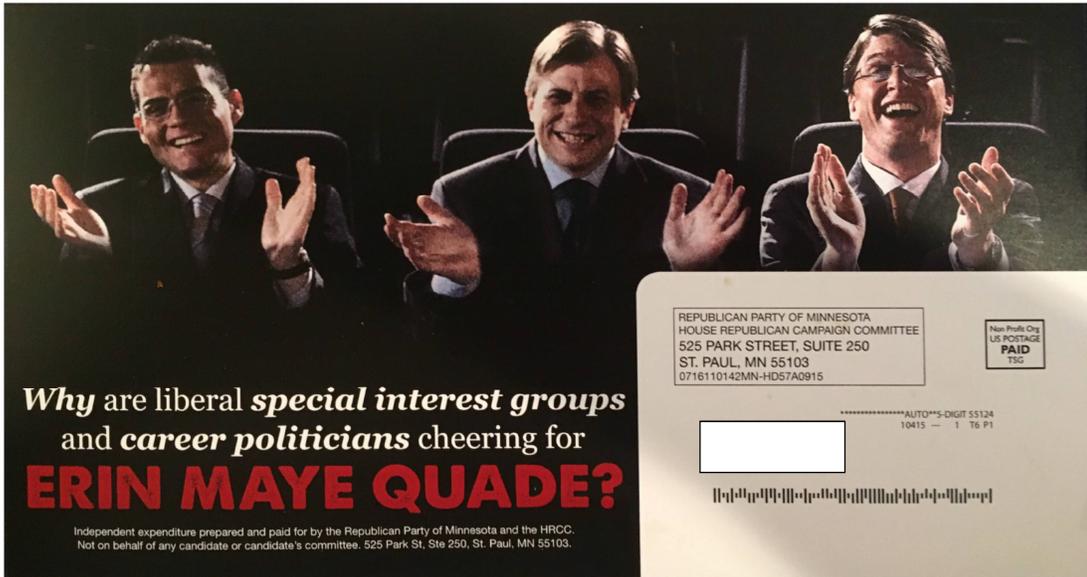
4475 — 1 P-1 P47

2012
Toll-Free, MN
Permit No. 01-89



Why is failed politician **Patti Fritz** back?





Why are liberal special interest groups and career politicians cheering for ERIN MAYE QUADE?

Independent expenditure prepared and paid for by the Republican Party of Minnesota and the HRCC. Not on behalf of any candidate or candidate's committee. 525 Park St, Ste 250, St. Paul, MN 55103.

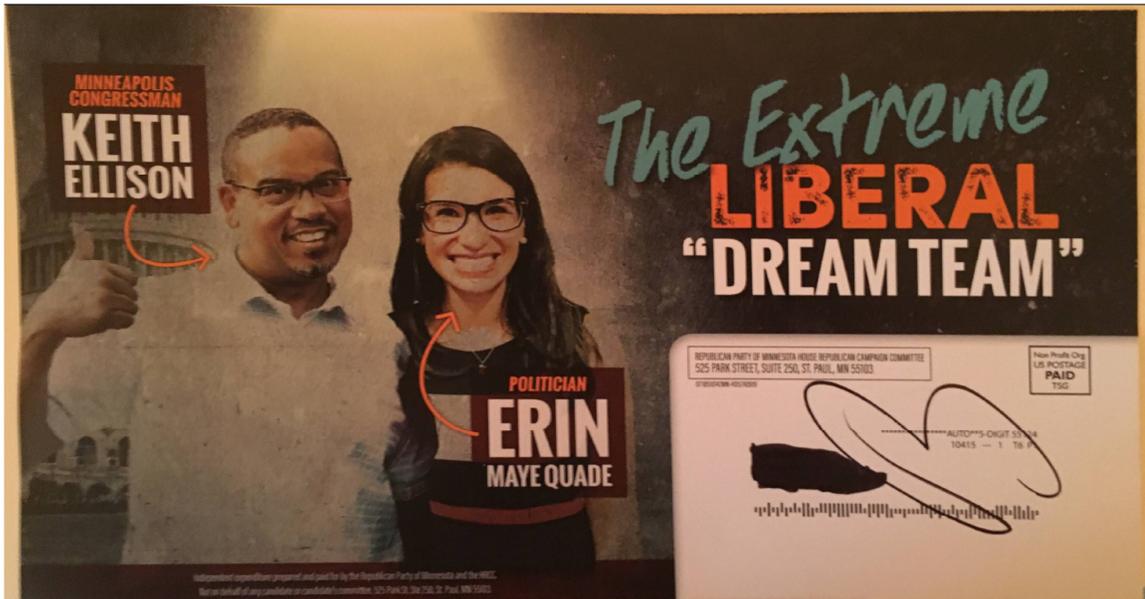
REPUBLICAN PARTY OF MINNESOTA
HOUSE REPUBLICAN CAMPAIGN COMMITTEE
525 PARK STREET, SUITE 250
ST. PAUL, MN 55103
0716110142MN-HD57A0915

Non Profit Org
US POSTAGE
PAID
TSG

*****AUTO**S-DIGIT 55124
10415 — 1 T6 P1

██████████

|||||



MINNEAPOLIS CONGRESSMAN KEITH ELLISON

POLITICIAN ERIN MAYE QUADE

The Extreme LIBERAL "DREAM TEAM"

REPUBLICAN PARTY OF MINNESOTA HOUSE REPUBLICAN CAMPAIGN COMMITTEE
525 PARK STREET, SUITE 250, ST. PAUL, MN 55103
0716110142MN-HD57A0915

Non Profit Org
US POSTAGE
PAID
TSG

*****AUTO**S-DIGIT 55124
10415 — 1 T6 P1

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|||||

Independent expenditure prepared and paid for by the Republican Party of Minnesota and the HRCC. Not on behalf of any candidate or candidate's committee. 525 Park St, Ste 250, St. Paul, MN 55103.



Failed politician **ZACH DORHOLT** wants to raise our taxes again.

Zach Dorholt lost in 2014 because of his wasteful tax-and-spend agenda. Dorholt is so out-of-touch, he thinks he can go back and waste more of our hard-earned money.

\$\$\$ **Voted for himself instead of Minnesota families**

Zach Dorholt supported new taxes on clothes, haircuts, iTunes downloads, car repairs and even babysitting.¹ He even voted to use our tax dollars to build \$90 million luxury offices for career politicians and created a special loophole that gave him a free pass to lavish parties hosted by lobbyists and special interests.¹

\$\$\$ **Voted for higher taxes on health insurance**

In order to pay for big bonuses for the executives at MNsure — the failed ObamaCare website — Zach Dorholt voted for higher taxes on healthcare insurance. Thanks to Dorholt, hardworking families in our area are forced to pay \$4,800 more for an average health insurance plan.⁴

\$\$\$ **Voted for more wasteful spending**

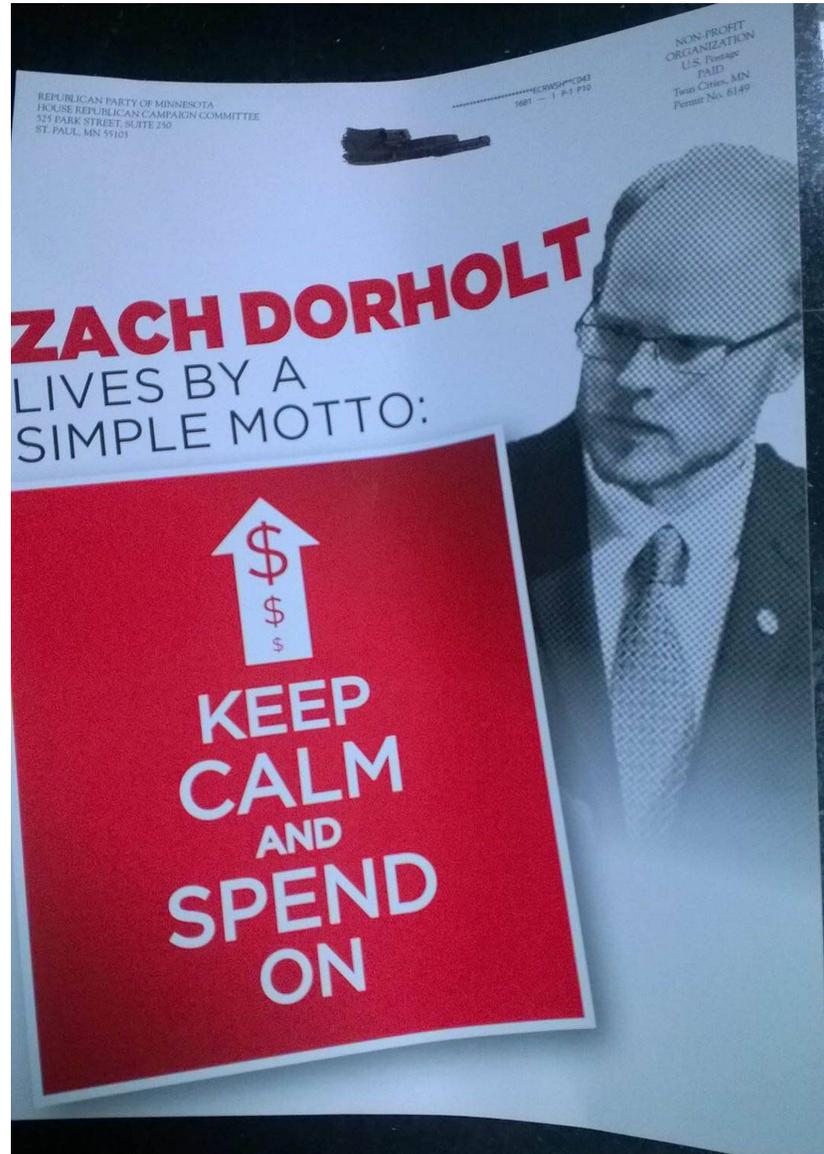
Politician Zach Dorholt wants to go back to one-party control, when Minnesota had the worst private sector job growth in the entire Midwest.⁵

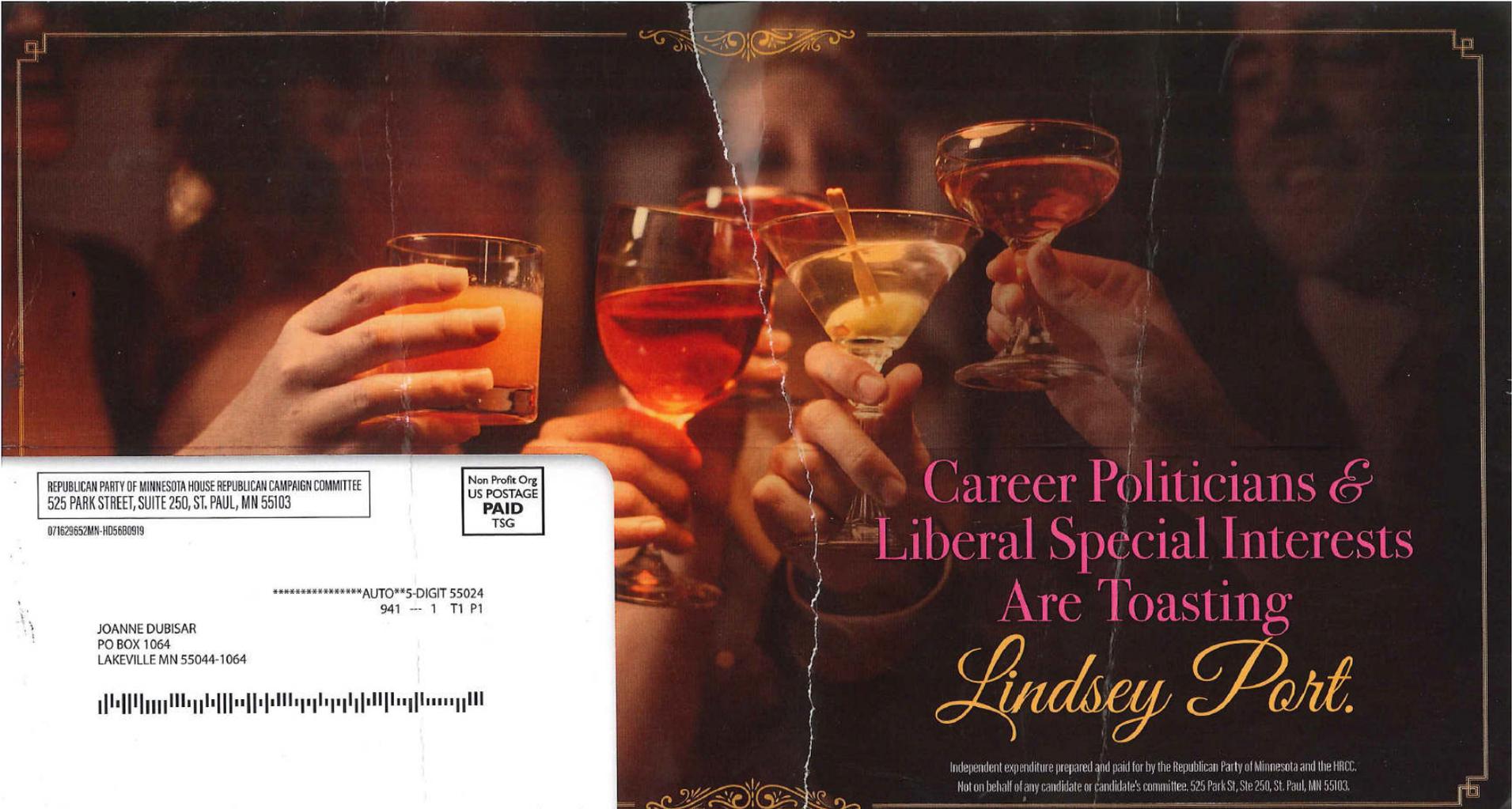
He wants us to keep calm while he raises our taxes again to pay for his wasteful spending. The last time he was in office, Dorholt wasted our money on a remote \$300,000 lakeside outhouse and millions on a ski chalet and sculpture garden.⁶

KEEP CALM
AND
VOTE NO ON
ZACH DORHOLT

1. 2013 HJP 388
2. 2013 HJP 6296
3. 2013 HJP 6401
4. 2013 HJ 1655, 2013 HJ 4734, 2014 MNsure Rates: <https://www.mnsure.org/images/2013-09-09-Coverage-Rates-2014.pdf>, 2016 MNsure Rates: <https://www.mnsure.org/images/2016-MNsure-health-care-coverage-plan-rates.pdf>, 2013 HJP 4496
5. thehill.com/p/2014/02/2014
6. 2013 HJP 3504, 2014 HJP 11174

Independent expenditure prepared and paid for by the Republican Party of Minnesota and the HRC. Not on behalf of any candidate or candidate's committee. 525 Park St, Ste 250, St. Paul, MN 55103





REPUBLICAN PARTY OF MINNESOTA HOUSE REPUBLICAN CAMPAIGN COMMITTEE
525 PARK STREET, SUITE 250, ST. PAUL, MN 55103

071629652MN-HD5680919

Non Profit Org
US POSTAGE
PAID
TSG

*****AUTO**5-DIGIT 55024
941 -- 1 T1 P1

JOANNE DUBISAR
PO BOX 1064
LAKEVILLE MN 55044-1064



Career Politicians &
Liberal Special Interests
Are Toasting
Lindsey Port.

Independent expenditure prepared and paid for by the Republican Party of Minnesota and the HRCC.
Not on behalf of any candidate or candidate's committee. 525 Park St, Ste 250, St. Paul, MN 55103.

EXHIBIT 4

Excerpts of the HRCC's
2016 September Pre-General Report of Receipts and Expenditures.

Full Report available at:

<http://reports.cfb.mn.gov/rptViewer/viewRptsPTU.php#searchType=PTU&year=16®num=20010&letter=&name=HRCC>

EXHIBIT 5

Excerpts of the Republican Party of Minnesota's
2016 September Pre-General Report of Receipts and Expenditures.

Full Report available at:

<http://reports.cfb.mn.gov/rptViewer/viewRptsPTU.php#searchType=PTU&year=16®num=20008&letter=&name=Republican%20Party%20of%20Minn>

POLITICIAN DUANE SAUKE CAN'T GET ENOUGH OF YOUR TAX DOLLARS.

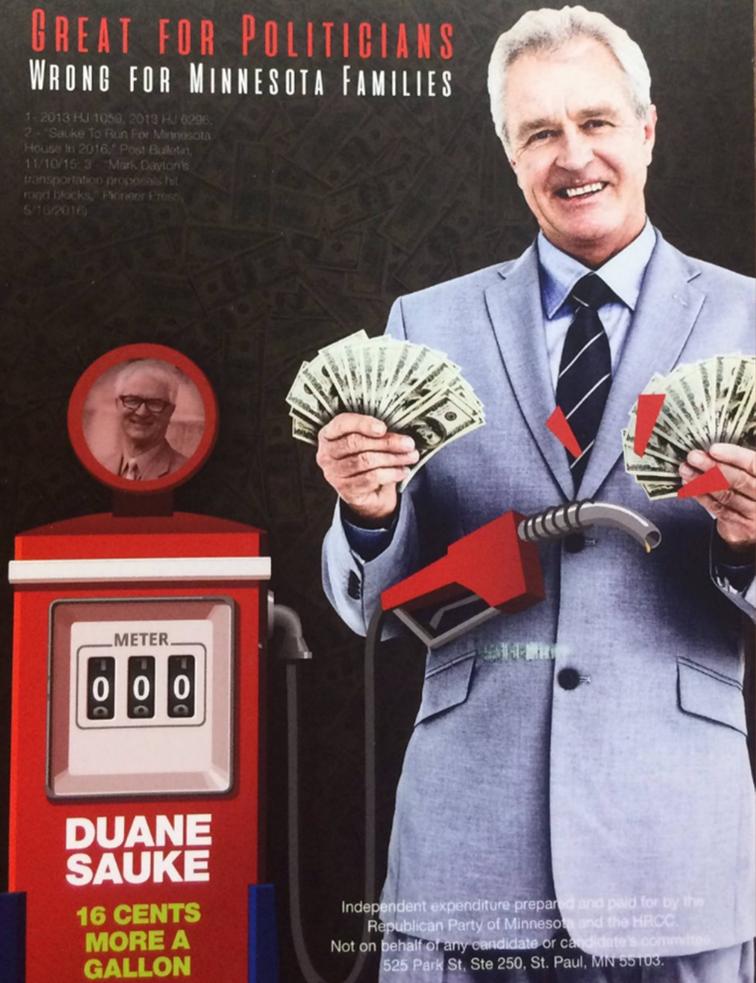
Thanks to Duane Sauke's liberal party bosses, families are already paying more in taxes – on everything from health insurance to iTunes downloads.¹ Now Duane Sauke thinks you should pay more to drive to work or the grocery store.^{2,3} Sauke backs raising the gas tax as much as 16 cents per gallon – every time you fill up.^{2,3}

Duane Sauke wants to go back to one-party rule, with a blank check for politicians and no balance for hardworking families.

Politician Duane Sauke's Tax Hikes

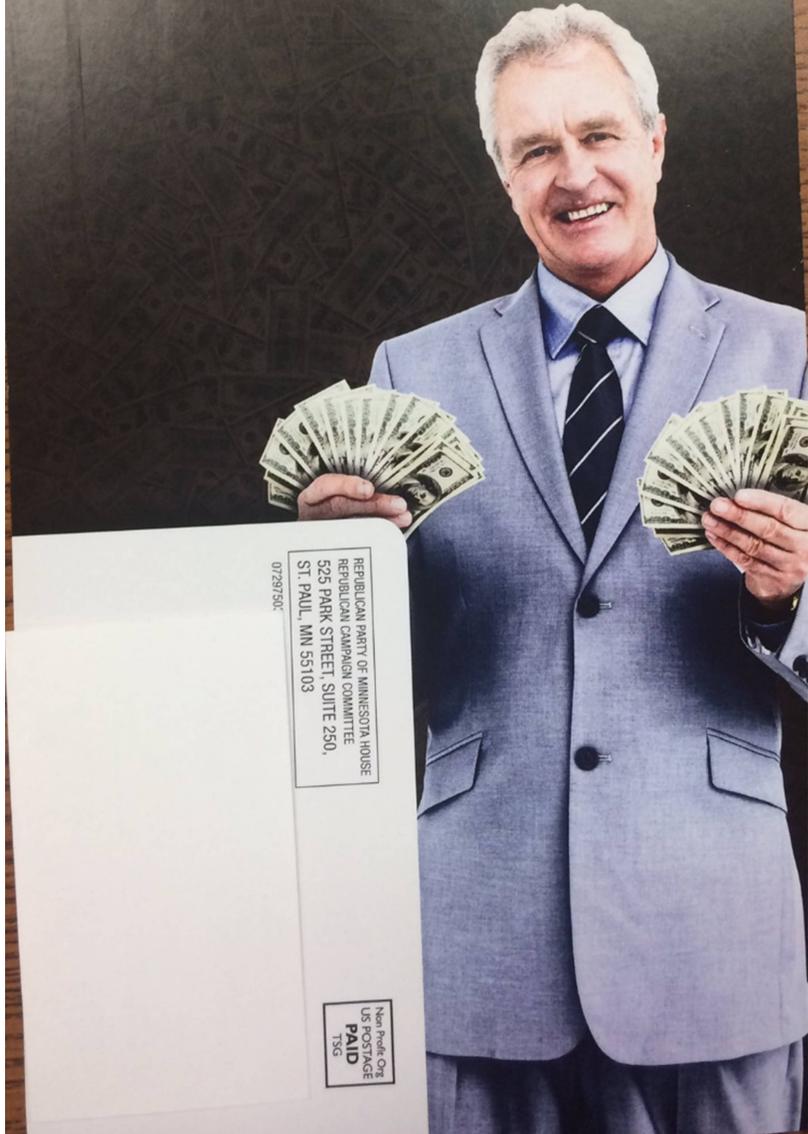
GREAT FOR POLITICIANS WRONG FOR MINNESOTA FAMILIES

1. 2013 HJ 1059, 2013 HJ 6296.
2. "Sauke To Run For Minnesota House In 2016," Post Bulletin, 11/10/15. 3. "Mark Dayton's transportation proposals hit road blocks," Pioneer Press, 6/10/2016.



Independent expenditure prepared and paid for by the Republican Party of Minnesota and the HRCC. Not on behalf of any candidate or candidate's committee. 525 Park St, Ste 250, St. Paul, MN 55103.

SOME POLITICIANS JUST CAN'T GET ENOUGH OF YOUR MONEY



STATE OF MINNESOTA
CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

PRIMA FACIE DETERMINATION

IN THE MATTER OF THE COMPLAINT OF KEN MARTIN REGARDING THE REPUBLICAN PARTY OF MINNESOTA (RPM) AND THE HOUSE REPUBLICAN CAMPAIGN COMMITTEE (HRCC)

On October 13, 2016, the Campaign Finance and Public Disclosure Board received a complaint submitted by Ken Martin, chair of the Minnesota DFL Party, regarding the Republican Party of Minnesota (RPM) and the House Republican Campaign Committee (HRCC). Both the RPM and the HRCC are party units registered with the Board.

The complaint concerns the disclaimers printed on six independent-expenditure pieces stating that the communications were "prepared and paid for by the [RPM] and the [HRCC]." Although the pieces show that they were mailed using the RPM's bulk postage permit, the complaint maintains that the RPM did not actually prepare or pay for these communications because (a) an RPM official published a "tweet" that read, in part, "not a @mngop mailer," and (b) RPM did not disclose any independent expenditures on its September report of receipts and expenditures. The complaint alleges that if the RPM did not prepare or pay for the independent expenditure pieces, the disclaimers attributing them to the RPM were false and violated Minnesota Statutes section 211B.04.

The complaint alternatively alleges that if the RPM did participate in the preparation or dissemination of the independent expenditures, the party unit violated the reporting requirements in Minnesota Statutes section 10A.20 by not disclosing those expenditures on its September report. The complaint does not make an allegation that any of the independent expenditure pieces were mailed during the reporting period applicable to the September reports. The RPM's September report discloses miscellaneous income from the HRCC for the use of the RPM's bulk mail permit. The RPM's September report does not include a September expenditure for postage.

Determination:

1. Minnesota Statutes section 211B.04 requires that a disclaimer identify each committee that "participates in the preparation or dissemination of campaign material." The complaint provides exhibits that show the RPM's postal permit was used in the dissemination of the material described in the complaint. A political party's use of its postal permit in the dissemination of campaign material may constitute participation in the dissemination of that material and the identification in the disclaimer of the party providing the postal permit is not a violation of Minnesota Statutes section 211B.04. Accordingly, to the extent that the complaint alleges that the inclusion of the RPM in the disclaimer was a violation of Minnesota Statutes section 211B.04, the complaint does not state a prima facie allegation of a violation.
2. Where, as here, a party participates in the dissemination of campaign material, Minnesota Statutes section 211B.04 provides the specific language to be used in the disclaimers required by that statute. The complaint included exhibits showing that the disclaimer language contained in the material was the specific language provided in section 211B.04. The complaint alleges that use of that language to describe the RPM's role was unlawful because, the complaint alleges, the RPM did not bear the cost of the dissemination, despite the use of its postal permit. Section

211B.04, however, does not provide for alternative language to be used where the role of one or more of the parties to be identified in the disclaimer was (a) less or different than the role described in the disclaimer, but (b) still a role for which the statute requires inclusion in the disclaimer (e.g., where a political party participated in the dissemination of the material, but did not pay for the dissemination). Accordingly, the use of the statutorily-provided language by a party obligated to publish a disclaimer is not a violation of the statute. (The statute provides an exception where the material is "produced and disseminated without cost." Here, however, the complaint does not allege that the material was produced or disseminated without cost. To the contrary, the complaint includes allegations of cost.) Accordingly, to the extent that the complaint alleges that the inclusion of the RPM in the disclaimer language provided for in Minnesota Statutes section 211B.04 was unlawful, the complaint fails to state a prima facie allegation of a violation.

3. The complaint alleges in the alternative that the RPM was obligated to list, in its report for the period ending September 20, 2016, postage expenses for the various mailings described in the complaint. The only specific date of mailing alleged in the complaint was October 3, a date after the relevant reporting period. Other mailings, the complaint alleges, occurred "in September," without more specificity. The RPM report for the period ending September 20, 2016, specifically disclosed that it received payment from HRCC for the use of its postage permit. Expenditures for postage for mailing that occurred on October 3 or any other date after September 20 would be required to be included in reports for which the due date has not yet passed. Accordingly, the complaint fails to state a prima facie allegation of a violation of Minn.Stat. Section 10A.20.

Based on the above analysis, the Chair concludes that the complaint does not state a prima facie violation of Chapter 10A or of those sections of Chapter 211B under the Board's jurisdiction. The complaint is dismissed without prejudice. Pursuant to Minnesota Statutes section 10A.022, subdivision 3, paragraph (1), this prima facie determination is made by a single Board member and not by any vote of the entire Board.



Daniel N. Rosen, Chair
Campaign Finance and Public Disclosure Board

Date: 10-27-16

Section 7 Legal Report

**CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD
November, 2016**

ACTIVE FILES

Candidate/Treasurer/ Lobbyist	Committee/Agency	Report Missing/ Violation	Late Fee/ Civil Penalty	Referred to AGO	Date S&C Served by Mail	Default Hearing Date	Date Judgment Entered	Case Status
Jeffrey Hoffman	Yellow Medicine River Water District	Unfiled Economic Interest Statement due January 25, 2016	\$100 LF \$1,000 CP	7/7/16				
Larry Stelmach	West Mississippi Watershed Mgmt Commission	Unfiled Economic Interest Statement due January 25, 2016	\$100 LF \$1,000 CP	7/7/16				
	West Mississippi Watershed Mgmt Commission	Late Filing of Economic Interest Statement due July 19, 2015	\$100 LF \$1,000 CP					
	Shingle Creek Watershed Mgmt Commission	Unfiled Economic Interest Statement due January 25, 2016	\$100 LF \$1,000 CP					
	Shingle Creek Watershed Mgmt Commission	Late Filing of Economic Interest Statement due July 19, 2015	\$100 LF \$1,000 CP					

Candidate/Treasurer/ Lobbyist	Committee/Agency	Report Missing/ Violation	Late Fee/ Civil Penalty	Referred to AGO	Date S&C Served by Mail	Default Hearing Date	Date Judgment Entered	Case Status
David Berglund	Cook Soil and Water Conservation District	Unfiled Economic Interest Statement due January 25, 2016 Untimely Filing of 2015 Economic Interest Statement Untimely Filing 2011 Economic Interest Statement	\$100 LF \$1,000 CP \$80 LF \$100 LF \$100 CP	7/7/16				
Jeffrey Johnson	Shingle Creek Watershed Mgmt Commission	Unfiled Economic Interest Statement due January 25, 2016	\$100 LF \$1,000 CP	7/7/16				

CLOSED FILES

Section 8
Other business
(No written materials)