

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

.....
March 6, 2012

Room 225

Minnesota Judicial Center

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MINUTES

The meeting was called to order by Chair McCullough.

Members present: Luger, McCullough, Peterson, Scanlon, Wiener

Member Beck informed the Executive Director prior to the meeting that he would not be able to attend.

Others present: Goldsmith, Sigurdson, Larson, White, Pope, staff; Hartshorn, counsel

MINUTES (February 14, 2012)

Member Scanlon's motion: To approve the February 14, 2012, minutes as drafted.

Vote on motion: Unanimously passed. (Peterson abstained)

CHAIR'S REPORT

Board meeting schedule

The next Board meeting is scheduled for Tuesday, April 3, 2012.

Mr. Goldsmith will poll members to confirm that the luncheon planned following the meeting will still be held.

New Member Introductions

Chair McCullough welcomed Neil Peterson to the meeting.

Mr. Peterson is a former Republican member of the House of Representatives and was appointed by Governor Dayton to replace Member Bettermann with a term ending in January of 2016.

EXECUTIVE DIRECTOR'S TOPICS

Executive Director Goldsmith reported on recent Board office operations.

Status of Board bill in the legislature

Mr. Goldsmith presented the Board with a memorandum and a copy of the Board's 2011 legislative recommendations, both of which are attached to and made a part of these minutes.

Mr. Goldsmith explained that the Board's legislative recommendations from 2011 were continued in the 2012 legislature. Among other things, the 2011 recommendations would have provided ballot question political committees and funds with an alternative to the existing underlying source disclosure requirements.

During the 2011 session, the Board bills were heard in two committees in each body of the legislature and no opposition was expressed. The bills were scheduled for floor votes which were unexpectedly cancelled at the last minute. After floor votes were cancelled, Mr. Goldsmith learned that interested associations had come forward and voiced objection to the ballot question disclosure provisions. It was not possible to move the bill forward in 2011.

Executive Director Goldsmith explained that during the interim, he had the bill re-drafted to remove the specific ballot question disclosure provisions in hopes that the remainder of the bill could move forward in 2012.

Mr. Sigurdson and Mr. Goldsmith have had meetings with legislators and representatives of interest groups and were prepared to continue those meetings into the first week of March. Senator Robling, the chief author in the Senate, was willing to bring the bill forward again.

Mr. Goldsmith reported that after the distribution of meeting materials to Board members, he heard from interest groups with whom he had been in contact. Even with the removal of the specific ballot question provisions, these groups will oppose the bills this session. Because of that, it would be unlikely that the bills would pass. As a result Mr. Goldsmith suggested discontinuing further efforts to advance the bills this year. It was the consensus of the members that further legislative efforts this year would not be productive.

Mr. Goldsmith advised the Board that staff would review the previous legislative recommendations and topics that may be appropriate for new recommendations and will begin work with the Board on its legislative agenda well before the start of the 2013 session.

ENFORCEMENT REPORT

The Board considered the monthly enforcement report, presented by Assistant Executive Director Sigurdson. The Board took the following actions related to matters on the Enforcement Report:

Consent Items

Confirmation of the administrative termination for the following lobbyist at the request of the lobbyist association:

Jennifer Thomas, senior political reports analyst, on behalf of Barclays Capital, Inc., wrote on February 13, 2012, that Omar Deghestani, registered as a lobbyist, is no longer employed by Barclays Capital as of August 1, 2011.

Matthew Schafer, the designated reporting lobbyist for the American Cancer Society MN Division, noted on his report filed January 13, 2012, that John Hustad, a lobbyist he reported for, passed away on July 13, 2011.

After discussion the following motion was made,

Member Wiener's motion: To approve the consent items.

Vote on motion: Unanimously passed.

Discussion Items

Waiver Requests

<u>Name of Candidate or Committee</u>	<u>Reason for Fine</u>	<u>Late Fee Amount</u>	<u>Civil Penalty Amount</u>	<u>Factors for waiver</u>	<u>Board Member's Motion</u>	<u>Motion</u>	<u>Vote on Motion</u>
Scott Wiggins	2011 Year-end Report	\$125 \$62.88 pd.	\$0	Mr. Wiggins forwarded the committee balance of \$62.88 toward the late fee. The committee has terminated.	Peterson	To reduce the late fee to \$62.88	Unanimous
Thomas Ellenbecker	2011 Year-end Report	\$300	\$0	Notified staff in August of 2011 that his bank account had been closed due to bank fees. The account was below \$100. The committee has terminated. Would forward balance of \$50.09 toward the late fee.	Wiener	To reduce the late fee to \$50.09	Unanimous
Pete Phillips	2011 Year-end Report	\$400	\$0	Committee has terminated with \$70.51 balance.	Scanlon	To reduce the late fee to \$70.51.	Unanimous (Luger absent)
Thomas Skare	2011 Year-end Report	\$100	\$0	Committee has terminated with \$0 balance	Wiener	To waive the late fee.	Unanimous (Luger absent)
UAW MN State CAP	2011 Year-end Report	\$275	\$0	The reporting form was mailed to the St Paul Ford Plant. The Board was not notified of change in treasurer. The deputy treasurer is located in IL and worked with new treasurer to file the report	Scanlon	To reduce the late fee to \$125.	Unanimous (Luger absent)
Pope County DFL, Tom Mahoney, Dept. Treasurer	2011 Year-end Report	\$200	\$0	The treasurer thought the chair was going to file the report using the software. The chair assumed the treasurer was going to file the paper report.	No Motion		

MAIDA, Shanti Shah, Chair	2011 Year-end Report	\$250	\$0	Ms. Shah states that the treasurer was not sure about the specifics on the report, and she was out of the country. Priya Outar became treasurer in Jan. 2011. Previous waiver granted because of confusion two reports due in July of 2010.	No Motion		
Gary Meyer	2011 Year-end Report	\$50 \$50 pd.	\$0	Request for reimbursement. The candidate registered late Dec 2011 and was mailed a report form and bulletins. He states he faxed the 2011 report on Jan 12 but did not provide a transmission confirmation. Staff did not find the record of the fax on the Board's transmission reports.	No Motion		

Informational Items

A. Payment of a late filing fee for 2011 Report of Receipts and Expenditures:

Michelle Benson for Senate, \$25
 Citizens for Lisa Murphy, \$100
 Scott Wiggins Campaign, \$62.88
 MPA, \$25

B. Payment of a late filing fee for January 17, 2012, Lobbyist Disbursement Report:

Ronald Brand, MN Assn. of Comm. Mental Health Programs, \$60
 John Diehl, Gillette Children's Hosp., IPS Corp, \$15
 Julian Loscalzo, Health Care for All MN, \$35

C. Payment of a civil penalty for exceeding special source aggregate limit:

Tim Mahoney for House, \$465- 6th installment

D. Payment of a civil penalty for filing a false report:

Terri Griffiths, \$400- final installment

E. Payment of a civil penalty for exceeding 2011 aggregate party limit:

People for Rick Hansen, \$100

F. Payment of a civil penalty for sessional contributions from lobbyists:

RT Rybak for Governor, \$750
 Roger Moe, \$250

G. Deposit to the General Fund, State Elections Campaign Fund:

David Bly Campaign, \$600 (forwarded contribution could not keep)
 Terri Bonoff for Senate, \$50
 Kevin Dahle for Senate, \$600 (forwarded contribution could not keep)
 38th Senate District DFL, \$50 anonymous

LEGAL COUNSEL'S REPORT

Board members reviewed a memo from Counsel Hartshorn outlining the status of cases that have been turned over to the Attorney General's office. The Legal Counsel's Report is made a part of these minutes by reference.

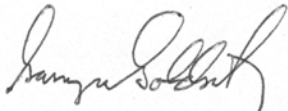
EXECUTIVE SESSION

The Chair recessed the regular session of the meeting and called to order the Executive Session. Upon completion of the Executive Session, the regular session of the meeting was called back to order. There were no items to be reported from the Executive Session.

OTHER BUSINESS

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gary Goldsmith", written in a cursive style.

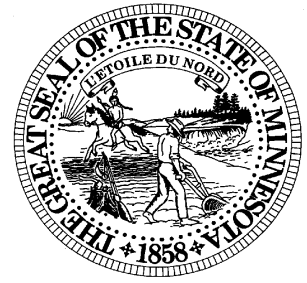
Gary Goldsmith
Executive Director

Attachments:

February 29, 2012, memorandum regarding status of Board bill in legislature
February 29, 2012, legislative recommendations

Minnesota

Campaign Finance and Public Disclosure Board



Date: February 29, 2012

To: Board members

From: Gary Goldsmith, Executive Director

Telephone: 651-296-1721

Re: Board 2011 Legislative recommendations

At the end of this memorandum, please find a brief summary of the Board's legislative recommendations from 2011. These recommendations are being carried forward in the 2012 legislature with the exception that provisions providing for specific disclosure by ballot question political committees or funds have been dropped. One provision needs to be added, as detailed below.

Dropping of ballot question disclosure provisions

In 2011 the Board recommended to the legislature that it provide ballot question political committees or funds with an alternative to the underlying source disclosure provisions available under Minn. Stat. §§10A.12, subd. 5, and 10A.27, subd. 13, both of which require underlying source disclosure at the \$100 threshold.

The Board's recommendation was that the legislature make it explicit that application of the independent expenditure political committee or fund disclosure options was also available to ballot question political committees or funds.

The Board bills were heard in two committees in each body of the legislature and no opposition was expressed. The Bills were scheduled for floor votes with no known opposition. However, at the last minute, the floor votes were cancelled. After some inquiry, I learned that interested associations had come forward and voiced objection to the ballot question disclosure provisions. Although I discussed the bill with the representative of one concerned association, it was not possible to move the bill forward in 2011.

Bill revisions

During the interim, I had the bill re-drafted to remove the specific ballot question disclosure provisions in hopes that the remainder of the bill, to which there is no known objection, could move forward in 2012.

I and Assistant Executive Director Sigurdson have begun meetings with legislators and will continue those meetings into the first week of March. Senator Robling, the chief author in the Senate, appears to be willing to bring the bill forward again. We will be speaking with the House chief author after the Board meeting on March 6th.

Jeff and I also met with lobbyists for two interest groups to explain the changes in the bill since last year. During that meeting it was recognized that an additional change would be appropriate for ballot question political committees or funds. Currently all political committees or funds must

provide notice within 24 hours after receiving a contribution of \$1,000 or more in the period just before the primary election. Because ballot questions are not on the primary election ballot, this provision serves no purpose for contributions received by ballot question political committees or funds.

New Board recommendation

Staff proposes the following additional Board legislative recommendation, which will require a motion to adopt the principle as a Board recommendation:

That the 24-hour notice reporting for large contributions before a primary election should not be applicable to ballot question political committees or funds.

Conclusion

Assuming that the Board adopts the above recommendation, the 2012 Board bill will affect ballot question political committees or funds in only two ways: (1) it will raise the threshold for registration from \$100 to \$5,000 and (2) it will exempt ballot question political committees or funds from the above 24-hour notice reporting requirement.

As of the date of this memorandum, I have not heard back from the interested associations. However, because the bill affects them only by reducing their registration and reporting requirements, it is unclear why they would not support it or at least remain neutral on the legislation.

Minnesota

Campaign Finance and Public Disclosure Board



February 29, 2012

Recommendations to the Legislature Service Improvements and Compliance Simplification

The Board's 2011 recommendations are continued to the 2012 session ballot question disclosure provisions removed. General funding recommendations not included in the Board's bill are not listed in this summary.

Recommendations that will allow the Board to provide better and more comprehensive service to regulated entities.

1. Provide that the Board has jurisdiction over the "prepared and paid for" form of disclaimer as applied to communications about candidates for offices that are covered by Chapter 10A.
2. Provide that the Board has jurisdiction over statutes related to corporations spending money to influence elections that are covered by Chapter 10A.
3. Provide that the Board has jurisdiction over statutes related to the legal uses of money raised for political purposes when that money is raised by an association or political fund that is registered with the Board.

Recommendations that will clarify Chapter 10A and simplify participation in Minnesota's political process by candidates and associations

4. Increase the threshold for registration of principal campaign committees, party units, political committees, and political funds from \$100 to \$250. Increase the reporting threshold for a candidate using only the candidate's own money to the same amount.
5. Increase the threshold for registration of independent expenditure political committees and political funds from \$100 to \$1,000.
6. Increase the threshold for registration of ballot question political committees and political funds \$100 to \$5,000.
7. Increase the threshold for reporting by an individual who makes independent expenditures using only the person's own money from \$100 to \$1,000 and for an individual who makes only ballot question expenditures from \$100 to \$5,000.
8. Delete the requirement that a candidate file a pre-general-election Report of Receipts and Expenditures or comply with the pre-general-election 24-hour notice disclosure requirements if the candidate's name will not be on the general election ballot.

9. (To be adopted at March 6, 2012 meeting) Delete the requirement that a ballot question political committee or fund file 24-hour notices of large contributions received in the period before a primary election.

Technical Recommendations

10. Provide that the Board may maintain a non-public electronic system for users to enter and store campaign finance data before releasing that data as a filed report and that without the filer's consent, the Board may not access or use this data.
11. Fix drafting errors introduced in 2010 and errors resulting in changes to other statutes.