Minnesota Campaign Finance and Public Disclosure Board

This sheet summarizes the campaign finance issues that employers and corporations should think about before getting involved in, or urging their employees to get involved in, elections. If you have specific campaign finance questions, please contact the Board to discuss them.

Soliciting contributions from employees

In general, employers cannot ask employees to make contributions to specific candidates, political committees, or party units. The use of corporate resources, including employee time and email, to raise contributions for a candidate, a political party, or a general political committee or fund may result in a corporate contribution that violates Minnesota Statutes section 211B.15. This statute provides significant financial and criminal penalties for both the corporation that makes a prohibited contribution for a political purpose and its management employees.

A corporation may offer its employees the use of a **conduit fund.** A conduit fund is a holding account operated by a corporation or union for the use of its employees or members. The employee or member may use the conduit fund to hold money, typically collected through a payroll deduction, that the employee or member later uses for political contributions. The employee or member always controls the money in that individual's conduit fund account, and contributions are made only on the direction of the employee or member. The corporation or union has no control over how much money is put into the conduit fund, or over how or when the money in the account is distributed. Any contribution issued from the conduit fund must be identified as a contribution from the employee or member who directed that the contribution be made.

A corporation or union that is interested in establishing a conduit fund should contact Board staff for additional information, and may wish to refer to Advisory Opinions 406 and 425.

Corporate contributions and use of corporate resources

A corporation cannot make direct or indirect contributions to candidates, political parties, or general political committees or funds. However, a corporation can make contributions to independent expenditure or ballot question political committees or funds. This restriction applies to:

- a corporation organized for profit that does business in Minnesota;
- a limited liability company formed under chapter 322C, or under similar laws of another state, that does business in Minnesota; and
- a nonprofit corporation that carries out activities in Minnesota.

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There is a narrow exception to the corporate contribution prohibition for certain types of nonprofit corporations. However, a nonprofit corporation that contributes more than \$200 will need to provide a disclosure statement with the contribution that details the sources of all money received by the nonprofit corporation, and all other expenditures made by the nonprofit corporation, during a specified period of time as provided in Minnesota Statutes section 10A.27, subdivision 13. Nonprofit corporations that are considering a contribution should contact Board staff for additional information about the exception and the disclosure requirements.

A contribution includes money, free or discounted goods or services, and anything else that has monetary value. For example, all of the following things would be contributions if they were provided to a candidate or a political group for free or at a discounted rate that is not available to all other candidates or political groups:

- the use of meeting space;
- food or beverages;
- giving access to corporate newsletters or other communications; and
- proving employee services or the use of corporate equipment.

A corporation should not allow campaign signs to be posted on corporate property for free even if all candidates are given permission to post signs.

Permitted corporate activities

There are a few exceptions to the general prohibition on corporate contributions and involvement with political activities:

- a corporation may provide meeting space for a political meeting if it does so on a nondiscriminatory and non-preferential basis;
- a corporation may contribute to or conduct efforts to encourage people to attend precinct caucuses, to register to vote, and to vote, as long as those efforts are nonpartisan and are not operated for the advantage of a particular candidate, political party, or political committee.

Bribery, treating, solicitation, and undue influence

Although the Board does not oversee these statutes, businesses seeking to influence elections should also consider Minnesota Statutes sections 211B.07 and 211B.13. These statutes prohibit offering or giving something of value, including a position, appointment, or employment, to a person to induce that person to vote in a particular way or to refrain from voting. They also prohibit threatening harm, including loss of employment or economic reprisal, to compel that person to vote in a particular way.

Influence by government employees and officials

Although the Board does not oversee this statute, state and local government entities should also consider Minnesota Statutes section 211B.09, which prohibits the use of "official authority or influence to compel a person to apply for membership in or become a member of a political organization, to pay or promise to pay a political contribution, or to take part in political activity."