

HOUSE RESEARCH

Bill Summary

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Authors: Evans and others

Subject: Campaign Finance: Party Spending Limits; Political Contribution Refund

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Overview

The bill (1) imposes contribution and spending limits on legislative caucuses as a condition of participating in the party check off and contribution refund receipt programs; (2) releases a caucus from limits if another caucus in the same body does not accept limits; (3) prohibits candidates from taking contributions from a caucus that has not agreed to limits; and (4) imposes a civil penalty on a caucus chair whose caucus violates an agreement entered by the caucus.

Section

- 1 **Limits are voluntary.** Provides that a party is bound by spending limits only if it agrees to be bound as a condition of receiving a public subsidy.
- 2 **Effect of opponent's conduct.** Current law releases a candidate from spending limits if the candidate's opponent has not accepted limits and the opponent spends a specified amount up to ten days before the primary. The bill changes this so that the expenditures must have occurred "during the reporting period" before the primary.
- 3 **Limits on party caucuses.** Provides an election year aggregate limit on campaign expenditures by members of a legislative caucus: \$750,000. In the year before the general election, members of a legislative caucus must not make campaign expenditures over 20 percent of the election year limit.

Releases a caucus from a spending limit agreement if another caucus in the same body (1) does not agree to limits, and (2) has received contributions, or become obligated to make expenditures, during the election cycle in an amount over 50 percent of the caucus election year sending limit.

Requires a caucus that does not agree to spending limits to give the other caucus(es) and the campaign finance and public disclosure board (board) written notice within 24 hours after

receiving contributions or becoming obligated to make campaign expenditures over 50 percent of the caucus election year sending limit. Receipt of the notice releases a caucus that had agreed to spending limits from following its agreement, but lets it continue to issue contribution refund receipts. Also releases such a caucus from the contribution limits in the bill.

- 4 **Contributions from certain types of contributors.** Prohibits a candidate from accepting a contribution from a party caucus that does not enter a spending limit agreement.
- 5 **Contributions to party caucuses.** Provides that if a legislative caucus has entered a spending limit agreement (1) the caucus chair must not let the caucus accept aggregate contributions from an individual, political committee, political fund, or party unit of over \$500 in a election year for the body or \$100 in a non-election year; and (2) the caucus chair must not let the caucus accept a contribution from a political committee, political fund, lobbyist, or large contributor that would cause aggregate contributions from those types of contributors to exceed 20 percent of the contribution limit. For purposes of this section, "large contributor" means someone who gives over \$250.
- 6 **Exceptions.** Amends the multi-candidate expenditure provision. Strikes from the provision the current clauses on (1) a party fund-raising effort for three or more candidates, and (2) party committee staff services for three or more candidates. Changes the current provision on a phone conversation that "includes" three or more candidates so that it reads "mentions with roughly equal emphasis."
- 7 **Exceeding expenditure limits.** Provides that a caucus chair who permits the caucus to violate a spending limit agreement is subject to a civil fine up to four times the amount by which the expenditure exceeds the limit.
- 8 **Exceeding contribution limits.** Provides that a caucus chair who permits the caucus to violate contribution limits is subject to a civil fine up to four times the amount by which the contribution exceeds the limits.
- 9 **Spending limit agreements.** Provides the mechanism for a party to file a spending limit agreement with the board. Provides for an agreement to be in effect until the end of the election cycle or until the legislative caucus dissolves, whichever comes first. Provides for signing a sending agreement for a special election cycle.
- Makes the caucus chair guilty of a misdemeanor if he or she willfully issues a contribution refund receipt to a contributor when the chair has not signed a spending agreement for the party.
- 10 **Refund of contributions.** Amends the contribution refund law to require a party to enter a spending limit agreement in order to participate.
- 11 **Effective date.** January 1, 2002 for contributions received and expenditures made on or after that date.