MN HOUSE RESEARCH

Subject	Elections and Campaign Finance
Authors	Greenman and others
Analyst	Matt Gehring
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Overview

This bill proposes a series of changes to the laws governing voter registration, election administration, election security, and campaign finance and disclosure law. A general summary of each article is included following the article's headnote below.

Article 1: Strengthening Voter Registration

This article includes a number of provisions related to the voter registration process, including a process for automatic voter registration; codification of existing rules authorizing certain proofs of residence to be used in election day registration; requiring certain higher education institutions to prepare lists of students residing in the institution's housing or near the institution's campus; and authorizing individuals to pre-register to vote beginning at age 16, if they otherwise will be eligible to vote at age 18.

Section	Description: Article 1 – Strengthening Voter Registration
1	**Data derived from driver's license applications.**
	Provides a cross-reference in the Minnesota Government Data Practices Act related to the privacy of data contained on an application for a driver's license, state identification card, or learner's permit that is transferred to the secretary of state, when the secretary determines that the applicant is not eligible to vote. These data are classified as private, under a new classification established later in this bill.
2	**Residential housing list.**
	Requires postsecondary institutions that enroll students accepting state financial aid to prepare a current list of students enrolled in the institution and residing in the institution's housing or within ten miles of the institution's campus, with an exception for students participating in the Safe at Home address confidentiality program. This information may be used as proof of residence for student voters registering in a precinct on election day.

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3   **Registration.**

Permits an individual who is under the age of 18, but is at least 16 years of age, to pre-register to vote by submitting a voter registration application.

4   **Prohibitions; penalty.**

Provides a cross-reference in a section of law outlining certain voter registration crimes, to reflect the new allowance in this bill for 16 and 17 year old individuals to pre-register to vote.

5   **Prior to election day.**

Authorizes the secretary of state to permit third-party organizations to connect to the secretary's website in a way that allows the third-party's online or mobile "apps" to be used to facilitate online voter registration for individual users of those apps.

6   **Pre-registration.**

Details the specific registration procedures for individuals who are under the age of 18, but who are at least 16 years of age, to pre-register to vote. These pre-registrants may submit a standard voter registration application, or may be automatically registered to vote consistent with procedures established later in the bill.

7   **Election day registration.**

Codifies in statute certain documents permitted to be used as a proof of residence in election day registration. The administrative rules of the secretary of state currently authorize these documents to be used for that purpose.

This section also authorizes eligible voters who reside on a tribal reservation to use the address of the tribal council headquarters, or another address approved by the secretary of state, as the voter's residential address. This authorization only applies if the eligible voter resides at an address that is not recognized by the United States Postal Service.

8   **Additional proofs of residence permitted with photo identification.**

Codifies in statute certain documents permitted to be used as proof of residence in election day registration, including certain utility bills, bank statements, and rent or mortgage statements. The administrative rules of the secretary of state currently authorize these documents to be used for that purpose.

Section	Description: Article 1 – Strengthening Voter Registration

9 **Additional proofs of residence permitted for students.**

Codifies in statute certain documents that may be used by students as proof of residence in election day registration. The administrative rules of the secretary of state currently authorize these documents to be used for that purpose.

10 **Form.**

Updates the voter registration application form to reflect two new allowances created in this bill: for voters to join a permanent absentee voter list, and for otherwise eligible individuals to pre-register to vote beginning at age 16.

11 **Public information lists.**

Prohibits the public disclosure of data on applicants who have pre-registered to vote until the voter is fully registered (upon reaching the age of 18) or has voting history.

12 **Automatic voter registration.**

Establishes a process that requires an eligible applicant for a new or renewed driver's license, instruction permit, or identification card to be registered to vote, unless the applicant opts out of the registration. Other units of government would be authorized to provide a similar service.

Subd. 1. Automatic registration. Requires eligible applicants to be registered to vote, unless the applicant declines to be registered, when submitting an application for one of the following:

(1) a new or renewed driver's license, instruction permit, or state identification card; or

 (2) an application for benefits or services to another participating agency.

Automatic registration must occur only if the application submitted otherwise requires documentation of the applicant's citizenship.

Subd. 2. Option to decline registration. Requires an individual who submits an application that qualifies for automatic registration to be provided a mailed notice informing the individual of the option and procedures necessary to decline to be registered to vote. Procedures for continuing to offer the individual an opportunity to be registered upon submission of certain future qualifying applications are also provided.

Subd. 3. Department of Public Safety. Requires the commissioner of public safety to format driver's license, instruction permit, and identification card applications to accommodate the new process required by this bill, if the application otherwise requires verification of the applicant's citizenship.

Section	Description: Article 1 – Strengthening Voter Registration

Information on qualifying applications must be transmitted at least daily by electronic means to the secretary of state. Additional statistical reports and procedures are required, and a definition of "driver's license" to include a number of types of licenses and permits issued by the department is included.

Subd. 4. Other agencies and units of government. Permits the commissioner of any state agency, the administrative head of any local government, or the administrative head of a federally-recognized Indian tribe within the state, to consult with the secretary of state and convert any form or application to also serve as a voter registration application, if the form or application already provides verification of an applicant's citizenship. An application or form may also be used to serve as an update to the address on a voter's existing registration record. Information on qualifying applications must be transmitted at least daily by electronic means to the secretary of state. Additional statistical reports and procedures are required.

Subd. 5. Registration. Establishes procedures for determining whether an applicant whose information is submitted under this section is currently registered to vote and/or eligible to vote, and for those applicants determined to be eligible, processing appropriate updates to the statewide voter registration system to reflect the updated or new registration.

Subd. 6. Notice. Requires the county auditor to provide voters registered under this section with a notice of registration, consistent with the postal verification requirements of current law. The notice must include information on declining to be registered to vote. Rulemaking is authorized.

Subd. 7. Prosecution of registration violations; voluntary action required. Provides standards for determining whether an individual who is not eligible to vote has submitted a voter registration application under this section in a manner that violates the law.

Subd. 8. Effective date. Establishes the effective date for new registrations processed under this section, and a required notice in the event a registration is processed during the 20 days immediately preceding an election.

13	**Duties of state agencies.**

Provides that an existing requirement of state agencies, including nonprofit corporations that contract with a state agency to carry out certain obligations, to provide certain voter registration services includes providing information on automatic voter registration or information on voter eligibility and registration procedures as established in this bill.

Section	Description: Article 1 – Strengthening Voter Registration

14   **Transition to new voter registration application forms.**

Authorizes a transition period during which elections officials may use existing stocks of voter registration applications, provided that the applications may not be further printed or copied until the application has been updated to comply with the requirements of this bill.

Article 2: Promoting Voter Access

This article includes a number of provisions that expand methods and opportunities for voters to cast a ballot at an election, including, among others, restoring the right to vote for individuals convicted of a felony at the time their incarceration for the conviction is complete; authorizing automatic delivery of an absentee ballot to voters who have requested permanent absentee status; eliminating the requirement of a witness signature on absentee ballot return envelopes, in most instances; providing for absentee ballot drop boxes; providing a structure of early voting; extending the deadline for receiving and counting absentee ballots; and requiring certain absentee voting instructions to be printed in languages other than English.

Section	Description: Article 2 – Promoting Voter Access

1   **Felony conviction; restoration of civil right to vote.**

Restores the civil right to vote to individuals who have been convicted of a felony once the individual has completed any incarceration imposed and executed for the conviction. If no incarceration is imposed, the right to vote is restored upon sentencing. If the individual is later subject to incarceration for that offense, the individual loses the right to vote only during the period of incarceration.

2   **Establishment.**

Requires the statewide voter registration system to be capable of providing necessary reports related to early voting.

3   **Form.**

Requires updates to the voter registration application to reflect the change in the restoration of the civil right to vote provided by this bill.

4   **Duties of secretary of state; information about voting rights.**

Requires the secretary of state to prepare a publication that describes the voting rights of individuals who have been charged with or convicted of a crime. The publication must be electronically available to the state court administrator and the commissioner of corrections for further distribution.

Section	Description: Article 2 – Promoting Voter Access

5 **Election law applicability.**

Provides that the Minnesota Election Law (a term defined in law to mean Chapters 201-211C of Minnesota Statutes) applies to early voting.

6 **Early voting.**

Establishes a definition of the term "early voting."

7 **Violation.**

Adds references to early voting in an existing section of statute specifying criminal penalties for certain prohibited activities related to voting.

8 **Permanent absentee voter status.**

Modifies the existing process that allows a voter to request than an absentee ballot application be sent automatically prior to each election. Instead of the application, this section would allow a voter to request that the absentee ballot itself be sent automatically prior to each election, without the need for an additional application. This authorization would not apply to voters residing in a jurisdiction that conducts elections entirely by mail.

9 **Generally.**

Adds a cross-reference to the new early voting provisions established by the bill to an existing requirement in law related to a municipal clerk's access to the statewide voter registration system. A municipal clerk would only be permitted to administer early voting if the clerk has the technical capacity to access the statewide voter registration system and has undergone training approved by the secretary of state.

10 **Printing and delivery of forms.**

Eliminates existing language setting a timeline for the delivery of absentee ballot applications prior to an election to those voters who request automatic delivery. These changes conform to the changes made earlier in this bill providing for the automatic delivery of an absentee ballot, rather than an application, prior to each election.

11 **Delivery of ballots.**

Establishes timelines for the delivery of absentee ballots to voters who request automatic delivery. The ballots must be mailed at least 45 days prior to a federal, state, county, city, or school board election. For town elections held in March, ballots must be mailed at least 30 days prior to the election.

12 **Eligibility certificate.**

Eliminates the requirement of a witness signature on the certificate of eligibility submitted with a pre-registered voter's absentee ballot. A witness signature

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verifying that the voter presented a proper proof of residence would still be required for a voter who registers to vote at the same time as submitting an absentee ballot.

13 **Marking and return by voter.**

Authorizes a voter to return a completed absentee ballot using an absentee ballot drop box. Standards for the use and placement of drop boxes are provided later in the bill.

14 **Procedures on receipt of ballots.**

Extends the deadline for receipt of absentee ballots: an absentee ballot may be counted if it is delivered in person by 8 p.m. on election day, or within seven days of the election, if postmarked on or before election day. A definition of "postmark" is provided.

15 **Absentee ballot drop boxes.**

Subd. 1. Definition. Defines the term "drop box" for purposes of this section of law.

Subd. 2. Minimum standards. Lists standards governing the use of absentee ballot drop boxes, including standards related to quantity, placement, markings, and security, as well as the frequency of ballot retrieval by the county auditor or municipal clerk.

Subd. 3. Publication of locations required. Provides requirements governing the publication of absentee ballot drop box locations during the period immediately preceding the start of an absentee voting period.

Subd. 4. Electioneering prohibited. Provides that existing standards governing electioneering in and around a polling place on election day apply to conduct within 100 feet of an absentee ballot drop box.

Subd. 5. Rules. Requires the secretary of state to adopt administrative rules establishing the standards and any other procedures necessary to implement this section.

16 **Absentee voting instructions in languages other than English.**

Requires the secretary of state to prepare absentee voting instructions in languages other than English. The instructions must be available in print, electronic, and audio-visual formats in the Spanish, Hmong, and Somali languages.

17 **Names of persons requesting an absentee ballot; rejected absentee ballots.**

Provides that the names of voters who have applied for an absentee ballot are public. The secretary of state must release a public report at least weekly during the

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absentee balloting period on the aggregate number of received absentee ballots that were rejected, along with the reasons for the rejections.

18　　**Establishment; applicable laws.**

Adds a reference to administration of early voting in the section of law related to establishment of ballot boards.

19　　**Duties of ballot board; absentee ballots.**

Provides a conforming reference in the law governing absentee ballot board procedures to reflect the permanent absentee ballot authorization established by this bill.

20　　**Duties of ballot board; early voting.**

Establishes duties of a ballot board related to early voting. In addition to procedures established later in the bill, the ballot board must make a record of voters who cast ballots early and count the ballots using procedures that apply to the ballot board in existing law, and as provided in this bill.

21　　**Record of voting.**

Provides that a voter who casts an early voting ballot may not be permitted to cast another ballot at the election.

This section also provides a conforming reference to the time after which a voter whose absentee ballot has been accepted is no longer permitted to cast a ballot at the election.

22　　**Opening of envelopes.**

Requires the return of absentee ballot materials to a voter if more than one "voted" ballot is included in a ballot envelope. This change relates to the presidential nomination primary, in which absentee voters will be provided a separate ballot for each party participating in the primary, but are only permitted to vote one of the ballots.

23　　**Storage and counting of absentee and early voting ballots.**

Adds references to early voting in the existing law related to the storage and counting of ballots by a ballot board.

24　　**Early voting; applicability.**

Permits any eligible voter to vote in person prior to election day using the procedures established in this bill. Early voting must be available at federal, state, and county

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elections. Cities are permitted to authorize early voting for city elections following procedures established in the bill.

25   **Time period for early voting.**

Requires early voting to be available for every primary, general, or special election subject to early voting beginning 30 days prior to election day, through 5:00 p.m. on the third day prior to the election. Voters in line at 5:00 p.m. on the third day prior to the election must be permitted to vote.

26   **Hours for early voting.**

Requires early voting to be open from 8:00 a.m. to 4:30 p.m. weekdays, but from 8:00 a.m. to 8:00 p.m. on at least one of those weekdays, and from 10:00 a.m. to 5:00 p.m. on the two Saturdays prior to the election.

27   **Locations for early voting.**

Requires early voting to be available in polling places designated in the county auditor's office, and at the municipal clerk's office, if the clerk has been delegated the responsibility to administer absentee voting, and at other county or city-owned buildings designated by the county auditor or municipal clerk. A minimum of one location for every 50,000 people in the county, as well as a geographic distribution of locations, is required.

The polling place for early voting must include equipment accessible for voters' disabilities.

28   **Notice to voters.**

Requires the county auditor or municipal clerk to prepare a notice of the days, times, and locations for early voting. The notice must be posted at least 14 days prior to the start of early voting on the websites of the county and any municipality where an early voting location is designated. Procedures for publication of the notice in an official newspaper are provided if the jurisdiction does not have a website.

29   **Procedures for early voting.**

Establishes procedures for casting a ballot using early voting, including a requirement that the voter sign the certification required of all voters voting on election day, and that a voter be permitted to register on-site if necessary. Ballots cast using early voting must be processed and counted by a ballot board.

30   **Election supplies; duties of county auditors and clerks.**

Requires city clerks designated to administer early voting to be provided the appropriate election materials at least one day prior to the beginning of the early voting period. These materials are prepared by the county auditor.

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31   **Voting instructions and sample ballots in languages other than English; multilingual election judges.**

Establishes procedures and standards for providing voting instructions and translation services for voters in a polling place on election day.

Among these procedures and standards are a requirement that the secretary of state or county auditor contract with a translator certified by the American Translators Association to develop voting instructions and sample ballots in languages other than English, and a procedure for using certain school district demographic data and requests from the public to identify and designate precincts where a language need exists.

In designated language minority precincts, translated materials are required. The minimum standard for these materials depends on the number of residents of voting-age who are members of a language minority in the precinct. In a precinct where that population makes up more than 20 percent of the total voting-age population, an election judge who is a certified translator must also be provided if at least ten registered voters make a request for one at least 30 days prior to the election.

32   **Polling place roster; voter signature certificate; voter receipt.**

Requires updates to the certification signed by voters in a polling place attesting to their eligibility to vote, to reflect the change in the restoration of the civil right to vote provided by this bill.

33   **Physical assistance in marking ballots.**

Eliminates the existing three-person statutory cap on the number of voters a person may provide assistance to in a polling place.

34   **Program.**

Establishes a timeline for completion and delivery of the computer program used to conduct an election.

35   **Testing of voting systems.**

Requires testing of the voting system to be used at an election within 37 days before election day. Current law requires the testing to occur within 14 days before election day.

36   **Notice of restoration of right to vote.**

Requires the chief executive officer of each state and local correctional facility to designate one official within the facility to provide a notice of restoration of rights

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and a voter registration application to individuals whose rights are restored following a release from incarceration.

Subd. 1. Correctional facilities; designation of official. Requires designation of the official, and that the official maintain a sufficient supply of voter registration applications and informational materials.

Subd. 2. Notice requirement. Establishes standards for when a notice of restored voting rights must be provided.

Subd. 3. Form of notice. Sets the full text of the notice that must be provided when an individual is restored to voting rights following release from incarceration.

Subd. 4. Failure to provide notice. Provides that the failure of a corrections official to provide the notice required by this section does not prevent the restoration of voting rights.

37 **Restoration.**

Eliminates a reference to the right to vote in an existing section of law governing the restoration of civil rights, including the right to vote and hold office, following discharge after conviction of a crime. Restoration of the right to vote would be governed by the new law established earlier in this bill.

38 **Repealer; early voting.**

Repeals the existing law that authorizes local jurisdictions to offer a version of early voting (in-person absentee voting using a ballot box) during the seven days prior to the election.

39 **Effective date; early voting.**

Provides an effective date for the bill, conditional on certification by the secretary of state that the statewide voter registration system has been tested and can properly track early voting information, and certification of precinct voting equipment capable of tabulating at least 30 ballot styles for use in the state.

A jurisdiction may implement the requirements of the bill prior to the effective date if the secretary of state has made the required certifications at least 90 days prior to the election at which early voting will be used.

Article 3: Prohibiting Voter Intimidation and Safeguarding Elections System

This article provides a standing appropriation of Help America Vote Act money to the secretary of state when funds are available, and enacts new laws governing voter intimidation, interference, and deceptive practices.

Section	Description: Article 3 – Prohibiting Voter Intimidation and Safeguarding Elections System
1	**Appropriation.** Provides a permanent, statutory appropriation of money in the state's Help America Vote Act (HAVA) account to the secretary of state, to be used for purposes authorized by federal law. The HAVA account was established in 2003 to receive and hold funds provided by the federal government for certain election purposes. Most recently, funds were made available for election security upgrades, on the condition that the state match a portion of the amount. Under current law, HAVA funds must be separately appropriated to the secretary of state by the legislature before they may be spent. This bill would allow the secretary of state access to the funds without the need for legislative action. Restrictions on how the funds may be used would remain unchanged.
2	**Investigate offenses against provisions of certain designated sections; assist in enforcement.** Expands the scope of the attorney general's jurisdiction to include investigation and enforcement of a new section of statute enacted in this bill, regulating voter intimidation, interference, and deceptive practices in elections.
3	**Voter intimidation, interference, and deceptive practices prohibited; civil enforcement.** Establishes a series of prohibited acts related to intimidation, interference, and deceptive practices at an election. This section provides a civil remedy for enforcement. **Subd. 1. Intimidation.** Prohibits acts of intimidation directed at a voter, an elections official, or any person aiding with any aspect of the election process, including but not limited to assisting another person in registering to vote or encouraging another person to cast a ballot. **Subd. 2. Deceptive practices.** Prohibits the transmission of information within 60 days of an election that is intended to impede or prevent another person from

exercising the right to vote, if the transmitting person knows it to be materially false.

Subd. 3. Interference with registration or voting. Prohibits any person from intentionally hindering, interfering with, or preventing another person from voting, registering to vote, or aiding another person in casting a ballot or registering to vote.

Subd. 4. Vicarious liability; conspiracy. Provides for vicarious (extended) liability for any person who aids or conspires with another person to take an action in violation of this section.

Subd. 5. Enforcement. Establishes civil remedies for violation of this section, including an authorization for enforcement by the attorney general.

4   **Voter intimidation, interference, and deceptive practices prohibited; criminal penalties.**

Establishes a series of gross misdemeanor crimes related to intimidation, interference, and deceptive practices at an election.

Subd. 1. Intimidation. Designates certain acts of intimidation directed at a voter, an elections official, or any person aiding with any aspect of the election process, as a crime.

Subd. 2. Deceptive practices. Designates the transmission of information within 60 days of an election that is intended to impede or prevent another person from exercising the right to vote, if the transmitting person knows it to be materially false, as a crime.

Subd. 3. Interference with registration or voting. Designates the intentional hindering, interfering with, or preventing another person from voting, registering to vote, or aiding another person in casting a ballot or registering to vote as a crime.

Subd. 4. Enforcement. Exempts violations of this section from the administrative hearing process that otherwise would be required under the Fair Campaign Practices Act before a prosecution could begin.

Subd. 5. Penalty. Provides that violations of this section are a gross misdemeanor.

Section	Description: Article 3 – Prohibiting Voter Intimidation and Safeguarding Elections System
5	**Administrative remedy; exhaustion.**
	Exempts the new sections regulating voter intimidation, interference, and deceptive practices in elections from an existing law requiring an administrative complaint process to be completed before a fair campaign practices violation may be prosecuted by a county attorney.

Article 4: Modernizing Minnesota's Campaign Finance System to Empower Voters and Small Donors

This article includes a number of changes to campaign finance law, including establishing a new regulated entity referred to as a "small donor committee," enacting a small donor contribution match program, and enacting a "Democracy Dollar" coupon program. These programs would largely replace the existing public subsidy program and the political contribution refund program, which are both repealed in this bill.

Section	Description: Article 4 – Modernizing Minnesota's Campaign Finance System to Empower Voters and Small Donors
1	**Contribution.**
	Expands the definition of "contribution" for purposes of campaign finance law to include a Democracy Dollar coupon redemption. Democracy Dollar coupons are established later in this article.
2	**Small donor political committee.**
	Defines the term "small donor political committee." This term is used later in this article.
3	**Small donor political fund.**
	Defines the term "small donor political fund." This term is used later in this article.
4	**Rules.**
	Expands the scope of the Campaign Finance and Public Disclosure Board's rulemaking authority to include the authority to adopt rules to carry out the purposes of chapter 10B, which is established in this article and governs the Democracy Dollar coupon program.

Section	Description: Article 4 – Modernizing Minnesota's Campaign Finance System to Empower Voters and Small Donors

5   **Small donor political committees and funds.**

Establishes a new type of regulated entity subject to the oversight of the Campaign Finance and Public Disclosure Board.

"Small donor political committees" and "small donor political funds" are a version of a more standard political committee or fund, except that they are subject to a number of unique restrictions on making and accepting contributions: during an election cycle they may accept no more than $200, in aggregate, from any individual, and may make contributions of no more than $2,000 to a candidate, political party, or other political committee or fund.

Unlike other types of political committees and funds, these entities are permitted to engage in coordinated expenditures with candidates, political parties, and other political committees and funds.

6   **Anonymous contributions.**

Provides that an anonymous contribution is not an eligible contribution for purposes of the Democracy Dollar coupon program.

7   **Contents of report.**

Adds several new items that must be included, as applicable, in a campaign finance report: information on small contributions received by a candidate; information on Democracy Dollar coupon redemptions; and information on grassroots campaign expenditures.

The small dollar contributions received by a candidate are used to determine the candidate's eligibility for the small donor contribution match program established in this bill.

8   **Grassroots campaign expenditures modified.**

Exempts staff expenditures and expenditures associated with direct voter contacts from the aggregate expenditure limits provided in law that apply to candidates who have agreed to be bound by those limits. Definitions are included.

9   **Approved expenditures; small donor committee.**

Provides standards for counting approved expenditures by a small donor committee towards a candidate's aggregate expenditure limits.

10   **Unused funds.**

Updates terminology in the section of law governing how funds may be carried forward after an election cycle is complete, to reflect the repeal of the public subsidy

Section	Description: Article 4 – Modernizing Minnesota's Campaign Finance System to Empower Voters and Small Donors

program and the enactment of the small donor contribution match program created in this bill.

11   **Small donor contribution match program.**

Establishes a contribution matching program for qualifying candidates and political parties.

Subd. 1. State match program established. Establishes the amount of the matching funds:

(1) for candidates, a contribution from a contributor who resides in the candidate's district may receive a state match of six times the amount of the contribution; and

(2) for candidates, a contribution from a contributor who does NOT reside in the candidate's district may receive a state match of three times the amount of the contribution.

The state central committee of a qualifying political party may receive a match equal to the amount of a contribution, for contributions from a Minnesota resident.

Subd. 2. Eligibility. Provides the qualifying standards to receive the state matching funds, including limits on the size and number of contributions that may be matched from any individual contributor, and procedures if the contributor's aggregate contributions exceed these limits after the match has been provided.

Subd. 3. Maximum amount of state match. Caps the total amount of state matching dollars a candidate or political party may receive in an election cycle:

(1) for state legislative candidates, no more than 50 percent of the expenditure limit for the office;

(2) for state constitutional office candidates, no more than 30 percent of the expenditure limit for the office; and

(3) for a state central committee of a political party, no more than $30,000.

Subd. 4. Later contributions. Authorizes a contributor to make contributions in excess of the qualifying amounts in this section, if the receiving candidate or party has already received the maximum state match amount.

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Subd. 5. Distribution of funds. Establishes procedures for the disbursement of state matching funds.

Subd. 6. Rulemaking. Authorizes the Campaign Finance and Public Disclosure Board to adopt rules, using the expedited process, as necessary to implement the state match program.

12 **Appropriation.**

Provides a conforming statutory reference to redirect funds currently appropriated to the public subsidy program, so that they are instead used for the small donor contribution match program.

13 **Agreement by candidate.**

Updates the section of law governing the need for a written agreement by a candidate to abide by, among other things, the expenditure limits to reflect the elimination of the public subsidy program, and the creation of the small donor contribution match program.

14 **Affidavit of contributions.**

Updates the section of law requiring certain candidates to file an affidavit of contributions, to reflect the elimination of the public subsidy program and the creation of the small donor contribution match program.

15 **Penalty for violations of chapter 10B or 211B under board's jurisdiction.**

Expands the scope of the Campaign Finance and Public Disclosure Board's default civil penalty authority to include the Democracy Dollar coupon program.

16 **Definitions.**

Provides that the definitions in chapter 10A, the existing chapter of law governing campaign finance, apply to chapter 10B, the new chapter established by this bill to govern the Democracy Dollar coupon program.

17 **Issuance of Democracy Dollar coupons.**

Establishes requirements and procedures for providing Democracy Dollar coupons to eligible recipients.

Each person with an active registration in the statewide voter registration system as of December 31 is eligible for two coupons worth $25 each during the following year. After assignment to a qualifying candidate or political party unit, the coupons may be redeemed for that value as a contribution to that candidate's campaign committee or that party unit. Other details related to the manner in which coupons are issued are

Section	Description: Article 4 – Modernizing Minnesota's Campaign Finance System to Empower Voters and Small Donors

provided, including an allowance for an individual who is eligible to vote in Minnesota but not registered to opt-in to the program.

18	**Form of coupon; rulemaking.**

Requires the Campaign Finance and Public Disclosure Board to adopt rules to establish the form of the Democracy Dollar coupon. Minimum requirements are provided.

19	**Assignment, delivery, and receipt of coupon.**

Provides a number of substantive and procedural requirements related to the manner in which coupons may be assigned, delivered, and redeemed. A coupon may be redeemed for a contribution if it is assigned no later than 30 days following the next state general election occurring after the coupon was issued, and is submitted for redemption no later than December 31 of that year. Once assigned, a coupon assignment is irrevocable unless the recipient is determined to be ineligible to redeem it.

20	**No cash value.**

Provides that Democracy Dollar coupons have no cash value, and are not assets, income, or the property of the holder to which it is issued.

21	**Prohibitions.**

Prohibits a Democracy Dollar coupon from being sold or assigned for cash or other consideration, and may not be assigned or transferred as a gift to another person or assigned by proxy, power of attorney, or agent.

22	**Qualification of candidates and political party units.**

Establishes the qualifying standards for a candidate or political party unit to participate in the Democracy Dollar program. Among the requirements for a candidate is an agreement to be bound by the expenditure limits provided in current law.

A party unit is eligible if it is a unit of a major political party or a minor party qualifying for inclusion on the state's income and property tax check-off programs.

23	**Redemption of coupons; distribution of contributions.**

Subd. 1. Redemption value cap. Establishes the maximum aggregate value of coupons that may be redeemed by all participating candidates and party units in a calendar year. For calendar years 2022 and 2023, that cap is eight percent of the total value of all coupons issued. The cap would increase in future years, if participation in the program exceeds certain benchmarks.

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Subd. 2. Redemption procedures. Provides procedures for redeeming an assigned coupon.

Subd. 3. Verification. Itemizes the information that must be verified by the Campaign Finance and Public Disclosure Board before a coupon may be redeemed.

Subd. 4. Distribution of contribution. Requires the Campaign Finance and Public Disclosure Board to distribute contributions to the assigned candidate or party unit, upon determination that the coupon is valid for redemption. The board is authorized to adopt administrative rules to provide for an electronic funds transfer for disbursement.

Subd. 5. Effect of coupons on contribution reporting and limits. Establishes standards for including a coupon's value when calculating an individual's contributions for purposes of campaign reporting, and in verifying compliance with the existing contribution limits provided in law.

Subd. 6. Redemption and distribution schedule. Provides minimum requirements for the frequency of coupon redemption verifications and distribution of contributions by the Campaign Finance and Public Disclosure Board.

Subd. 7. Appropriation. Provides a standing appropriation to fund the contributions required when a coupon is redeemed under this section.

24   **Use of contribution.**

Provides that a contribution received through redemption of a Democracy Dollar coupon may only be used for specified campaign and political purposes authorized by law.

25   **Return of proceeds; rulemaking.**

Provides standards for returning proceeds from a redeemed coupon in certain circumstances. The Campaign Finance and Public Disclosure Board is required to adopt rules to establish accounting and other standards necessary to implement these requirements.

26   **Violations; enforcement.**

Authorizes the Campaign Finance and Public Disclosure Board to conduct audits and investigations of the Democracy Dollar program consistent with its authorities provided in existing law.

Section	Description: Article 4 – Modernizing Minnesota's Campaign Finance System to Empower Voters and Small Donors
27	**Erroneous refunds.** Eliminates a cross-reference in tax law that references the political contribution refund program, which is repealed in this article.
28	**General right to refund.** Eliminates a cross-reference in tax law that references the political contribution refund program, which is repealed in this article.
29	**Taxpayer.** Eliminates a cross-reference in tax law that references the political contribution refund program, which is repealed in this article.
30	**Political contribution refund; calendar year 2020 and 2021 contributions and receipts.** Requires the commissioner of revenue to continue to pay refunds according to the terms of the political contribution refund program for claims filed for 2020 and 2021 contributions. Candidates and parties are no longer permitted to issue PCR receipts after July 1, 2021.
31	**Repealer.** Repeals a number of sections and subdivisions of law that establish the campaign public subsidy program and the political contribution refund program.
32	**Effective date; rulemaking.** Provides that this article is effective January 1, 2022, but permits the Campaign Finance and Public Disclosure Board to begin the process of adopting necessary administrative rules beginning the day following final enactment of the bill.

Article 5: Increasing Transparency and Disclosure of Secret Spending

This article expands the definition of "expressly advocating" and modifies standards related to the use of disclaimers on certain campaign communications.

Section	Description: Article 5 – Increasing Transparency and Disclosure of Secret Spending

1   **Expressly advocating.**

Expands the definition of "expressly advocating" to include certain types of political communications, even if they do not use words or phrases of express advocacy (such as "vote for" or "vote against").

In Minnesota's law, this term is used to identify certain types of independent expenditures that require disclosure and reporting to the Campaign Finance and Public Disclosure Board.

2   **Independent expenditures.**

Requires the disclaimer on certain independent expenditures to list the top three contributors responsible for funding the expenditure. Standards for identifying the top three contributors are provided.

3   **Material that does not need a disclaimer.**

Eliminates a disclaimer exemption for certain online banner ads and electronic communications. These communications will require a disclaimer according to rules adopted by the Campaign Finance and Public Disclosure Board.

4   **Certain electronic communications and advertisements.**

Requires the Campaign Finance and Public Disclosure Board to adopt rules to specify the form and content of the required disclaimer for small electronic communications on which a full disclaimer cannot be conveniently printed. The board may waive the disclaimer requirement for some types of communications on which the printing of a disclaimer is technologically impossible. The board is authorized to use the expedited rulemaking process in establishing these standards.