

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

.....
April 3, 2019
St Croix Room
Centennial Office Building
.....

MINUTES

The meeting was called to order by Chair Leppik.

Members present: Flynn, Leppik, Moilanen, Rosen (by telephone), Swanson

Members absent: Haugen

Others present: Sigurdson, Engelhardt, Olson, Pope, staff; Angela Behrens for Nathan Hartshorn, counsel

MINUTES (March 13, 2019)

After discussion, the following motion was made:

Member Moilanen's motion: To approve the March 13, 2019, minutes as drafted.

Vote on motion: A roll call vote was taken. All members voted in the affirmative.

CHAIR'S REPORT

A. Meeting schedule

A closed executive session meeting is scheduled for 9:00 a.m. on Wednesday, April 10, 2019. The next regular Board meeting is scheduled for 10:30 a.m. on Wednesday, May 1, 2019.

EXECUTIVE DIRECTOR REPORT

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 a press release had been issued about the March lobbyist principal reports. Mr. Sigurdson said that those reports showed over \$77 million had been spent on lobbying in Minnesota in 2018, which was the highest amount in seven years. Mr. Sigurdson stated that most of the increase was attributable to lobbying activity before the Minnesota Public Utilities Commission on the Line 3 project. Mr. Sigurdson also said that he had just attended a hearing on the House Omnibus Elections bill. Mr. Sigurdson said that this bill included the provisions giving the Board authority over Hennepin County political committees and some past Board recommendations but did not include any of the Board's 2019 legislative recommendations. Mr. Sigurdson also said that the bill had no senate companion.

ENFORCEMENT REPORT

A. 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> |
|---|--|---------------------------------|---|------------------------------|-------------------------------|---|
| Johnson (Jeff) for Governor (17641) | \$2,000 LFFs | 2 24-hour notices due 11/2/2018 | Treasurer thought 24-hour notices were filed via CFR software and provided screenshots showing that on her end, the software showed that notices were filed. Our logs indicate that attempt was made to upload a file to our FTP server. | Member Swanson | To waive the late filing fees | Roll call vote taken. All members voted in the affirmative. |
| Ray Trager (Chippewa SWCD) | \$100 LFF | Original & 2018 annual EIS | Official was appointed to finish term of someone who resigned. Board staff were never notified so didn't know official was serving until after he lost election to retain position. Official was unaware of need to file EIS. | Member Swanson | To waive the late filing fee | Roll call vote taken. All members voted in the affirmative. |
| Bly (Breanna) for MN House Campaign Committee (17381) | \$625 LFF | 2018 year-end | Treasurer stated he emailed committee's no-change statement for 2018 to Board staff 1/26/2019. He has provided a copy of email, but staff do not have record of email being received. | Member Swanson | To waive the late filing fee | Roll call vote taken. All members voted in the affirmative. |
| Walter Hautala (MSHSL) | \$100 LFF | 2018 EIS | Official reviewed EIS information online and saved it, but forgot to click submit button. EIS was filed 3/25/2019. | Member Swanson | To waive the late filing fee | Roll call vote taken. All members voted in the affirmative. |
| Paul Barsness (Douglas SWCD) | \$100 LFF | 2018 EIS | Official reviewed EIS information online and saved it, but forgot to click submit button. EIS was filed 3/26/2019. | Member Swanson | To waive the late filing fee | Roll call vote taken. All members voted in the affirmative. |
| Anne Buckvold for House (18090) | \$925 LFF | 2018 year-end | Treasurer attempted to file no-change statement for 2018 via CFR software 1/30/2019, but instead filed amended 2017 year-end report. Candidate wasn't aware of issue until 3/17/2019 and has been dealing with ongoing medical issues and related paperwork concerning her child. | Member Swanson | To waive the late filing fee | Roll call vote taken. All members voted in the affirmative. |

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|---|-----------------------------------|---|--|----------------|---|---|
| Jared LaDuke MN House 4B Committee (17834) | \$625 LFF | 2018 year- end | Candidate thought he had terminated his committee and did not need to file a report. He was busy with a child born prematurely and related complications at the end of January. Candidate has filed a termination report. | Member Swanson | To waive the late filing fee | Roll call vote taken. All members voted in the affirmative. |
| Clint Carlson (Bassett Creek WMO) | \$100 LFF | 2018 EIS | We had incorrect email address on file for official so he did not receive email notifications regarding filing deadline. EIS was filed 3/26/2019. | Member Swanson | To waive the late filing fee | Roll call vote taken. All members voted in the affirmative. |
| WS-3 (Walter Smith III) for District 25B (18264) | \$675 LFF | 2018 year- end | Candidate did not raise or spend more than \$750 and thus was not required to register. He emailed Board staff 1/30 asking if he was required to file a report, and if so, for copy of paper form. He again emailed Board staff 2/2, but did not receive response to either email. | Member Swanson | To waive the late filing fee | Roll call vote taken. All members voted in the affirmative. |
| Lisa Neal- Delgado for State Representative (18340) | \$275 LFF | 2018 year- end | First-time candidate and her treasurer had difficulty using CFR software. Treasurer met with Board staff to resolve issue but report was filed 15 days late. | Member Swanson | To waive the late filing fee | Roll call vote taken. All members voted in the affirmative. |
| Housley (Karin) For Senate (16964) | \$725 LFF | 2018 year- end | Candidate attempted to file no-change statement for 2018 via CFR software 1/31/2019, but instead filed amended 2017 year-end report. No-change statement was filed 3/14/2019. | Member Rosen | To waive the late filing fee | Roll call vote taken. All members voted in the affirmative. |
| Hainey (Shaun) for House (18295) | \$1,000 LFF | 24-hour notice due 8/11/2018 | First-time candidate/treasurer did not realize he needed to file 24-hour notice until filing year-end report. Contribution in question was \$1,705 in-kind contribution from candidate for radio ads. Board typically reduces 24-hour notice late fees for first-time violations to \$250. | Member Rosen | To reduce the late filing fee to \$250 | Roll call vote taken. All members voted in the affirmative. |
| 28th Senate District DFL (20719) | \$2,000 LFFs \$1,300 CPs | 2018 pre- primary; 2018 pre- general | New treasurer said there was considerable confusion when he became treasurer. He states he sent paper 2018 pre-primary report, which staff has no record of receiving. Pre-general report was filed 12/28/2018 and pre-primary report was filed 1/15/2019. | Member Leppik | To reduce the late filing fee to \$250 and the civil penalty to \$250 | Roll call vote taken. All members voted in the affirmative. |

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|--|-----------------|---|--|-------------------|------------------------------------|--|
| Joint Council 32 DRIVE (30013) | \$3,000 LFFs | 3 24-hour notices due 10/24/18 | Treasurer didn't realize that 3 contributions from locals ranging from \$1,067 to \$1,945 received 10/23 triggered 24-hour notice requirement. He stresses that contributions did not impact strategy of political fund. | No motion | | |
| Dennis Zimbrick (Traverse SWCD) | \$5 LFF | 2018 EIS | Official thought he had submitted EIS online. Board staff do not show any activity within EIS online reporting system from official in January or February 2019. | No motion | | |
| Stan Wendland (Carver SWCD) | \$100 LFF | 2018 EIS | Official was traveling for 3 1/2 weeks starting around filing deadline. EIS was filed 3/26/2019. | Member Swanson | To waive the late filing fee | Roll call vote taken. Motion failed (Flynn, Swanson, Rosen voted aye; Leppik, Moilanen voted nay). |

B. Informational Items

1. Payment of late filing fee for 24-hour notice special election

Nathan Nelson, \$50

2. Payment of late filing fee for EIS

Jackie Anderson, \$100
 Glen Kluis, \$45
 Jane McDonald Black \$50
 Rowzat Shipchandler, \$35

3. Return of payment for anonymous contribution

Geoff Dittberner, \$57.93

4. Payment of late filing fee for 2018 2nd report of receipts and expenditures

Fight for our Future, \$25

5. Payment of late filing fee for 2018 pre-primary report of receipts and expenditures

Fight for our Future, \$1000

6. Payment of late filing fee for 2018 pre-general report of receipts and expenditures

Fight for our Future PAC, \$100
Freeborn County DFL, \$50
Lyle Koenen, \$250

7. Payment of civil penalty for special source limit

Kari Dziedzic, \$40

8. Payment of civil penalty for pre-primary report of receipts and expenditures

Fight for our Future, \$100

9. Payment of civil penalty for 2018 year-end report of receipts and expenditures

4th CD IPMN, \$25
Barbara Goodwin, \$50
Brian Shekleton, \$775
Faith in Minnesota, \$75
Geoff Dittberner \$300
John Lillis, \$25
Jon Koznick \$25
MN Realtors PAC \$200
Northwest Petroleum PAC \$50
Travis Silvers \$25

LEGAL COUNSEL'S REPORT

Mr. Hartshorn presented members with a legal report that is attached to and made a part of these minutes. Angela Behrens attended the meeting for Mr. Hartshorn. Ms. Behrens told members that there was nothing to add to the report.

OTHER BUSINESS

There was no other business to report.

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

Respectfully submitted,



Jeff Sigurdson
Executive Director

Attachments:
Executive director's report
Legal report



MINNESOTA CAMPAIGN FINANCE BOARD

Date: March 6, 2019

To: Board Members

From: Jeff Sigurdson, Executive Director

Telephone: 651-539-1189

Re: Executive Director's Report – 2019 Board Operations

Legislative Session

The Governor released a revised budget request on March 25 in response to a reduction in anticipated state revenues. The Board's budget change request to the base operations budget (an additional \$75,000 per year) and the onetime software development request (\$50,000) are still both included in the Governor's overall budget request for the executive branch.

In the House there is an omnibus elections and campaign finance bill, HF 1603. The bill does not contain the legislative recommendations of the Board. It does however include a change to the definition of express advocacy that is similar to the Board recommendation. The bill includes extensive provisions on electioneering communications, association registration, and increased disclosure on the source of contributions to associations not registered with the Board. The bill also contains language that will eliminate the election related provisions of Chapter 383B, which are specific to Hennepin County. If enacted, approximately 25 political committees and funds that are registered with Hennepin County will need either to terminate or register with the Board. There is no comparable bill in the Senate, and to my knowledge, no policy bills related to elections or campaign finance have been heard in the Senate.

Annual Lobbyist Principal Report

The Annual Lobbyist Principal Reports were due on March 15, 2019. As of March 27th, reports had been received from 1,378 of the 1,398 principals required to file. The reports filed so far disclose that \$62,135,509 was spent in 2018 to influence the official actions of the legislature, administrative agencies, and metropolitan governmental units.

The amount spent to influence administrative action by the Minnesota Public Utilities Commission in cases of rate setting, power plant and power line siting, and granting of certificates of need is reported separately. In 2018, principals reported spending \$15,234,661 to influence administrative actions of the Minnesota Public Utilities Commission. This amount is the highest amount ever reported to the Board for lobbying the Minnesota Public Utilities Commission.

Total lobbying expenditures reported for 2018 amount to \$77,370,170. Below is a table showing the total spending reported on the Annual Principal Reports for the last seven years. A principal is permitted to round the amount reported to the nearest \$20,000.

| Year | Amount Spent to Influence Legislative Actions, Administrative Actions, and Actions of Metropolitan Governmental Units | Amount Spent to Influence the Actions of the MN Public Utilities Commission | Total Amount of Spending Reported by Principals |
|------|---|---|---|
| 2018 | \$62,135,509 | \$15,234,661 | \$77,370,170 |
| 2017 | \$64,295,738 | \$9,855,230 | \$74,150,968 |
| 2016 | \$62,094,344 | \$6,222,560 | \$68,316,904 |
| 2015 | \$63,979,699 | \$5,177,019 | \$69,156,718 |
| 2014 | \$64,733,179 | \$5,673,292 | \$70,406,471 |
| 2013 | \$69,420,091 | \$5,337,767 | \$74,757,858 |
| 2012 | \$59,725,768 | \$2,749,590 | \$62,475,358 |

CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD
April 2019

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 |
|----------------------------------|----------------------------------|---|--|--------------------|-------------------------------|----------------------------|-----------------------------|--|
| Jamal Abdulahi | Resilient PAC | 2018 pre-primary; 2018 pre-general; Amended 2018 report | \$1,000 LF \$1,000 CP \$1,000 LF \$1,000 CP Accruing LF Accruing CP | 2/19/19 | 3/27/19 | | | |
| Chilah Brown Michele Berger | Brown (Chilah) for Senate | Unfiled 2016 Year- End Report of Receipts and Expenditures Unpaid late filing fee on 10/31/16 Pre- General Election Report | \$1,000 LF \$1,000 CP \$50 LF | 3/6/18 | 8/10/18 | | | Personal Service Requested 3/26/19 |
| Brenden Ellingboe | Ellingboe (Brenden) for House | Unfiled 2015 Year- End Report of Receipts and Expenditures | \$1,000 LF \$1,000 CP | 11/29/16 | 5/26/17 | | | Placed on hold by Board |
| Richard Hamer | | 2017 Annual Statement of Economic Interest | \$100 LF \$1,000 CP | 1/28/19 | 3/27/19 | | | |

| 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 |
|----------------------------------|--------------------------|---|----------------------------|--------------------|-------------------------------|----------------------------|-----------------------------|---|
| Katy Humphrey, Kelli Latuska | Duluth DFL | Unfiled 2016 Year- End Report of Receipts and Expenditures | \$1,000 LF \$1,000 CP | 3/6/18 | 8/10/18 | | | Board is working on the matter. Placed on hold. 3/5/19 |
| Bryan Klabunde | Klabunde for MN House | Unfiled 2017 Year- End Report of Receipts and Expenditures | \$1,000 LF \$1,000 CP | 9/4/18 | 11/2/18 | | | Personal Service Requested 3/26/19 |
| Christopher John Meyer | Meyer for Minnesota | 2016 Year-End Report of Receipts and Expenditures | \$1,000 LF \$1,000 CP | 7/28/17 | 9/6/17 | | | |
| Dan Schoen | | 2017 Annual Statement of Economic Interest | \$100 LF \$1,000 CP | 1/28/19 | 3/27/19 | | | |
| Kaying Thao | Friends of Kaying | 2017 Year-End Report of Receipts and Expenditures | \$1,000 LF \$1,000 CP | 7/10/18 | 8/10/18 | | | Personal Service Requested 3/27/19 |

CLOSED 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 |
|----------------------------------|----------------------------------|---|----------------------------|--------------------|-------------------------------|-------------------------|-----------------------------|-------------------------------|
| Sean White | Committee to Elect Sean White | 2017 Year-End Report of Receipts and Expenditures | \$1,000 LF \$1,000 CP | 7/10/18 | 8/10/18 | | | Reports were filed. Closed |