

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 2041

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DATE
03/04/2019

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Introduction and first reading
 Referred to State Government Finance and Policy and Elections

OFFICIAL STATUS

1.1 A bill for an act

1.2 relating to ethics in government; closing a loophole in disclosure of economic

1.3 interests of public officials to include disclosure of certain independent contracting

1.4 and consulting; requiring additional disclosure of lobbying and lobbyist

1.5 contributions; requiring certain reports of lobbying activity; requiring disclosures

1.6 of campaign contributions from lobbyists, principals, and political committees;

1.7 amending Minnesota Statutes 2018, sections 10A.01, subdivision 5; 10A.04,

1.8 subdivisions 4, 6.

1.9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.10 Section 1. Minnesota Statutes 2018, section 10A.01, subdivision 5, is amended to read:

1.11 Subd. 5. **Associated business.** (a) "Associated business" means a person or association,

1.12 corporation, partnership, limited liability company, limited liability partnership, or other

1.13 organized legal entity from which the individual receives compensation in excess of \$250,

1.14 except for actual and reasonable expenses, in any month as a director, officer, owner,

1.15 member, partner, employer or employee, or whose securities the individual holds worth

1.16 more than \$10,000 at fair market value.

1.17 (b) Associated business also means a lobbyist, principal, or interested person by whom

1.18 the individual is compensated in excess of \$50, except for actual and reasonable expenses,

1.19 in any month for providing services as an independent contractor or consultant. If an

1.20 individual is compensated by a person or association for providing services to a lobbyist,

1.21 principal, or interested person, associated business includes both the person or association

1.22 that pays the compensation and the lobbyist, principal, or interested person to whom the

1.23 services are provided.

1.24 (c) "Interested person" means a person or a representative of a person or association that

1.25 has a direct financial interest in a decision that the individual receiving the compensation

2.1 is authorized to make as a public or local official or will be authorized to make upon
 2.2 becoming a public or local official. To be direct, the financial interest of the person or
 2.3 association paying the compensation to the individual must be of greater consequence to
 2.4 the payer than the general interest of other residents or taxpayers of the individual's
 2.5 governmental unit.

2.6 Sec. 2. Minnesota Statutes 2018, section 10A.04, subdivision 4, is amended to read:

2.7 Subd. 4. **Content.** (a) A report under this section must include information the board
 2.8 requires from the registration form and the information required by this subdivision for the
 2.9 reporting period.

2.10 (b) A lobbyist must report a general description of the subject or subjects on which the
 2.11 lobbyist lobbied on behalf of each principal.

2.12 (c) A lobbyist must report the total amount of all income from the principal for lobbying
 2.13 activities on behalf of the principal. The total is not required to be itemized but the total
 2.14 must include amounts paid to cover the lobbyist's salary and administrative expenses. The
 2.15 report must include any payments to the lobbyist by any other person for lobbying activities
 2.16 on behalf of the principal.

2.17 ~~(b)~~ (d) A lobbyist must report the lobbyist's total disbursements on lobbying, separately
 2.18 listing lobbying to influence legislative action, lobbying to influence administrative action,
 2.19 and lobbying to influence the official actions of a metropolitan governmental unit, and a
 2.20 breakdown of disbursements for each of those kinds of lobbying into categories specified
 2.21 by the board, including but not limited to the cost of publication and distribution of each
 2.22 publication used in lobbying; other printing; media, including the cost of production; postage;
 2.23 travel; fees, including allowances; entertainment; telephone and telegraph; and other
 2.24 expenses.

2.25 ~~(e)~~ (e) A lobbyist must report the amount and nature of each gift, item, or benefit;
 2.26 ~~excluding contributions to a candidate,~~ equal in value to \$5 or more, given or paid to any
 2.27 official, as defined in section 10A.071, subdivision 1, and each contribution to a candidate,
 2.28 by the lobbyist or an employer or employee at the direction of the lobbyist. The list must
 2.29 include the name and address of each official to whom the gift, item, ~~or~~ benefit, or
 2.30 contribution was given or paid and the date it was given or paid.

2.31 ~~(d)~~ (f) A lobbyist must report each original source of money in excess of \$500 in any
 2.32 year used for the purpose of lobbying to influence legislative action, administrative action,
 2.33 or the official action of a metropolitan governmental unit. The list must include the name,

3.1 address, and employer, or, if self-employed, the occupation and principal place of business,
3.2 of each payer of money in excess of \$500.

3.3 ~~(e) On the report due June 15, the lobbyist must provide a general description of the~~
3.4 ~~subjects lobbied in the previous 12 months.~~

3.5 (g) A lobbyist must report the amount and date of each contribution given by the lobbyist
3.6 to a party organization within a house of the legislature.

3.7 (h) A lobbyist must report the amount of a contribution in any amount made to a
3.8 candidate, principal campaign committee, or party unit. The list must include the name and
3.9 address of each candidate, principal campaign committee, or party unit to whom the
3.10 contribution was made.

3.11 Sec. 3. Minnesota Statutes 2018, section 10A.04, subdivision 6, is amended to read:

3.12 Subd. 6. **Principal reports.** (a) A principal must report to the board as required in this
3.13 subdivision by March 15 for the preceding calendar year.

3.14 (b) Except as provided in paragraph (d), the principal must report the total amount;
3.15 ~~rounded to the nearest \$20,000,~~ spent by the principal during the preceding calendar year
3.16 to influence legislative action, the total amount spent by the principal during the preceding
3.17 calendar year to influence administrative action, and the total amount spent by the principal
3.18 during the preceding calendar year to influence the official action of metropolitan
3.19 governmental units.

3.20 (c) Except as provided in paragraph (d), the principal must report under this subdivision
3.21 a total amount that includes:

3.22 (1) all direct payments by the principal to lobbyists in this state;

3.23 (2) all expenditures for advertising, mailing, research, analysis, compilation and
3.24 dissemination of information, and public relations campaigns related to legislative action,
3.25 administrative action, or the official action of metropolitan governmental units in this state;
3.26 and

3.27 (3) all salaries and administrative expenses attributable to activities of the principal or
3.28 a lobbyist engaged by the principal relating to efforts on behalf of the principal to influence
3.29 legislative action, administrative action, or the official action of metropolitan governmental
3.30 units in this state.

3.31 (d) A principal that must report spending to influence administrative action in cases of
3.32 rate setting, power plant and powerline siting, and granting of certificates of need under

4.1 section 216B.243 must report those amounts as provided in this subdivision, except that
4.2 they must be reported separately and not included in the totals required under paragraphs
4.3 (b) and (c).

4.4 (e) A principal must report the amount of a contribution in any amount made to a
4.5 candidate, principal campaign committee, or party unit. The list must include the name and
4.6 address of each candidate, principal campaign committee, or party unit to whom the
4.7 contribution was made.

4.8 Sec. 4. **EFFECTIVE DATE.**

4.9 This act is effective the day following final enactment.