

1.1 A bill for an act

1.2 relating to campaign finance and public disclosure; increasing the public's right
1.3 to know; requiring disclosure of economic interests of independent contractors
1.4 and consultants; changing certain definitions; requiring disclosure of the costs of
1.5 lobbying; requiring certain reports; amending Minnesota Statutes 2008, sections
1.6 10A.01, subdivisions 5, 21, 33; 10A.04, subdivisions 4, 6.

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

1.8 Section 1. Minnesota Statutes 2008, section 10A.01, subdivision 5, is amended to read:

1.9 Subd. 5. **Associated business.** (a) "Associated business" means ~~an~~ a person
1.10 or association, corporation, partnership, limited liability company, limited liability
1.11 partnership, or other organized legal entity from which the individual receives
1.12 compensation in excess of \$50 \$200 in a year, except for actual and reasonable expenses,
1.13 in any month as a director, officer, owner, member, partner, employer or employee, or
1.14 whose securities the individual holds worth \$2,500 or more at fair market value.

1.15 (b) "Associated business" also means a lobbyist, principal, or interested person
1.16 by whom the individual is compensated in excess of \$200 in a year, except for actual
1.17 and reasonable expenses, for providing services to the lobbyist, principal, or interested
1.18 person as an independent contractor or consultant. If an individual is compensated by
1.19 an association for providing services to a lobbyist, principal, or interested person as an
1.20 independent contractor or consultant, "associated business" includes both the association
1.21 that pays the compensation and the lobbyist, principal, or interested person to whom
1.22 the services are provided.

1.23 (c) "Interested person" means a person or a representative of a person or association
1.24 that has a direct financial interest in a decision that the individual receiving the
1.25 compensation is authorized to make as a public or local official or will be authorized to

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

2.5 Sec. 2. Minnesota Statutes 2008, section 10A.01, subdivision 21, is amended to read:

2.6 Subd. 21. **Lobbyist.** (a) "Lobbyist" means an individual:

2.7 (1) engaged for pay or other consideration of more than \$3,000 from all sources in
2.8 any year for the purpose of attempting to influence legislative or administrative action, or
2.9 the official action of a metropolitan governmental unit, by communicating or urging others
2.10 to communicate with public or local officials; or

2.11 (2) who spends more than \$250, not including the individual's own traveling
2.12 expenses and membership dues, in any year for the purpose of attempting to influence
2.13 legislative or administrative action, or the official action of a metropolitan governmental
2.14 unit, by communicating or urging others to communicate with public or local officials.

2.15 (b) "Lobbyist" does not include:

2.16 (1) a public official;

2.17 (2) an employee of the state, ~~including an employee of any of the public higher~~
2.18 ~~education systems;~~

2.19 (3) an elected local official;

2.20 (4) a nonelected local official or an employee of a political subdivision or public
2.21 higher education system acting in an official capacity, unless the nonelected official or
2.22 employee of a political subdivision or public higher education system spends more than
2.23 50 hours in any month attempting to influence legislative or administrative action, or the
2.24 official action of a metropolitan governmental unit other than the political subdivision or
2.25 public higher education system employing the official or employee, by communicating
2.26 or urging others to communicate with public or local officials, including time spent
2.27 monitoring legislative or administrative action, or the official action of a metropolitan
2.28 governmental unit, and related research, analysis, and compilation and dissemination of
2.29 information relating to legislative or administrative policy in this state, or to the policies of
2.30 metropolitan governmental units;

2.31 (5) a party or the party's representative appearing in a proceeding before a state
2.32 board, commission, or agency of the executive branch unless the board, commission,
2.33 or agency is taking administrative action;

2.34 (6) an individual while engaged in selling goods or services to be paid for by
2.35 public funds;

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3.1 (7) a news medium or its employees or agents while engaged in the publishing or
3.2 broadcasting of news items, editorial comments, or paid advertisements which directly
3.3 or indirectly urge official action;

3.4 (8) a paid expert witness whose testimony is requested by the body before which the
3.5 witness is appearing, but only to the extent of preparing or delivering testimony; or

3.6 (9) a party or the party's representative appearing to present a claim to the legislature
3.7 and communicating to legislators only by the filing of a claim form and supporting
3.8 documents and by appearing at public hearings on the claim.

3.9 (c) An individual who volunteers personal time to work without pay or other
3.10 consideration on a lobbying campaign, and who does not spend more than the limit in
3.11 paragraph (a), clause (2), need not register as a lobbyist.

3.12 (d) An individual who provides administrative support to a lobbyist and whose salary
3.13 and administrative expenses attributable to lobbying activities are reported as lobbying
3.14 expenses by the lobbyist, but who does not communicate or urge others to communicate
3.15 with public or local officials, need not register as a lobbyist.

3.16 Sec. 3. Minnesota Statutes 2008, section 10A.01, subdivision 33, is amended to read:

3.17 Subd. 33. **Principal.** "Principal" means an individual ~~or~~ association, political
3.18 subdivision, or public higher education system that:

3.19 (1) spends more than \$500 in the aggregate in any calendar year to engage a lobbyist,
3.20 compensate a lobbyist, or authorize the expenditure of money by a lobbyist; or

3.21 (2) is not included in clause (1) and spends a total of at least \$50,000 in any calendar
3.22 year on efforts to influence legislative action, administrative action, or the official action
3.23 of metropolitan governmental units, as described in section 10A.04, subdivision 6.

3.24 Sec. 4. Minnesota Statutes 2008, section 10A.04, subdivision 4, is amended to read:

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

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

3.30 (c) A lobbyist must report the unitemized total amount of all income from the
3.31 principal for lobbying activities on behalf of the principal, rounded to the nearest \$10,000.
3.32 The total must include amounts paid to cover the lobbyist's salary and administrative
3.33 expenses. The report must include any payments to the lobbyist by any other person for
3.34 lobbying activities on behalf of the principal.

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

4.9 ~~(e)~~ (e) A lobbyist must report the amount and nature of each gift, item, or benefit;
4.10 ~~excluding contributions to a candidate,~~ equal in value to \$5 or more, and each contribution
4.11 to a candidate, given or paid to any official, as defined in section 10A.071, subdivision
4.12 1, by the lobbyist or ~~an employer or employee~~ at the direction of the lobbyist. The list
4.13 must include the name and address of each official to whom the gift, item, ~~or~~ benefit, or
4.14 contribution was given or paid and the date it was given or paid.

4.15 ~~(d)~~ (f) A lobbyist must report each original source of money in excess of \$500 in
4.16 any year used for the purpose of lobbying to influence legislative action, administrative
4.17 action, or the official action of a metropolitan governmental unit. The list must include the
4.18 name, address, and employer, or, if self-employed, the occupation and principal place of
4.19 business, of each payer of money in excess of \$500.

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

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

4.24 Sec. 5. Minnesota Statutes 2008, section 10A.04, subdivision 6, is amended to read:

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

4.27 (b) The principal must report the total amount, ~~rounded to the nearest \$20,000,~~
4.28 spent by the principal during the preceding calendar year to influence legislative action,
4.29 the total amount spent by the principal during the preceding calendar year to influence
4.30 administrative action, and the total amount spent by the principal during the preceding
4.31 calendar year to influence the official action of metropolitan governmental units.

4.32 (c) The principal must report under this subdivision a total amount that includes:

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

4.34 (2) all expenditures for advertising, mailing, research, analysis, compilation and
4.35 dissemination of information, and public relations campaigns related to legislative action,

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5.1 administrative action, or the official action of metropolitan governmental units in this
5.2 state; and

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