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REPORT:

CAMPAIGN FINANCE
IN MINNESOTA

Suzanne Novak and Paige Ammons

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ABOUT THE BRENNAN CENTER FOR JUSTICE

The Brennan Center for Justice at NYU School of Law is a public policy institute that works to strengthen democracy and secure justice through law, scholarship, education and advocacy. With Justice Brennan, we believe that a “living constitution” is the genius of American law and politics – and that the test of our institutions is the ability to apply timeless values to a changing world.

ABOUT THE BRENNAN CENTER’S CAMPAIGN FINANCE REFORM PROJECT

The Brennan Center has long been a leader in the fight for campaign finance reform on the national, state and local levels. We helped to draft the federal Bipartisan Campaign Reform Act of 2002, published path-breaking studies of television advertising that were introduced into the congressional record, and played a key role on the legal defense team winning a major victory in the U.S. Supreme Court. After assisting in the drafting of Connecticut’s landmark public funding legislation, enacted in 2005, we were retained as lead counsel for intervenors in two consolidated cases challenging that law. We played the same role in the successful defense of the full public financing systems in Arizona and Maine.

Building on ten years of experience in the field, the Center offers top-flight legal and policy assistance to government officials and activists seeking to develop and defend effective and constitutional campaign finance bills and initiatives. We identify each jurisdiction’s core policy goals and then translate those goals into language appropriate for legislation or ballot measures. The Center reviews and analyzes text drafted by others for potential constitutional or other legal problems. Once legislation is introduced, Brennan Center attorneys accept invitations to deliver written and oral expert testimony. When campaign finance reforms are challenged in court, the Brennan Center has skilled and experienced litigators to present a vigorous defense.

Finally, the Center’s publications and public advocacy have amplified the First Amendment values in robust debate and participatory democracy served by campaign finance regulation. For advocates and legislators, we offer an accessible treatise on campaign finance law: *Writing Reform: A Guide to Drafting State & Local Campaign Finance Laws*, now in its fourth edition. Written by Brennan Center attorneys who have litigated campaign finance cases in federal and state courts throughout the nation, this 200-page book offers both practical tips and legal analysis for drafters of campaign finance reform bills or initiatives – both those who want to stay within current constitutional constraints and those who want to test those limits.

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FOREWORD

Full participatory democracy: it's been a national goal since America's founding. Today citizens recognize that money sometimes plays a warping role in electoral politics and hobbles progress towards full democracy. During the past decade, with Washington, D.C. mired in stalemate and in thrall to special interests, many states have stepped forward and introduced innovative laws that enhance the power of ordinary citizens in the political process. States as different in political culture as Arizona and Connecticut have created bold systems to reform campaign finance laws, creating voluntary public financing and ensuring that enforcement is fair and vigorous.

This report is the last of a five-part series that examines campaign finance laws and the ways they've worked—or haven't worked—to limit the influence of money on politics in the heartland. This report assesses Minnesota's campaign finance system; we have published similar reports on Illinois, Wisconsin, Ohio, and Michigan. Throughout the last century, governments in these states often led the way for the rest of country, providing “laboratories of democracy” (in the phrase of Supreme Court Justice Louis Brandeis) that test and perfect new policies. Today, the governmental decisions made in these states affect millions of people and set the tone for the rest of the nation.

The campaign finance studies are part of a comprehensive evaluation of democratic institutions that has been undertaken by the Midwest Democracy Network, a collaboration among national research and policy institutions and state-based advocacy organizations that work for honest and accountable government. With generous support from the Joyce Foundation, the Network is examining campaign finance, election administration, redistricting procedures, state courts, and local news coverage of politics in the five Midwestern states.

Minnesota has traditionally been in the vanguard of progressive governance. Former Vice President Mondale long led efforts for national reform, from his first law school note to his co-chairmanship of a bipartisan White House group in the 1990s. Minnesota is one of the only states to have had a governor elected on a third party ticket. The state boasted the highest voter turnout in the 2004 presidential election and the 2006 midterm election, and its Election Day Registration is a model for the country. In the area of campaign finance, Minnesota has generally strict contribution limits and led states in the effort to create a partial public financing system.

Despite the state's strong reform reputation, however, Minnesota's campaign finance laws still leave much to be desired. Once, Minnesota led the country in clean campaign laws. Now, much of its campaign finance system has fallen into disarray. The State has failed to address both exploited loopholes in the law and the public's waning faith in the government's integrity. More, Minnesota has not adopted innovations that have been pioneered by other states. For example:

- Even though some effective contribution limits do exist, the lack of limits on contributions by individuals and political committees to PACs and political parties creates the potential for a very lopsided system of campaign messaging, with parties and PACs allowed to amass campaign coffers far larger than the individual candidates’.
- Disclosure laws are generally sensible, but convenient and useful public access to electronic reports must improve. Currently, electronic filing is voluntary and there are no incentives for candidates and parties to use it: the system is used by just 50% of candidates.
- Minnesota has a partial public financing system, but the public sentiment that candidates are still subject to undue influence from private contributors remains.

Now there is a new Congress in session in Washington and a new hunger throughout the country for honest, accountable government officials who answer the basic economic, health, and education needs of ordinary citizens. This is the time to revive laws consistent with public interest in government that is elected by—and answers to—ordinary citizens, not big-money interests. Nowhere is this more true than in the heartland, in what was once and can be again, the testing ground for progress.

Michael Waldman

Executive Director, Brennan Center for Justice at NYU School of Law

March 2007

CAMPAIGN FINANCE REFORM: WHY DOES IT MATTER?

Campaign finance laws seek to make government more honest and accountable to ordinary people, so that bread-and-butter issues—such as education, taxes, and health care—are not held hostage to moneyed interests. By placing limits on the influence of money on elections, campaign finance laws make it easier for elected officials in Minnesota to respond to their constituents’ concerns, rather than those of wealthy political supporters.

While all voters are equal in the voting booth, all voters are not equal in their ability to influence elections and policy. In states with inadequately regulated campaign finance systems, only wealthy individuals and special interests can make the substantial political contributions and advertising expenditures that move public debate and affect electoral outcomes. And although a \$5 contribution from a low-income constituent may represent a much greater commitment than a \$10,000 contribution from a millionaire, the latter usually has more power to influence the outcome of the election and to secure access to the candidate, once elected to office.

Suppose, for example, that utility companies in Minnesota want the legislature to provide subsidies for purchasing equipment to help reduce harmful emissions. If contributions from that industry, its executives, and its lobbyists represent a large proportion of a candidate’s campaign funds, that candidate may risk her political future if she resists industry pressure. She may find it hard to keep a promise to deliver tax relief for the middle class if small donations from moderate-income supporters cannot compensate for the loss of corporate largesse. The temptation to favor industry rather than ordinary taxpayers will be even greater if there is no way for the public to learn exactly who is financing the candidate’s campaign and to connect the dots between corporate contributions and corporate subsidies.

When wooing wealthy supporters is the key to political success, honest government is difficult to sustain. Although many candidates and officeholders are people of high integrity, political corruption is a chronic problem. Money has been at the heart of political scandals throughout American history, from Teapot Dome to the indictment of Jack Abramoff. Recent scandals in the states also have involved campaign contributions made in exchange for political favors. Combating corruption is crucial to ensure that the government’s policies on everything from the economy to the environment serve the public interest, not special interests.

Campaign finance laws can have other benefits as well. Public funding helps to ensure that whether a citizen can run for public office and conduct an effective campaign is determined more by the force of her ideas in the public arena than by her personal fortune or access to wealthy supporters. Such laws also free candidates and government officials from the rigors of fundraising so they can spend more time listening to their constituents and formulating the best policies for the State. Regulations that reduce this influence of money help voters hold their representatives accountable for policy-making that serves the common good.

HOW DO CAMPAIGN FINANCE LAWS PROMOTE HONEST GOVERNMENT?

One of the most important and least controversial elements of campaign finance law is a requirement that certain political contributions and expenditures be reported to regulatory agencies for disclosure to the public. Reports of the sources and amounts of contributions to candidates from lobbyists, political action committees, and others give the public clues to the candidates' likely political leanings on key issues and flag the interest groups to which the candidates are likely to be responsive. Voters may also glean such information from reports of large independent expenditures made in support of or opposition to candidates. The objective information in the official reports can provide a badly needed supplement to campaign advertising, especially if the reported information is easily accessible to the media and interested citizens in searchable, web-based databases. With more information, voters are better able to choose candidates who share their values and to hold politicians accountable for failures to represent their constituents' interests. Reporting requirements open contributions and expenditures to public scrutiny, making it easier to detect exchanges of political favors for political donations.

Contribution limits also help to protect governmental integrity. A large donation presents a much greater temptation to stray from campaign promises than a small contribution. Limiting the potential benefits of corruption may help to keep candidates and elected officials honest. Public financing also helps in this respect, by ensuring that candidates will be able to run effective campaigns without becoming beholden to private donors.

Of course, none of the campaign finance tools will keep government honest without consistent and vigorous enforcement of the law. If candidates and contributors know that they can break campaign finance rules with impunity, they will have no incentive to follow legal requirements. An agency that is able and willing to enforce the law without regard to the partisanship of any candidate is essential to protecting the integrity of government.

HOW DO CAMPAIGN FINANCE LAWS KEEP OFFICIALS RESPONSIVE AND ACCOUNTABLE?

A variety of campaign finance measures can be crafted to ensure that elected representatives are accountable to their constituents, not wealthy interests. Disclosure requirements identify candidates' financial supporters and allow voters to call elected officials to account if the policies they enact bear a suspiciously close resemblance to the policies favored by special interest contributors.

Contribution limits of various kinds also promote accountability. Limits on the size of contributions to candidates, and of contributions to entities (such as political action committees or political parties) that may serve as conduits to candidates, reduce the potential influence of particular wealthy donors on particular cash-hungry candidates. Aggregate limits on contribu-

tions may prevent such donors from purchasing influence by spreading largesse across entire legislatures. Low contribution limits also encourage candidates to reach out to a broader base of supporters, including low- and moderate-income constituents. A candidate who needs widespread support from ordinary people is more likely to respond to their needs.

In addition, generous public funding systems break the ties between access to wealth and electoral success, allowing candidates to respond to the full spectrum of voters. Arizona Governor Janet Napolitano, twice elected under Arizona's full public financing program, has explained how public financing was connected to her executive order creating a discount prescription drug program for the people of Arizona:

If I had not run [under the public funding program], I would surely have been paid visits by numerous campaign contributors representing pharmaceutical interests and the like, urging me either to shelve that idea or to create it in their image. . . All the while, they would be wielding the implied threat to yank their support and shop for an opponent in four years.

With public financing in place, government officials need not worry that honoring campaign promises popular with ordinary voters will translate to a lack of funds for their next campaign.

Public financing programs, which provide partial or full grants for a candidate's campaign in exchange for limited spending, also permit candidates and officeholders to spend time on tasks more valuable than fundraising, such as studying and attempting to find the solutions to public policy problems and listening and responding to the concerns of ordinary citizens. Moreover, many qualified, dedicated individuals will not run for office if doing so forces them to dial for dollars all day. By lifting that burden, public funding encourages public service by people who care about constituents, not contributors.

Finally, public funding opens doors to public service for individuals of modest means who cannot self-finance their candidacies and do not have wealthy friends to bankroll their campaigns. For example, Deborah Simpson, now in her fourth term in the Maine State Legislature, was a politically active single mother and waitress, who never considered running for office before Maine implemented public financing for its elections beginning in 2000. But she realized that with public funding she could run for office "without having to figure out how to ask for money from donors when [she] really didn't live in that world." Because the public holds the campaign purse-strings, Rep. Simpson's constituents can keep her accountable for her legislative record and turn her out of office if she fails to respond to public needs.

MINNESOTA'S LAWS IN PERSPECTIVE

CONTRIBUTION LIMITS

HISTORICAL FRAMEWORK

In 1974, Minnesota linked its contribution limits to mandatory expenditure limits established by the state legislature. The contribution limits were set at 10% of the spending limits. Therefore, since the gubernatorial candidates had an expenditure limit of \$600,000, the contribution limit for that office in an election year was set at \$60,000. The contribution limit for candidates for state representative in an election year was approximately \$750. Furthermore, political parties were not permitted to contribute more than half of the spending limit to a candidate.

The landmark Supreme Court case of *Buckley v. Valeo* held mandatory spending limits unconstitutional,¹ which resulted not only in the elimination of Minnesota's spending limits, but also in the elimination of its contribution limits, since they were linked to the expenditure limits.²

In 1978, Minnesota's state legislature responded by setting contribution limits at the same levels as the pre-*Buckley* system.³ In 1991, the legislature passed a bill that made significant cuts to the contribution limits, and those cuts became law because the Governor's attempt to veto violated legal requirements.⁴

CURRENT LIMITS

Minnesota's contribution limits are generally sound and many are among the best not only in the Midwest, but in the country. Unfortunately, though, some contributions are completely unlimited, which allows certain sources to inject immense amounts of money into campaigns and creates the potential for a very lopsided system of campaign spending.

Minnesota imposes reasonable limits on the size of contributions made to candidates from individuals,⁵ political committees ("PACs"),⁶ political funds (including labor unions),⁷ and political party units (including legislative caucuses).⁸ Contributions made by individuals, PACs, and political funds to candidates are limited to: \$2,000 per election year for candidates for governor and lieutenant governor; \$1,000 per election year for candidates for attorney general; and \$500 per election year for candidates for other statewide office or for legislative office.⁹ During non-election years, candidates for each office are even more limited in the contributions they may receive.¹⁰ See Figure 1. The limits in these areas are the lowest in the Midwest and also rank very well nationally. Moreover, individuals, PACs, and political funds are prohibited from bundling contributions from various sources in excess of those amounts.¹¹ Corporate conduit funds, however, which bundle employee contributions to candidates designated by employees, do not appear to be subject to a restriction on the amounts they may bundle.¹²

FIGURE 1:
LIMITS ON CONTRIBUTIONS FROM INDIVIDUALS, PACS, AND POLITICAL FUNDS TO CANDIDATES

Office Sought	Limits in 2006 (election year)	Limits in 2007 (non-election year)
Governor/Lt. Governor	\$2,000	\$500
Attorney General	\$1,000	\$200
Secretary of State/State Auditor	\$500	\$100
Senate	\$500	\$100
House of Representatives	\$500	\$100

Contributions by individuals, PACs, and political funds to PACs and political parties, however, are unlimited. Some other states cap such donations to avoid circumvention of otherwise established contribution limits. For example, Ohio and Wisconsin limit contributions from individuals to PACs and from individuals to parties. Ohio also limits PAC-to-PAC contributions, and Wisconsin prohibits them.

Contributions made by political parties to candidates are capped at 10 times the individual contribution limit for each office. This limit also applies to contributions from principal campaign committees that are dissolving.¹³ See Figure 2.

FIGURE 2:
LIMITS ON CONTRIBUTIONS FROM POLITICAL PARTIES TO CANDIDATES

Office Sought	Limits in 2006 (election year)	Limits in 2007 (non-election year)
Governor/Lt. Governor	\$20,000	\$5,000
Attorney General	\$10,000	\$2,000
Secretary of State/State Auditor	\$5,000	\$1,000
Senate	\$5,000	\$1,000
House of Representatives	\$5,000	\$1,000

Corporations are prohibited from contributing to major political parties, party units, political funds, PACs, and candidates.¹⁴ Labor unions are allowed to contribute only \$100 in the aggregate in any one year to candidates, political committees, or parties.¹⁵ Corporations and unions are permitted to set up separate, segregated funds, which are considered PACs and are subject to those contribution limits.

Lobbyists are not allowed to give gifts to public officials of more than \$5,¹⁶ and while there are no special contribution limits for lobbyists (other than the individual contribution limits), lobbyists are prohibited from contributing to candidates for the legislature or constitutional office during a regular session of the legislature.¹⁷ The regular session limitation also applies to

contributions to legislative caucuses, PACs, and political funds.¹⁸

The final piece of the contribution limit regime is the aggregate contribution limits placed on contributions from lobbyists, PACs, political funds, and “large contributors.” Large contributors are individuals, not including the candidate, whose contributions total more than one-half the yearly contribution limit.¹⁹ A candidate may not accept aggregate contributions from those sources that total more than 20% of the voluntary expenditure limits for publicly financed candidates. *See* Figure 3.

FIGURE 3:
LIMITS ON CONTRIBUTIONS CANDIDATES MAY ACCEPT IN THE AGGREGATE FROM
LOBBYISTS, PACS, POLITICAL FUNDS, AND LARGE CONTRIBUTORS

Office Sought	Limits in 2006 (election year)	Limits in 2007 (non-election year)
Governor/Lt. Governor	\$478,800	\$95,800
Attorney General	\$79,800	\$16,000
Secretary of State/State Auditor	\$39,900	\$8,000
Senate	\$12,000	\$2,400
House of Representatives	\$6,000	\$1,200

The absence of limits on contributions from individuals, political funds, and PACs to other PACs and political parties creates a situation in which PACs and political parties receive more and more money, which is used primarily for independent expenditures,²⁰ while candidates are more limited in their own funding. For example, in 2004, the two major political parties in Minnesota raised over \$4 million, and each party’s caucus campaign committees collected between \$2.7 and \$2.9 million apiece.²¹ As a result of this disparity between the amounts candidates and parties can accept, the potential exists for a lopsided flow of money; under these very likely circumstances, the information the public would receive about candidates would be designed and filtered by the parties, rather than directed and vouched for by the candidates themselves. Creating limits on contributions to political parties and PACs would make it more likely that there would be a balance between candidate spending and expenditures not directed by the candidate’s campaign.

Limits on Contributions from Individuals to:

Candidates for			
	Governor	Other Statewide Candidates	State Senator
Illinois	Unlimited	Unlimited	Unlimited
Michigan	\$3,400/election cycle*	\$3,400/election cycle	\$1,000/election cycle
Minnesota	\$2,000/election year**	\$500-\$1,000/ election year	\$500/election year
Ohio	\$10,000/election***	\$10,000/election	\$10,000/election
Wisconsin	\$10,000/election cycle	\$10,000/election cycle	\$1,000/election cycle

Limits on Contributions from PACs to:

Candidates for			
	Governor	Other Statewide Candidates	State Senator
Illinois	Unlimited	Unlimited	Unlimited
Michigan	\$34,000/election	\$34,000/election	\$10,000/election
Minnesota	\$2,000/election year	\$500-\$1,000/election year	\$500/election year
Ohio	\$10,000/election from political action committees or political contributing entities	\$10,000/election from political action committees or political contributing entities	\$10,000/election from political action committees or political contributing entities
Wisconsin	\$43,128/election cycle	\$8,625 - \$21,560/election cycle	\$1,000/election cycle

Limits on Contributions from Political Parties to:

Candidates for			
	Governor	Other Statewide Candidates	State Senator
Illinois	Unlimited	Unlimited	Unlimited
Michigan	\$68,000/election cycle	\$68,000/election cycle	\$10,000/election cycle
Minnesota	\$20,000/election year	\$5,000-\$10,000/election year	\$5,000/election year
Ohio	\$1,628,000/election cycle from state and county party units, including legislative campaign funds	\$1,628,000/election cycle from state and county party units, including legislative campaign funds	\$618,500/election cycle from state and county party units, including legislative campaign funds
Wisconsin	\$700,830/election cycle from all committees including political parties	\$140,156 - \$350,350/election cycle from all committees including political parties	\$22,425/election cycle from all committees including political parties

Limits on Contributions from Corporations to:

Candidates for			
	Governor	Other Statewide Candidates	State Senator
Illinois	Unlimited	Unlimited	Unlimited
Michigan	Prohibited	Prohibited	Prohibited
Minnesota	Prohibited	Prohibited	Prohibited
Ohio	Prohibited	Prohibited	Prohibited
Wisconsin	Prohibited	Prohibited	Prohibited

Limits on Contributions from Labor Unions to:

Candidates for			
	Governor	Other Statewide Candidates	State Senator
Illinois	Unlimited	Unlimited	Unlimited
Michigan	Prohibited	Prohibited	Prohibited
Minnesota	\$100/year	\$100/year	\$100/year
Ohio	\$10,000/election	\$10,000/election	\$10,000/election
Wisconsin	Unlimited	Unlimited	Unlimited

	Entities		
	PACs	Political Parties	Other
State Rep			
Unlimited	Unlimited	Unlimited	
\$500/election cycle	Unlimited	Unlimited	
\$500/election year	Unlimited	Unlimited	
\$10,000/election	\$10,000/year	\$30,000/year to state political party	\$10,000/year to any political contributing entity; \$10,000/year to any county political party; \$15,000/year to any legislative campaign fund
\$500/election cycle	\$10,000/year	\$10,000/year	

* Election cycles may differ by state and by office (i.e. 4-year cycle for governor, 2-year cycle for state senators).

** States with limits per election year also have lower limits on non-election year contributions.

*** Primary, general, and special elections are considered separate elections.

	Entities		
	PACs	Political Parties	Other
State Rep			
Unlimited	Unlimited	Unlimited	
\$5,000/election	Unlimited	Unlimited	
\$500/election year	Unlimited	Unlimited	
\$10,000/election from political action committees or political contributing entities	\$10,000/year from one political action committee or political contributing entity to another	\$15,000/year to any one legislative campaign fund; Prohibited to county political parties	
\$500/election cycle	Prohibited	\$6,000/year	

	Entities		
	PACs	Political Parties	Other
State Rep			
Unlimited	Unlimited	Unlimited	
\$5,000/election cycle	Unlimited	Unlimited	
\$5,000/election year	Unlimited	Unlimited	
\$309,000/election cycle from state and county party units, including legislative campaign funds	\$10,000/year to any one political action committee or any one political contributing entity	Prohibited from county political party to another county political party; Unlimited from legislative campaign fund to state candidate fund of political party	Party expenditures that do not name any candidate or that fund mailings, phone calls, fundraising or party committee staff that benefit three or more party candidates are not counted toward the contribution limits for individual candidates. Individual Limits differ for contributions from county parties; Individual limits differ for contributions from legislative campaign funds
\$11,213/election cycle from all committees including political parties	Unlimited	Unlimited	

	Entities		
	PACs	Political Parties	Other
State Rep			
Unlimited	Unlimited	Unlimited	
Prohibited	Prohibited	Prohibited	
Prohibited	Prohibited	Prohibited	
Prohibited	Prohibited	Prohibited	
Prohibited	Prohibited	Prohibited	

	Entities		
	PACs	Political Parties	Other
State Rep			
Unlimited	Unlimited	Unlimited	
Prohibited	Prohibited	Prohibited	
\$100/year	\$100/year	\$100/year	
\$10,000/election	\$10,000/year to another PAC or political contributing entity	\$30,000/year to any state political party candidate fund	Other limits apply for legislative campaign funds and contributions to Levin accounts
Unlimited	Unlimited	Unlimited	

DISCLOSURE

Minnesota's disclosure laws are fairly strong, but the ease of filing reports electronically, obtaining access to the information disclosed, and using the state's campaign disclosure website is in need of improvement. In 2005, *Grading State Disclosure*, an independent nationwide study of campaign disclosure laws and practices gave Minnesota an overall grade of D+, ranking it 25th in the nation. The report gave the campaign disclosure laws a B+ grade, but gave the state an F for its electronic filing program, an F for disclosure content accessibility (the degree to which content in disclosure reports is accessible to the public) and a D in online contextual and technical usability (the extent of background information provided on the site and user-friendliness of the site's architecture).²²

GENERAL REQUIREMENTS

Minnesota requires that certain campaign finance records be maintained and requires disclosure of some of those records. The records required to be maintained must contain the following information: the names, addresses, amount of contribution, and date of receipt for all contributors who give in excess of \$20, along with the name of the contributor's employer if the contribution exceeds \$100;²³ the purpose, date, and amount of every expenditure made;²⁴ the name and address of each candidate, PAC, party unit, or political fund to which contributions are given; and the fair market value of all in-kind contributions given or received.²⁵ Disclosure of these records is required for each contribution and expenditure that exceeds \$100.²⁶

Reporting timelines vary for election and non-election years. Candidates, PACs, political parties, and independent spenders²⁷ must file a minimum of three disclosure reports per election year.²⁸ The first campaign report, the "Annual Report of Receipts and Expenditures," is due on January 31, and it covers the period from January 1 of the previous year until December 31 of that year.²⁹ The second report, the "Pre-Primary Report of Receipts and Expenditures," is due 15 days before the primary election.³⁰ The third report, the "Pre-General Report of Receipts and Expenditures," is due 10 days prior to the general election.³¹ There are special provisions for late contributions, which are defined as any loan or contribution from any source that exceeds \$2,000 for statewide elections or \$400 for judicial district or legislative elections, that are received between the last day covered in the last report before the election and the day of the election.³² The late contribution provisions require candidates, PACs, political funds, party units, and independent spenders to report such contributions within 48 hours and on the next required report.³³

Only one disclosure report is required during non-election years, to be filed on January 31. The report must contain all the information from the preceding full calendar year.³⁴

Independent spenders that produce print and oral advertisements must explicitly state that the expenditure was made without the approval of the candidate and that the candidate was not responsible for the advertisement.³⁵

DISCLOSURE WEAKNESSES

Minnesota recently implemented a voluntary electronic reporting system.³⁶ Only approximately 50 percent of candidates, however, choose to use the system, and the system provides no incentive to encourage candidates or parties to participate.³⁷ Moreover, *Grading State Disclosure* determined that there is significant lag time between when Minnesota campaign reports are filed and when they are posted on the Internet, and that the technology, search functions and other usability attributes of the site should be improved.³⁸ Advocates in Minnesota say that the lag time is improving because the Campaign Finance Board is now posting the reports in PDF form as they are filed and manually entering the numbers later.

Another major weakness of Minnesota's campaign disclosure system is that it fails to require reporting of all types of expenditures affecting elections. Rather, it requires reporting only of independent expenditures that expressly advocate the election or defeat of a candidate. As experience in federal elections and Minnesota has shown, such limited regulation allows much election-influencing advertising to go completely unreported, because advertisers can easily communicate their messages without using the "magic words" of express advocacy (such as "vote for" or "vote against").

To distinguish them from campaign ads using the "magic words" of express advocacy, such sham issue ads are often separately defined as "electioneering communications." Typically, "electioneering communications" are defined as advertisements in designated media, made within a specified period before an election, that refer unambiguously to a candidate and are targeted to the candidate's constituents. Electioneering communications may be regulated exactly as are ads using magic words: spending of corporate and labor union treasury funds on such communications may be limited or banned entirely, corporations and unions may be required to establish affiliated PACs through which to finance the communications, PACs sponsoring electioneering communications may be required to disclose their financial backers, and all sponsors (including individuals) may be required to report their spending on electioneering communications.

As of December 2006, 17 states had incorporated such provisions into their laws.³⁹ Minnesota, however, has not done so, leaving huge sums spent on campaign advertising exempt from disclosure requirements. To this day, the public remains in the dark about the financing of major independent advertising campaigns that influence elections.

PUBLIC FINANCING

Minnesota was one of the “front-runners” in initiating a partial public financing system for both legislative and gubernatorial candidates. While the state had imposed reporting requirements and spending limits in previous decades, the establishment of the public financing system came in 1974 as a response to Watergate. The legislation created the Ethical Practices Board, an administrative agency that is now known as the Campaign Finance and Public Disclosure Board.

The original legislation featured a tax credit of \$12.50 per person for campaign contributions; after being briefly repealed in 1987, the credit was increased to \$50 in 1990 and then changed to a refund in the next year to encourage contributions from voters who do not pay taxes.⁴⁰ The Minnesota system also provided a match to publicly funded candidates against whom independent expenditures were made, but this provision was invalidated by the Eighth Circuit Court of Appeals in 1994.⁴¹

SOURCE OF PUBLIC FUNDS

The public grants are funded by an income tax check-off and an annual legislative appropriation.⁴² In the check-off system, the taxpayer may designate \$5 to be allocated to one of the accounts maintained by the state elections campaign fund: the general account or a particular political party account.⁴³ Currently, the following Minnesota political parties have political party accounts that are maintained by the state elections campaign fund: Democratic-Farmer-Labor Party, Green Party, Independence Party, and the Republican Party. For example, a taxpayer may choose to allocate his \$5 check off to the Republican Party.⁴⁴ Or, the taxpayer might choose to allocate his \$5 to the general fund. In addition to the allocations from the check-off system, the general fund is supplemented with \$1.5 million every year.⁴⁵

CONDITIONS FOR RECEIVING PUBLIC FUNDS

In order to become eligible to receive public grants, candidates must appear on the ballot and have an opponent in either the primary or general election,⁴⁶ sign an agreement to abide by voluntary spending limits, and agree to a prohibition on independent expenditures by the candidate’s principal campaign committee.⁴⁷

Candidates also must collect contributions from a certain number of eligible Minnesota voters in order to receive public funds. Regardless of the actual amount received, only the first \$50 of each individual’s contribution is counted toward the total requirement for each office: \$35,000 for candidates for governor and lieutenant governor; \$15,000 for candidates for attorney general; \$6,000 for candidates for state auditor and secretary of state; \$3,000 for candidates for the state senate; and \$1,500 for candidates for the state house of representatives.⁴⁸ This means, for instance, that a candidate for governor or lieutenant governor would have to collect \$50 contributions from at least 700 voters in order to qualify.

These contribution requirements ensure that candidates seeking the public grants are politi-

cally viable, which prevents wasteful allocation of grant money to frivolous or non-competitive candidates. The assumption is that if a candidate is able to raise the statutorily-mandated amount, and is able to do so through contributions from a large number of eligible voters, those candidates are likely to garner sufficient support in the election to make them viable, which, in turn, makes them appropriate benefactors of public money.

DETERMINATION OF GRANT AMOUNT

An eligible candidate’s total public grant has two components: a payment from the party account, and a uniform portion by office from the general account, both of which are distributed following the primary election.

First, the candidate receives a party account payment from his party’s account immediately following the primary.⁴⁹ Each party is free to distribute varying amounts to its candidates from the political party account, as long as the statutory percentages are respected⁵⁰ and no candidate receives a payment in excess of the voluntary spending limit. See Expenditure Limits, below.⁵¹

The second component of the total public subsidy is from the general account, which is distributed in equal shares by office. Like the payment from the party account, it is disbursed after the primary,⁵² but unlike the payment from the party account, it is uniform for every eligible candidate running for a particular office.⁵³ Minnesota law allocates a certain percentage of the general account to the candidates running for each office. See Figure 4.

FIGURE 4:
ALLOCATION OF THE GENERAL ACCOUNT

Office Sought	Percent of Total General Account That Must Be Allocated to Candidates for This Office	Payment to 2006 Candidates ⁵⁴
Governor/Lt. Governor	21%	\$367,932.31
Attorney General	4.2%	\$49,057.64
Secretary of State and State Auditor	2.4%	\$28,032.94
State Senator (in years when elected for 4-year terms) ⁵⁵	23.33%	\$6,701.96
State Representative (in years when senators elected for 4-year terms)	46.66%	\$3,071.96
State Senator (in years when elected for 2-year terms)	35%	N/A
State representative (in years when senators elected for 2-year terms)	35%	N/A

There are two limitations on the money from the general account. First, the candidate must spend at least half of the money no later than the end of the final reporting period (17 days) before the general election. Otherwise, the candidate must repay the difference to the Board

within six months of the general election.⁵⁶ Second, the amount of the candidate's grant from the general account is limited by a 50% rule. A candidate may not be paid an amount from the general account that would cause his total public subsidy, including the payment from his party's account, to exceed 50% of the voluntary expenditure limit imposed for the particular position he seeks.⁵⁷ See Expenditure Limits, below. The funds that are not disbursed because of this 50% limitation must be distributed equally among all other qualified candidates for the same office until they all have reached the 50% limit or the money from the general account is gone.⁵⁸

EXPENDITURE LIMITS

The voluntary spending limits ensure that candidates for a certain office do not spend in excess of a set amount in election years and 20% of that set amount during non-election years. The spending limits vary by office,⁵⁹ and they are periodically adjusted to allow candidates to run effective campaigns and to account for inflation. Each general election year, the executive director of the Campaign Finance and Public Disclosure Board determines the percentage increase in the "consumer price index" and applies that percentage to the previous spending limits.⁶⁰

There are two variations on these voluntary spending limits. First, in order to encourage newcomers to politics and help them overcome the advantages of incumbency, candidates running for office for the first time against a sitting official are allowed to spend 10% more than the set limit for that office.⁶¹ Second, winning candidates in contested primaries (defined as those with a margin of victory of less than 2-to-1) are given a 20% increase in the standard spending limit, which may be used only after the primary election.⁶²

Incorporating these variations, Figure 5 shows the expenditure limits applied for participating candidates in 2006.⁶³

FIGURE 5:
VOLUNTARY SPENDING LIMITS

Office Sought	Ordinary Candidate in Election Year	First-Time Candidate in Election Year	Ordinary Candidate Who Had Contested Primary in Election Year	First-Time Candidate Who Had Contested Primary in Election Year	Spending Limit for Non-Election Years
Gov/Lt. Gov.	\$2,393,800	\$2,633,200	\$2,872,560	\$3,159,840	\$478,800
Att'y Gen.	\$399,000	\$438,900	\$478,800	\$526,680	\$79,800
Sec. of State, State Auditor	\$199,500	\$219,500	\$239,400	\$263,400	\$39,900
Senate	\$59,900	\$65,900	\$71,880	\$79,080	\$12,000
House of Rep.	\$30,100	\$33,200	\$36,120	\$39,840	\$6,000

Furthermore, there is an opt-out provision for candidates who have opponents that choose not to participate in the public funding system.⁶⁴ A candidate that signs a public subsidy

agreement is released from expenditure limits if his opponent does not participate and receives contributions or makes expenditures (or obligations for expenditures) in excess of 20% of the election-year spending limit any time up to 10 days before the primary or 50% of the election-year spending limit within 10 days of the primary.⁶⁵ The participating candidate whose opponent meets these conditions is no longer bound by the spending limits, but remains eligible for the public subsidy.⁶⁶

Beyond the spending limit, a further restriction was added in 2002, barring any participating candidate's principal campaign committee from making independent expenditures for or against candidates in other races.⁶⁷

CONTRIBUTION REFUND PROGRAM

An interesting feature of Minnesota's public financing system is that contributors to publicly funded candidates become eligible for the political contribution refund program.⁶⁸ Contributors are entitled to a refund of up to \$50 of their contribution. This refund program applies only to monetary contributions; contributions made in goods or services are not refundable under the system. The maximum refund contributors can receive per year is \$50 per individual or \$100 per married couple. In order to receive a refund, a contributor must: (1) get a contribution receipt from the party or candidate, and (2) complete and file an application form.⁶⁹

Reports indicate that candidate participation in Minnesota's public financing system is over 95%.⁷⁰ It is believed that the availability of a refund for contributors may play a role in these high levels of participation.

ASSESSMENT OF THE MINNESOTA PUBLIC FINANCING FUND

In a recent survey, about one in four Minnesota citizens said that they were "extremely concerned" about "the influence of money in state politics."⁷¹ Some advocates argue that Minnesota's current partial public financing system does not sufficiently address this concern.⁷² Because the system is a partial one, candidates still must raise private money and may not be fully able to escape undue influence from their contributors. Legislation instituting a full public financing system has been introduced in both houses since 2001, but advocates say that it has been blocked by legislative leaders whenever it has been voted out of committee.⁷³

Whether Minnesota's public financing system enhances competition among incumbents and newcomers is a matter of some dispute. One recent empirical study of elections in Minnesota in 2002 and 2004 indicated an increase in contested races and competitiveness (defined as the percentage of incumbents who garnered less than 60% of the two-party vote), and a small decrease in incumbent re-election.⁷⁴ The authors recognized that factors other than public financing may play a role in these changes but concluded that public financing must have played some role in the improvement. Scholars of earlier works had previously argued that there was no real evidence to indicate that races had become more competitive, or that the playing field had been leveled for candidates.⁷⁵

An additional potential problem with the Minnesota public financing system is that the public grants are limited to candidates that have a major party affiliation. To qualify for general account funding, the candidate must be the candidate for a major party, and candidates must have a major party affiliation to receive funding from the particular party accounts. If a primary goal of the public funding system is to attract candidates that are new to politics, the major party affiliation requirement may not encourage as many newcomers as would otherwise be attracted by public grants available to all candidates, even if in reduced amounts, regardless of party affiliation.

No assessment of the Minnesota public financing system is complete without mentioning the most famous benefactor of the system, former Governor Jesse Ventura. While Governor Ventura certainly had high name recognition, it is also widely believed that access to public funding through the public financing system benefited him greatly.⁷⁶ Ventura's campaign suggested that the funding mechanism helps to draw newcomers to politics and make them viable candidates.

ENFORCEMENT

The Minnesota Campaign Finance and Public Disclosure Board was established to administer and enforce campaign finance laws.⁷⁷ This Board is comprised of six members appointed by the governor and confirmed by three-fifths of the house and senate. The requirements for the members of the Board are as follows: two must be former members of the legislature who support different political parties; two must be people who have not been public officials or held any office; and the last two must support different political parties. No more than three members may support the same political party.⁷⁸ Board members serve four-year, staggered terms.⁷⁹

The Board has the discretion to “make audits and investigations with respect to statements and reports that are filed or that should have been filed”⁸⁰ and to investigate any alleged violation of the campaign finance laws.⁸¹ In furtherance of the Board's investigatory authority, the Board has subpoena power, and it may initiate civil proceedings to seek injunctions or recover civil penalties. As a general rule, Minnesota does not impose criminal liability for campaign finance violators.⁸² There are some violations, however, that trigger criminal liability, including knowingly reporting false information,⁸³ failing to keep proper records,⁸⁴ acting as or employing a lobbyist under certain circumstances,⁸⁵ accepting earmarked contributions,⁸⁶ making an expenditure of more than \$20 without written authorization from the campaign treasurer,⁸⁷ and using reported campaign finance information for commercial purposes.⁸⁸

When a violation is alleged in a written complaint, the Board is required to investigate. For mandated investigations pertaining to alleged violations of the contribution limits or voluntary spending limits, the Board must either enter a conciliation agreement or make a public probable cause finding within 60 days of the filing of the written complaint. If a finding of probable cause is made, the Board must bring an action in court to collect civil penalties. For

all other mandated investigations, the Board must make a public probable cause finding within 30 days.⁸⁹ The Board must disclose the existence of an investigation to the parties involved, but the circumstances of the investigation are confidential until the Board enters a conciliation agreement or makes a public finding.⁹⁰

In addition, the Board has the power to issue advisory opinions.⁹¹

RECOMMENDATIONS FOR REFORMING MINNESOTA'S CAMPAIGN FINANCE LAWS

PUBLIC FINANCING:

- Consider implementing a full public financing system, modeled on those in effect in Maine and Arizona, in order to combat the lack of faith the public has in the current partial public financing system.
- At the very least, reform the current system to provide more generous public financing to reduce concern about the effect of campaign money on state government and permit independent and minor party candidates to qualify for public financing.

CONTRIBUTION LIMITS:

- Set reasonable limits on contributions from individuals, PACs, and political funds to PACs and political parties.
- Subject corporate conduit funds to the same bundling restrictions applicable to individuals, PACs and political funds.

DISCLOSURE:

- Require electronic disclosure for persons or PACs that spend over a threshold amount.
- Post expenditures on the Internet.
- Improve the accessibility and usability of the campaign disclosure website.
- Regulate sham issue ads just as express advocacy is regulated.

- ¹ 424 U.S. 1 (1976) (per curiam).
- ² *Bang v. Chase*, 442 F. Supp. 758 (D. Minn. 1977), *aff'd mem. sub nom. Bang v. Noreen*, 436 U.S. 941 (1978) (applying *Buckley v. Valeo* to strike down the Minnesota spending limits, which necessarily eliminated the contribution limits as well).
- ³ MINN. STAT. § 10A.27(1) (1978) (amended 1990, 1991, 1993, 1999 and 2002).
- ⁴ MINN. STAT. § 10A.27(1) (1991) (amended 1993, 1999 and 2002); *Seventy-Seventh Minnesota State Senate v. Carlson*, No. C3-91-7547 (Minn. Dist. Ct. Aug. 2, 1991) (declaring the bill valid as law because of Governor Carlson's failure to return the bill before the 3-day deadline, which was a violation of veto protocol), *available at* <http://www.senate.leg.state.mn.us/departments/scr/redist/Carl8291.htm>.
- ⁵ MINN. STAT. § 10A.27(1) (2006).
- ⁶ *Id.* “‘Political committee’ means an association whose major purpose is to influence the nomination or election of a candidate or to promote or defeat a ballot question, other than a principal campaign committee or a political party unit.” MINN. STAT. § 10A.01(27) (2006).
- ⁷ MINN. STAT. § 10A.27(1) (2006). “‘Political fund’ means an accumulation of dues or voluntary contributions by an association other than a political committee, principal campaign committee, or party unit, if the accumulation is collected or expended to influence the nomination or election of a candidate or to promote or defeat a ballot question.” MINN. STAT. § 10A.01(28) (2006). A labor union is an example of an organization that would register as a political fund; political funds must have a treasurer and a separate bank account at all times. Minnesota Campaign Finance and Public Disclosure Board, “Campaign Finance – Glossary of Terms,” *available at* <http://www.cfboard.state.mn.us/issues/glossary.pdf>.
- ⁸ MINN. STAT. § 10A.27(2) (2006). “‘Political party unit’ or ‘party unit’ means the state committee or the party organization within a house of the legislature, congressional district, county, legislative district, municipality, or precinct.” *Id.* §10A.01(30) (2006).
- ⁹ MINN. STAT. § 10A.27(1) (2006).
- ¹⁰ *Id.*
- ¹¹ *Id.*
- ¹² *Id.* §§ 10A.27(1), 211B.15(16); *Minn. Ass’n of Commerce and Indus.*, 316 N.W.2d 524 (Minn. 1982) (discussing conduit funds and approving of Minnesota Ethics Commission Advisory Opinion No. 6); Minn. Adv. Op. 6, 1974 WL 33621 (Minn. State Ethics Comm’n).
- ¹³ MINN. STAT. § 10A.27(2) (2006). The limitation does not apply, however, to contributions from a legislative candidate’s dissolving principal campaign committee to another campaign committee for the same candidate, running for a different office.
- ¹⁴ MINN. STAT. § 211B.15(2) (2006).
- ¹⁵ MINN. STAT. § 10A.12 (2006).
- ¹⁶ MINN. STAT. § 10A.071 (2006).
- ¹⁷ MINN. STAT. § 10A.273 (2006).
- ¹⁸ *Id.*

¹⁹ MINN. STAT. § 10A.27(11) (2006). Aggregate contribution limits do not apply to contributions and loans from: the political party, the candidate, or individuals that contribute or loan less than one-half of the contribution limit.

²⁰ The Institute on Money in State Politics, “Overview of 2004 Elections,” *available at* <http://www.followthemoney.org/press/Reports/200601041.pdf>.

²¹ *Id.*

²² Campaign Disclosure Project, “Grading State Disclosure 2005,” *available at* <http://campaigndisclosure.org/gradingstate/ny.html>.

²³ MINN. STAT. § 10A.20(3) (2006).

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*

²⁷ “‘Independent expenditure’ means an expenditure expressly advocating the election or defeat of a clearly identified candidate, if the expenditure is made without the express or implied consent, authorization, or cooperation of, and not in concert with or at the request or suggestion of, any candidate or any candidate’s principal campaign committee or agent. An independent expenditure is not a contribution to that candidate.” MINN. STAT. § 10A.01(18) (2006); *See also Repub. Party of Minn. v. Pauly*, 63 F. Supp. 2d 1008 (D. Minn. 1999) (striking down as unconstitutional part of definition of independent expenditure that presumed that “[a]n expenditure by a political party or political party unit in a race where the political party has a candidate on the ballot is not an independent expenditure”).

²⁸ MINN. STAT. § 10A.20(2), (6) (2006).

²⁹ MINN. STAT. § 10A.20(2)(a), (3) (2006).

³⁰ MINN. STAT. § 10A.20(2)(b), (c) (2006). For the election year of 2006, the deadline for the Pre-Primary Report is August 28, and the report covers the period from January 1, 2006, through August 21, 2006.

³¹ *Id.* For the election year of 2006, the deadline for the Pre-General Report is October 30, and the report covers the period from January 1, 2006 through October 23, 2006.

³² MINN. STAT. § 10A.20(5) (2006).

³³ *Id.*

³⁴ MINN. STAT. § 10A.20(2)(a) (2006).

³⁵ MINN. STAT. § 10A.17(4) (2006).

³⁶ Minnesota Campaign Finance and Public Disclosure Board, “Campaign Finance Reporter,” *available at* <http://www.cfboard.state.mn.us/software/index.html>.

³⁷ E-mail from Gary Goldsmith, Management Analyst, Minnesota Campaign Finance Board (Dec. 5, 2006) (on file with the Brennan Center).

³⁸ Campaign Disclosure Project, *supra* note 22.

³⁹ These states are Alaska, Arizona, California, Connecticut, Colorado, Florida, Hawaii, Idaho, Illinois, Maine, North Carolina, Ohio, Oklahoma, South Carolina, Vermont, Washington, and West Virginia.

⁴⁰ Peter S. Wattson, “Minnesota’s Campaign Finance Law,” Minnesota State Senate, *available at* <http://www.senate.leg.state.mn.us/departments/scr/treatise/campfin.htm>.

⁴¹ *Day v. Holahan*, 34 F.3d 1356 (8th Cir. 1994). The continuing validity of this decision, however, remains in doubt. *See, e.g., Rosenstiel v. Rodriguez*, 101 F.3d 1544, 1552 (8th Cir. 1996) (upholding match to publicly funded candidates based on nonparticipating candidate spending); *Daggett v. Comm’n on Governmental Ethics & Election Practices*, 205 F.3d 445, 464 n.25 (rejecting Day’s reasoning); *Ass’n of Am. Physicians and Surgeons v. Brewer*, 363 F. Supp. 2d 1197, 1201-03 (D. Ariz. 2005) (rejecting Day’s reasoning), appeal docketed, No. 05-15630 (9th Cir. 2005), hr’g (9th Cir. Feb. 12, 2007).

⁴² MINN. STAT. § 10A.31(1) (2006).

⁴³ *Id.* Major political parties and minor political parties may choose to be included on the income tax form if they are notified by the secretary of state of their eligibility status. MINN. STAT. § 10A.31(3)(a). (2006).

⁴⁴ Jeanne L. Olson, “Campaign Finance Requirement of the Minnesota Ethics in Government Act,” *available at* <http://www.cfboard.state.mn.us/law/CFCLE.pdf>.

⁴⁵ MINN. STAT. § 10A.31 (2006).

⁴⁶ MINN. STAT. § 10A.31(7) (2006).

⁴⁷ MINN. STAT. § 10A.322 (2006).

⁴⁸ MINN. STAT. § 10A.323 (2006).

⁴⁹ MINN. STAT. §10A.31(5) (2006).

⁵⁰ MINN. STAT. § 10A.31(5)(b) (2006) sets the percentages that must be allocated to each office. But, within the percentage allocated to a particular office, the party is free to give different candidates different amounts.

⁵¹ One caveat to this discretion can be found in Minn. Stat. § 10A.31(5)(a) (2006), which provides special guidelines for allocating party money to legislative candidates, in order to ensure that “money will be returned to the counties from which it was collected and to ensure that the distribution rationally relates to the support for particular parties or for particular candidates within legislative districts.” MINN. STAT. § 10A.31(5)(a) (2006).

⁵² The timing of the general account disbursement has not always been immediately after the primary. From 1974 to 2000, money from the general account was distributed to candidates following the general election if that candidate received a certain minimum percentage of the votes. This provision forced candidates to borrow money in anticipation of a general fund payoff following the election. The timing of the disbursement was changed in 2001. MINN. STAT. § 10A.31(7) (2006).

⁵³ MINN. STAT. § 10A.31(7) (2006).

⁵⁴ Minnesota Campaign Finance and Public Disclosure Board, “2006 Public Subsidy Payments,” *available at* http://www.cfboard.state.mn.us/publicsubsidy/2006_Sept_Public_Subsidy_Payment.pdf.

⁵⁵ State Senators are elected for four-year terms in every election except ones following the decennial census and apportionment. MINN. CONST. art IV, § 4 (2006).

⁵⁶ MINN. STAT. § 10A.31(7)(c) (2006).

⁵⁷ MINN. STAT. § 10A.31(7)(b) (2006).

⁵⁸ *Id.*

⁵⁹ MINN. STAT. §§ 10A.322, 10A.25 (2006).

⁶⁰ MINN. STAT. § 10A.255 (2006).

⁶¹ The candidate must be running for the office for the first time and cannot have previously run for another of fice whose district now includes a population that is more than 1/3 of the population in the territory of the new office. MINN. STAT. § 10A.25(2)(d) (2006).

⁶² MINN. STAT. § 10A.25(5) (2006).

⁶³ Minnesota Campaign Finance and Public Disclosure Board. “Contribution Limits Election Year 2006,” *available at* http://www.cfboard.state.mn.us/campfin/Limits/Contrib_Limits_2006.pdf.

⁶⁴ MINN. STAT. § 10A.25(10) (2006).

⁶⁵ *Id.* (Non-participating candidates are required to inform the Board and their opposing candidates when those conditions are met.)

⁶⁶ *Id.*

⁶⁷ MINN. STAT. § 10A.25(3)(a) (2006).

⁶⁸ MINN. STAT. §§ 10A.322(4), 290.06(23) (2006). Following the Watergate scandal, Minnesota was a leader in instituting a political contribution refund system. Since then, other states, including Ohio and Massachusetts, have followed suit by implementing similar mechanisms.

⁶⁹ Minnesota Campaign Finance and Public Disclosure Board. “Political Contribution Refund,” *available at* <http://www.cfboard.state.mn.us/publicsubsidy/conrefund.htm>.

⁷⁰ Minnesota Campaign Finance and Public Disclosure Board, “2000 Campaign Finance Summary,” *available at* <http://www.cfboard.state.mn.us/summary00/index.html> (reporting a 98% participation rate among eligible legislative candidates).

⁷¹ Survey Conducted by Belden, Russonello & Stewart for the Joyce Foundation, “Midwesterners Consider State Government Reform,” (Aug. 2006), *available at* <http://www.joycefdn.org/pubs/content/pubs-staterreform.html>.

⁷² “Voters care about big money’s influence: Candidates’ silence doesn’t make issue go away,” *Star Tribune: Newspaper of the Twin Cities*, September 26, 2006, 8A.

⁷³ For the bills introduced in 2005, see H.F. 1065, 2005 Leg., 84th Sess. (Minn. 2005); S.F. 0863, 2005 Leg., 84th Sess. (Minn. 2005).

⁷⁴ Kenneth R. Mayer, Timothy Werner, Amanda Williams, DO PUBLIC FUNDING PROGRAMS ENHANCE ELECTORAL COMPETITION? Presented at Kent State University, Fourth Annual Conference on State Politics and Policy, updated Mar. 2005, *available at* <http://campfin.polisci.wisc.edu/Wisc%20Camp%20Fin%20Proj%20-%20Public%20Funding%20and%20Competition.pdf>.

⁷⁵ *From the Ground Up: Local Lessons From National Reform*, 27 FORDHAM URB. L.J. 5, 26 (1999); Michael Malbin and Thomas Gais, *The Day After Reform: Sobering Campaign Finance Lessons From the American States* (Rockefeller Inst. Press 1998).

⁷⁶ See, e.g., Steven E. Schier, *Jesse's Victory: It Was No Fluke*, WASHINGTON MONTHLY, Jan. 1999; *Choate Touts Influence of Reform Party in Minnesota Election*, NATIONAL JOURNAL'S CONGRESS DAILY, Nov. 4, 1998; Paul Wellstone, *'98 Voters Were Standing Up for the Little Guy Against Big Money*, THE BOSTON GLOBE, Nov. 11, 1998; Bob Von Sternberg, *The Maine Attraction Could be a Primer for Minnesota*, THE STAR TRIBUNE (Minneapolis, MN), Nov. 22, 1998.

⁷⁷ MINN. STAT. § 10A.02 (2006).

⁷⁸ *Id.*

⁷⁹ MINN. STAT. § 10A.02(4) (2006).

⁸⁰ MINN. STAT. § 10A.02(10) (2006).

⁸¹ MINN. STAT. § 10A.02(11) (2006).

⁸² MINN. STAT. § 10A.34 (2006).

⁸³ MINN. STAT. § 10A.025 (2006).

⁸⁴ *Id.*

⁸⁵ MINN. STAT. § 10A.06 (2006).

⁸⁶ MINN. STAT. § 10A.016 (2006). An earmarked contribution is described as one “from any source with the express or implied condition that the contribution or any part of it be directed to a particular candidate other than the initial recipient.”

⁸⁷ MINN. STAT. § 10A.17 (2006).

⁸⁸ MINN. STAT. § 10A.35 (2006).

⁸⁹ MINN. STAT. § 10A.02(11) (2006).

⁹⁰ *Id.*

⁹¹ MINN. STAT. § 10A.02 (2006).

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