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State of Minnesota

Printed Page No. 19

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 117

01/05/2023 Authored by Stephenson, Freiberg, Greenman, Hollins, Wolgamott and others
The bill was read for the first time and referred to the Committee on Elections Finance and Policy
01/23/2023 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time

1.1 A bill for an act
1.2 relating to campaign finance; prohibiting certain political activities by
1.3 foreign-influenced corporations; requiring a certification of compliance; prohibiting
1.4 candidates from accepting certain contributions; amending Minnesota Statutes
1.5 2022, sections 10A.27, subdivision 11; 211B.15, subdivisions 1, 7b, by adding
1.6 subdivisions.

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

1.8 Section 1. Minnesota Statutes 2022, section 10A.27, subdivision 11, is amended to read:

1.9 Subd. 11. Contributions from certain types of contributors. (a) A candidate must not
1.10 permit the candidate's principal campaign committee to accept a contribution from a political
1.11 committee, political fund, lobbyist, or association not registered with the board if the
1.12 contribution will cause the aggregate contributions from those types of contributors during
1.13 an election cycle segment to exceed an amount equal to 20 percent of the election cycle
1.14 segment expenditure limits for the office sought by the candidate, provided that the 20
1.15 percent limit must be rounded to the nearest \$100.

1.16 (b) A candidate must not permit the candidate's principal campaign committee to accept
1.17 a contribution that is prohibited by section 211B.15.

1.18 Sec. 2. Minnesota Statutes 2022, section 211B.15, subdivision 1, is amended to read:

1.19 Subdivision 1. Definitions. (a) For purposes of this section, the terms defined in this
1.20 subdivision have the meanings given. Unless otherwise provided, the definitions in section
1.21 10A.01 also apply to this section.

1.22 (b) "Chief executive officer" means the highest-ranking officer or decision-making
1.23 individual with authority over a corporation's affairs.

2.1 (c) "Corporation" means:

2.2 (1) a corporation organized for profit that does business in this state;

2.3 (2) a nonprofit corporation that carries out activities in this state; or

2.4 (3) a limited liability company formed under chapter 322C, or under similar laws of
2.5 another state, that does business in this state.

2.6 (d) "Foreign-influenced corporation" means a corporation, as defined in paragraph (c),
2.7 clause (1) or (3), for which at least one of the following conditions is met:

2.8 (1) a single foreign investor holds, owns, controls, or otherwise has direct or indirect
2.9 beneficial ownership of one percent or more of the total equity, outstanding voting shares,
2.10 membership units, or other applicable ownership interests of the corporation;

2.11 (2) two or more foreign investors in aggregate hold, own, control, or otherwise have
2.12 direct or indirect beneficial ownership of five percent or more of the total equity, outstanding
2.13 voting shares, membership units, or other applicable ownership interests of the corporation;
2.14 or

2.15 (3) a foreign investor participates directly or indirectly in the corporation's
2.16 decision-making process with respect to the corporation's political activities in the United
2.17 States.

2.18 (e) "Foreign investor" means a person or entity that:

2.19 (1) holds, owns, controls, or otherwise has direct or indirect beneficial ownership of
2.20 equity, outstanding voting shares, membership units, or otherwise applicable ownership
2.21 interests of a corporation; and

2.22 (2) is any of the following: (i) a government of a foreign country; (ii) a political party
2.23 organized in a foreign country; (iii) a partnership, association, corporation, organization,
2.24 or other combination of persons organized under the laws of or having its principal place
2.25 of business in a foreign country; (iv) an individual outside of the United States who is not
2.26 a citizen or national of the United States and who is not lawfully admitted for permanent
2.27 residence in the United States; or (v) a corporation in which a foreign investor, as defined
2.28 in this paragraph, holds, owns, controls, or otherwise has directly or indirectly acquired
2.29 beneficial ownership of equity or voting shares in an amount that is equal to or greater than
2.30 50 percent of the total equity or outstanding voting shares.

3.1 Sec. 3. Minnesota Statutes 2022, section 211B.15, is amended by adding a subdivision to
3.2 read:

3.3 Subd. 4a. **Foreign-influenced corporations.** (a) Notwithstanding subdivisions 3 and
3.4 4, a foreign-influenced corporation must not:

3.5 (1) make an expenditure, or offer or agree to make an expenditure, to promote or defeat
3.6 the candidacy of an individual for nomination, election, or appointment to a public office;

3.7 (2) make contributions or expenditures to promote or defeat a ballot question or to qualify
3.8 a question for placement on the ballot;

3.9 (3) make a contribution to a candidate for nomination, election, or appointment to a
3.10 public office or to a candidate's principal campaign committee; or

3.11 (4) make a contribution to a political committee, political fund, or political party unit.

3.12 (b) A foreign-influenced corporation must not make a contribution or donation to any
3.13 other person with the express or implied condition that the contribution or any part of it be
3.14 used for any of the purposes prohibited by this subdivision.

3.15 Sec. 4. Minnesota Statutes 2022, section 211B.15, is amended by adding a subdivision to
3.16 read:

3.17 Subd. 4b. **Certification of compliance with subdivision 4a.** A corporation, as defined
3.18 in subdivision 1, paragraph (c), clause (1) or (3), that makes a contribution or expenditure
3.19 authorized by subdivision 3 or 4 must, within seven business days after the contribution or
3.20 expenditure is made, submit a certification to the Campaign Finance and Public Disclosure
3.21 Board that it was not a foreign-influenced corporation as of the date the contribution or
3.22 expenditure was made. The certification must be signed by the corporation's chief executive
3.23 officer after reasonable inquiry, under penalty of perjury. If the activity requiring certification
3.24 was a contribution to an independent expenditure committee, the corporation must
3.25 additionally provide a copy of the certification to that committee. For purposes of this
3.26 certification, the corporation shall ascertain beneficial ownership in a manner consistent
3.27 with chapter 302A or, if it is registered on a national securities exchange, as set forth in
3.28 Code of Federal Regulations, title 17, sections 240.13d-3 and 240.13d-5. The corporation
3.29 shall provide a copy of the statement of certification to any candidate or committee to which
3.30 it contributes and, upon request of the recipient, to any other person to which it contributes.

4.1 Sec. 5. Minnesota Statutes 2022, section 211B.15, subdivision 7b, is amended to read:

4.2 Subd. 7b. **Knowing violations.** An individual or a corporation knowingly violates this
4.3 section if, at the time of a transaction, the individual or the corporation knew:

4.4 (1) that the transaction causing the violation constituted a contribution under chapter
4.5 10A, 211A, or 383B; and

4.6 (2) that the contributor was a corporation subject to the prohibitions of subdivision 2 or
4.7 4a.

4.8 Sec. 6. **EFFECTIVE DATE.**

4.9 This act is effective July 1, 2023, and applies to contributions, expenditures, and other
4.10 applicable activities occurring on or after that date.