

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

.....
**March 1, 2017
Nokomis Room
Centennial Office Building**

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MINUTES

The meeting was called to order by Chair Rosen.

Members present: Flynn, Greenman, Leppik, Moilanen, Oliver, Rosen

Others present: Sigurdson, Fisher, Pope, staff; Hartshorn, counsel

The meeting did not strictly follow the order of business set forth in the agenda.

MINUTES (January 31, 2017)

After discussion, the following motion was made:

Member Oliver's motion:	To correct the misspelling of counsel Behren's name and to approve the January 31, 2017, minutes as corrected.
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Vote on motion:	Unanimously passed.
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CHAIR'S REPORT

Meeting schedule

The next Board meeting is scheduled for 10 a.m. on Wednesday, April 5, 2017.

EXECUTIVE DIRECTOR TOPICS

Mr. Sigurdson presented members with a memorandum on Board operations that is attached to and made a part of these minutes. Mr. Sigurdson told members that a few reports remained outstanding in each of the three major program areas overseen by the Board. Mr. Sigurdson then reviewed Senate File 839. Mr. Sigurdson said that Senate File 839 codified the provisions in the Board's technical rulemaking proceeding as those provisions were initially proposed. Mr. Sigurdson said that the bill also contained provisions that effectively repealed the Board's general rulemaking authority. Mr. Sigurdson asked members if they would like to provide direction to the executive director regarding how to respond to this legislation.

After discussion, the following motion was made:

Member Moilanen's motion: To adopt the following resolution:

The Board resolves that amendments designed to curtail the Board's rulemaking authority will impair its ability to carry out its functions under Minnesota Statutes 10A and 211B in a consistent manner to the benefit of the regulated community and the public.

Vote on motion: Unanimously passed.

EXECUTIVE SESSION

The chair recessed the regular session of the meeting and called to order the executive session. Upon recess of the executive session, the regular session of the meeting was called back to order and the chair reported the following matters into regular session:

Findings, conclusions, and order in the matter of the Minn Gun Owners Political Action Committee

ADMINISTRATIVE RULES UPDATE

Mr. Sigurdson and Ms. Pope presented members with a memorandum on this matter that is attached to and made a part of these minutes. Ms. Pope told members that the rule committee had held two meetings in February, that nine members of the public had attended the first meeting and seven had attended the second, and that progress had been made on draft language for the technical, potentially technical, and coordination provisions. Mr. Sigurdson told members that Sen. Kiffmeyer had expressed interest in introducing the coordination provisions as a bill but had not yet done so.

ECONOMIC INTEREST STATEMENTS REPORT

A. Security information report

Mr. Sigurdson presented members with a memorandum on this matter that is attached to and made a part of these minutes. Mr. Sigurdson told members that a request to reclassify public information as private security information had been granted under the Board's security information procedures. Mr. Sigurdson said that the request had been made by a judge who had safety concerns about disclosing the addresses of non-homesteaded real properties owned by the judge.

B. Nonreferral to the Attorney General

Mr. Sigurdson presented members with a memorandum on this matter that is attached to and made a part of these minutes. Mr. Sigurdson told members that a public official had resigned immediately after learning that he was required to file a statement of economic interest. Mr. Sigurdson said that because the official had resigned, he would not forward this matter to the Attorney General's office for an order compelling the filing of the statement unless directed to do so by the Board. The Board did not direct Mr. Sigurdson to refer the matter to the Attorney General

ENFORCEMENT REPORT

A. Discussion Items

1. Confirmation of lobbyist termination – David Godfrey

Mr. Fisher told members that Mr. Godfrey’s principal association, the Hennepin County Medical Center, had notified staff that Mr. Godfrey left his position with the organization on December 2, 2016. Mr. Fisher said that staff was asking the Board to confirm the termination of this registration as of that date.

2. Confirmation of lobbyist termination – Snezhana Bessonov

Mr. Fisher told members that Ms. Bessonov’s principal association, the Minnesota School Boards Association, had notified staff that Ms. Bessonov had separated from the organization in June 2015. Mr. Fisher said that staff was asking the Board to confirm the termination of this registration as of 6/31/2015.

3. Request to rescind referral to the Attorney General’s office – Jeffrey Hoffman

Mr. Fisher told members that at the Board’s meeting of May 27, 2016, the Board had referred this matter to the Attorney General’s office to compel the filing of an economic interest statement due 1/25/2016 for Mr. Hoffman’s position with the Yellow Medicine River Watershed District. Mr. Fisher said that Mr. Hoffman had passed away on 12/23/2016.

After discussion, the following motion was made:

Member Flynn’s motion: To confirm the termination of the lobbyist relationships in items 1 and 2 and to rescind the referral of Jeffrey Hoffman to the Attorney General’s office.

Vote on motion: Unanimously passed.

4. Request to refer matter to the Attorney General’s office – Meg Litts for House 9A

Mr. Fisher told members that Ms. Litts had failed to file her pre-general-election and year-end reports of receipts and expenditures. Mr. Fisher said that the pre-general-election report incurred the maximum late filing fee of \$1,000, which Ms. Litts had paid. Mr. Fisher said, however, that the pre-general-election report also had incurred the maximum civil penalty of \$1,000 and the year-end report had incurred the maximum \$1,000 late filing fee and the maximum \$1,000 civil penalty. The committee received \$3,558.21 in public subsidy funds during 2016 and last reported a cash balance of \$3,187.56 as of 7/18/2016, prior to receiving the public subsidy funds. Mr. Fisher said that staff was asking the Board to refer the matter to the Attorney General’s office to seek an order compelling the filing of the reports and a judgment for the accrued late filing fees and civil penalties.

After discussion, the following motion was made:

Member Leppik’s motion: To refer this matter to the Attorney General’s office.

Vote on motion: Unanimously passed.

B. 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>
Richard Hammergren	\$375 LFF	1/17/2017 Lobbyist	Lobbyist was experiencing health issues.	Member Oliver	To waive the late filing fee.	Passed unanimously.
MN Jobs Coalition Leg Fund	\$325 LFF	1/31/2017 Year-end	Treasurer was experiencing health issues following a car accident.	Member Oliver	To waive the late filing fee.	Passed unanimously.
Neighbors for Claflin	\$300 LFF	1/31/2017 Year-end	Candidate did not believe a report was required because he did not raise or spend more than \$750 during the year. However, because a committee had been previously registered, a report was required. The committee is now terminated.	Member Oliver	To waive the late filing fee.	Passed unanimously.
Brenden (Craig) for Rep.	\$25 LFF	1/31/2017 Year-end	Candidate attempted to submit the report on the filing deadline. The Google Drive document was unable to be opened by Board staff. The committee is now terminated.	Member Oliver	To waive the late filing fee.	Passed unanimously.
15B House District RPM	\$350 LFF	1/31/2017 Year-end	Treasurer uploaded a pre-general-election report instead of a year-end report prior to the filing deadline.	Member Oliver	To waive the late filing fee.	Passed unanimously.
UNITE HERE TIP State and Local Fund	\$25 LFF	1/31/2017 Year-end	Treasurer attempted to upload report on filing deadline but an error occurred. The issue was corrected the following day. Board logs confirm the attempted upload prior to the deadline.	Member Oliver	To waive the late filing fee.	Passed unanimously.
Grassroots for Griffin	\$150 LFF	1/31/2017 Year-end	Candidate did not believe committee was still active because its bank account had closed. The committee is now terminated.	Member Oliver	To waive the late filing fee.	Passed unanimously.
MFC Action Fund	\$1,000 LFF ¹	11/2/2016 24-Hr Rep	Fund sent in underlying disclosure for contribution within 24 hours and believed that disclosure satisfied the 24-hour notice requirement.	Member Flynn	To reduce the late filing fee to \$250.	Passed unanimously.
Swedzinski (Christopher) for House	\$1,000 LFF ¹	11/2/2016 24-Hr Rep	The committee accidentally missed a 24-hour notice report during the pre-general-election period.	Member Flynn	To reduce the late filing fee to \$250.	Passed unanimously.
Peppin (Joyce) Volunteer Committee	\$1,000 LFF ¹	11/3/2016 24-Hr Rep	A change in websites, online contribution providers, and a failure to establish a new online contribution email confirmation led to committee missing one 24-hour notice report.	Member Flynn	To reduce the late filing fee to \$250.	Passed unanimously.

¹ The Board has historically reduced many 24-hour report late filing fees to \$250.

Erin (Koegel) for Minnesota	\$1,000 LFF ¹	11/2/2016 24-Hr Rep	Candidate mistakenly believed the 24-hour notice report threshold was \$1,000 instead of \$500.	Member Flynn	To reduce the late filing fee to \$250.	Passed unanimously.
MN State Bldg and Const Trades	\$1,000 LFF ¹	11/3/2016 24-Hr Rep	Treasurer states that she filed payment information within 24 hours but did not realize a separate report needed to be uploaded. Board logs do not contain any activity around that period.	Member Flynn	To reduce the late filing fee to \$250.	Passed unanimously.
Sten Hakanson for House	\$25 LFF; \$175 LFF	1/31/2013 Year-end; 1/31/2017 Year-end	Candidate transferred balance of house account to senate committee and believed the house account had been terminated. House committee is now terminated.	Member Flynn	To reduce the late filing fees to \$0	Passed unanimously.
Anthony Wilder for House	\$25 LFF	1/31/2017 Year-end	Candidate was on a mission trip in Haiti prior to the filing deadline.	No motion.		
Andy (Aplikowski) for Minn	\$300 LFF	1/31/2017 Year-end	Committee lacks funds to pay late filing fee.	No motion.		

Informational Items

A. Payment of a late filing fee for 2013 amended year-end report of receipts and expenditures

Sean Nienow Volunteer Committee, \$1,000

B. Payment of a late filing fee for 2014 amended year-end report of receipts and expenditures

Sean Nienow Volunteer Committee, \$1,000

C. Payment of a late filing fee for 2016 year-end report of receipts and expenditures

Elect Kevin Burkart, \$50
 Heidi Omerza for House, \$25
 Minneapolis Municipal Retirement Assoc., \$25
 Neighbors for Anoka County, \$25
 SEIU HealthCare Minn, \$75
 TakeAction Political Fund, \$25

D. Payment of a late filing fee for 2016 July 25 report of receipts and expenditures

DFL Hunting and Fishing Caucus, \$40
 St. Louis County 06 DFL, \$700
 Sean Nienow Volunteer Committee, \$50

E. Payment of a late filing fee for 24-hour notice of large pre-election contribution

Minn Association of Professional Employees, \$1,000
 Minn State Council UNITE HERE, \$1,000

Patti Meier for House, \$250

F. Late filing fee for candidate economic interest statement

Sean Nienow Volunteer Committee, \$5

G. Payment of a late filing fee for January 17, 2017, lobbyist disbursement report

John Berns, Fresh Energy, \$75

Joel Carlson, Travel Tech, \$50

Tara Garman Erickson, Intl Council of Shopping Centers, \$50

Tom Workman, Minneapolis Park and Recreation Board, \$350

H. Deposit to the General Fund

Citizens for Jeff Backer, \$2,050, carryforward excess

I. Deposit to the General Fund, State Election Campaign Fund

Compete MN, \$275 forwarding contribution candidate could not keep

LEGAL COUNSEL'S REPORT

Mr. Hartshorn had no additional information to 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:

Memorandum regarding executive director topics

Memorandum regarding administrative rules update

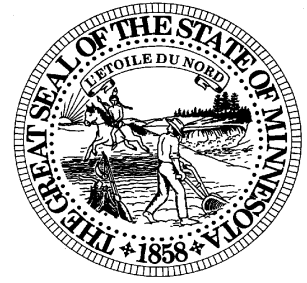
Memorandum regarding security information report

Memorandum regarding non-referral to Attorney General

Findings, conclusions, and order in the matter of the Minn Gun Owners Political Action Committee

Minnesota

Campaign Finance and Public Disclosure Board



Date: February 22, 2017

To: Board Members

From: Jeff Sigurdson, Executive Director

Telephone: 651-539-1189

Re: Executive Director's Report

Board Operations

Year-end Reports

All three major program areas; campaign finance, lobbying, and economic interest statements had year-end filing requirements in January. A brief update for each program follows:

Lobbying Program. The lobbyist disbursement report covering the period of June 1 through December 31, 2016, was due on January 17, 2017. Only 2 of the 2,117 reports due have not been filed.

Campaign Finance Program. The year-end report of receipts and expenditures for 2016 is due on January 31, 2017. As of the date of this memo, there are still fifteen candidates and three political parties units that have not submitted a report. The 1,340 year-end reports that were filed are available on the Board's website for public inspection. Staff is still working on the data entry of reports that were filed on paper. Once data entry is complete staff will start the reconciliation of contributions reported made to registered committees versus the contributions reported as received.

Economic Interest Statement. The annual certification by public officials for 2016 is due on January 30, 2017. As of the date of this memo, there are approximately 30 public officials who have not filed the annual certification. Certified letters have been sent to these individuals.

Legislative Action

Several bills related to Chapter 10A have been introduced. A full list of the legislation is found below, but of particular interest and concern is SF 839. As introduced by Senator Kiffmeyer, SF 839 codifies the docket of non-controversial rules as drafted and distributed at the first public meeting of the rules subcommittee. If SF 839 becomes law, there would be no need to continue the docket of non-controversial rules as all provisions in these rules would be contained in Chapter 10A.

On February 21st, SF 839 was heard in the Senate State Government Finance and Policy Elections Committee, which is chaired by Senator Kiffmeyer. At that time, the bill was amended to include language that would effectively repeal the Board's authority to adopt administrative

rules. As of the date of this memo the amended version of SF 839 has not been released, but the pertinent language of the amendment is as follows:

Sec. 2 Minnesota Statutes 2016, section 10A.02, subdivision 13, is amended to read: (new language underlined)

Subd. 13. **Rules.** (a) Chapter 14 applies to the board. The board may adopt rules to carry out the purposes of this chapter, if, before June 1, 2017, the board has published a notice of intent to adopt a rule without public hearing under section 14.22, subdivision 1 a: 14.389, subdivision 2; or 14.3895, subdivision 3; a dual notice under section 14.22, subdivision 2; or a notice of hearing on a proposed rule under section 14.14.

(b) After May 31, 2017, the board may only adopt rules that (1) incorporate specific changes set forth in applicable statutes when no interpretation of law is required, or (2) make changes to rules that do not alter the sense, meaning, or effect of a rule.

It seems clear that under this proposed language the Board would only be able to amend rules to bring them into conformance with a statutory change that affects the rule. In specific, the docket of controversial rules under development by the rule subcommittee would be beyond the scope of the Board's rulemaking authority. Indeed, given that almost any administrative rule requires an interpretation of law, any new rule would presumably be beyond the Board's authority.

This proposed language also would prevent the Board from carrying out the directive in Minnesota Statutes section 10A.02, subdivision 12a, which provides:

Advisory opinions; rules. If the board intends to apply principles of law or policy announced in an advisory opinion issued under subdivision 12 more broadly than to the individual or association to whom the opinion was issued, the board must adopt these principles or policies as rules under chapter 14.

In my view, losing the ability to move guidance provided in advisory opinions into administrative rules limits the value of advisory opinions to the members of the regulated community who face a question similar to that in the opinion.

The Board decided not to have legislative proposals this session; therefore I have not offered more than technical advice on any bill heard in committee. If the Board concludes that it opposes, or has concerns about, the proposed restriction on its authority to adopt administrative rules, it may wish to direct the executive director to state that position in committee hearings and in meetings with legislators.

Legislation related to Chapter 10A

<u>Bill Number</u>	<u>Brief description</u>
HF 111	Chapter 10A candidates may conduct a raffle to raise funds for the committee.
HF 410	This bill is the Board's prior recommendations on the definition of independent expenditures, electioneering communications, and disclosure.
HF 467 – SF 190	Affidavit of Contributions do not need to be notarized.

HF 545 – SF 581	Public funds cannot be used to support or oppose a ballot question.
HF 645 – SF 1083	A legislator may not be a lobbyist for one year after leaving office.
HF 830 – SF 642	Metropolitan Council members are elected and campaign committees report to the Board.
HF 1033	Individuals who are not lobbyist are prohibited from giving tickets or preferential access to tickets to public officials.
HF 1393 – SF 1264	Moving date of primary to June. Although there are no Chapter 10A provisions listed in the bill, moving the primary to June would impact campaign finance reporting periods in Chapter 10A.
SF 671	Corporations may not contribute to independent expenditure committees and funds.
SF 885	Reduces the length of a special election cycle.

Web Site Development

The new web site is available to the public at <https://cfb.mn.gov> for use and review and comment. Currently the staff is working with the developer to improve the search tools and data displayed for the lobbying program.

Board Budget

The Board's current yearly budget is \$1,028,000. The Governor's budget proposal increases the budget to \$1,041,000 in FY 2018, and \$1,052,000 in FY 2019. The additional amount is to cover anticipated increases in employer-paid healthcare contributions, pension contributions, salary compensation, rent, and MNIT services. To date legislative committee targets have not been released; so I do not know what the legislature will recommend for the Board's budget.

Campaign Finance and Public Disclosure Board



190 Centennial Building . 658 Cedar Street . St. Paul, MN 55155-1603

DATE: February 22, 2017

TO: Board Members

FROM: Jeff Sigurdson
Executive Director

TELEPHONE: 651-539-1189

Jodi Pope
Management Analyst

651-539-1183

SUBJECT: Administrative rule update

The rule committee held its first meeting on February 1, 2017. Nine members of the public attended. The committee heard a formal presentation from George Beck and informal comments from Gordy Aune, Jr. The committee members also engaged in general discussion with the other people attending the meeting. Staff distributed the draft language for the non-controversial rules at the meeting. Individuals attending the meeting were encouraged to bring any comments or concerns on the non-controversial rules to the next rule committee meeting for discussion.

The next committee meeting is scheduled for Tuesday, February 28, 2017, at 9 a.m. in the Nokomis Room, Third Floor, Centennial Office Building. The agenda for the meeting is attached along with the draft language for the rules related to coordination of expenditures. Draft language also is attached for the potentially non-controversial rules related to contributions submitted electronically and removing mutual funds from the disclosure provided by public officials. Notice of the meeting and a link to the meeting materials on the rulemaking docket of the Board's webpage were sent to those individuals who have identified themselves as being interested in the rulemaking effort. All members are invited to attend the February 28th meeting.

Attachments

Agenda February 28, 2017, rule committee meeting
Draft coordination language
Potential non-controversial rules

Minnesota

Campaign Finance and Public Disclosure Board



Date: February 22, 2017
To: Board Members
From: Jeff Sigurdson, Executive Director **Telephone:** 651-539-1189
Subject: Report on request for reclassification of public data as security information

Under Minnesota Statutes section 13.37, subdivision 1, paragraph (a), and the Board's policy on security information requests, an individual may ask that public information about the individual filed with the Board be considered security information and re-classified as private data.

"Security information" means government data the disclosure of which the responsible authority determines would be likely to substantially jeopardize the security of information, possessions, individuals or property against theft, tampering, improper use, attempted escape, illegal disclosure, trespass, or physical injury.

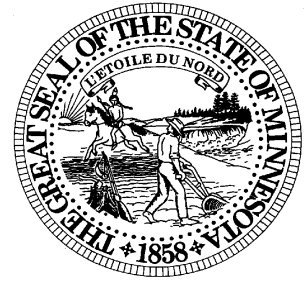
Minn. Stat. § 13.37, subd. 1 (a).

The request must be made to the executive director as the responsible authority for the Board. If the executive director determines that the identified data is security information, the executive director must issue the final decision in the matter and report that decision to the Board during the regular session of the Board's next meeting. If the executive director determines that the identified data is not security information, the data is temporarily classified as security information and the matter is presented to the Board during the executive session of the next meeting for decision.

In late January, the executive director received a request to reclassify the addresses of three real properties as security information. The request was made by the owner of the three properties who is a judge required to file a statement of economic interest. The judge had security concerns because the judge spends a great deal of time at all three properties. The judge also was concerned about vandalism of the properties when the judge was not there. The judge has tried cases across the state, not just in the county where the judge is seated. The executive director determined that the addresses of the properties were security information and granted the request to reclassify that information.

Minnesota

*Campaign Finance and
Public Disclosure Board*



Date: February 22, 2017

To: Board members

From: Jeff Sigurdson, Executive Director

Telephone: 651-539-1189

Re: Informational memo – non-referral to Attorney General for moot original EIS

Jonathan Bottema was appointed to the Elm Creek Watershed Management Organization (WMO) in April 2016. A WMO member is a public official who is required to file an economic interest statement with the Board.

The Board did not receive notice of Mr. Bottema's appointment until December 2016. Board staff then notified Mr. Bottema of the EIS requirement.

Until he received the Board notice, Mr. Bottema did not know that his service on the WMO would require him to file an EIS. Mr. Bottema strongly objected to disclosing the information required on the EIS and immediately resigned from the WMO. WMO records show that Mr. Bottema did not attend any meetings after learning of the EIS requirement. Mr. Bottema told Board staff that he would not have taken the WMO position if he had known about the EIS requirement.

When circumstances suggest that a required report will not be filed voluntarily, the Board may refer the matter to the attorney general's office with directions to seek an order compelling the filing of the report. In this matter, however, Mr. Bottema has resigned from the WMO and is no longer a public official required to file an EIS. Additionally, Mr. Bottema did not perform any duties as a public official after he learned of the EIS requirement. Consequently, unless otherwise directed by the Board, the executive director does not intend to pursue the referral of this matter to the attorney general.

In 2015, a similar situation occurred when a WMO member resigned immediately after learning that she was required to file an EIS disclosing her securities. The executive director informed the Board that he did not intend to refer the matter to the attorney general and the Board did not direct otherwise.

Attachment:
Bottema email

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

FINDINGS, CONCLUSIONS, AND ORDER IN THE MATTER OF THE MN GUN OWNERS POLITICAL ACTION COMMITTEE

On June 21, 2016, the Campaign Finance and Public Disclosure Board sent a letter to the MN Gun Owners Political Action Committee (MN GO PAC), informing it of a staff review of loans disclosed on MN GO PAC's 2015 and 2016 reports of receipts and expenditures filed with the Board. These reports disclosed a total of \$7,331.61 in loans made to the Minnesota Gun Owners Caucus, a 501(c)(4) nonprofit organization affiliated with the MN GO PAC. In 2015, the MN GO PAC also reported receiving a loan repayment of \$250. In 2016, the MN GO PAC reported the repayment of \$3,400 of these loans. \$3,681.61 in loans remain outstanding.

MN GO PAC initially responded via email on June 21, 2016, stating that the letter had been received and that it would submit an official response by July 8, 2016. The Board received a response on November 10, 2016. The response stated that, "In 2015, in order to better align our organization strategically, we created a 501c4 (the Minnesota Gun Owners Caucus) and changed MNGOPAC to a political fund of the Minnesota Gun Owners Caucus." MN GO PAC further provided that, "In 2015 and again in 2016, MNGOPAC loaned money to its affiliated 501c4, primarily for costs associated with startup (2015) and costs associated with an equipment purchase that would be used by both entities (MNGOPAC and its 501c4) (2016)." The fund also stated that it had received assistance from outside legal counsel and that it "believed [it was] acting within the scope of current Minnesota law."

Following this response, Board staff spoke with Brian Strawser, Treasurer for the MN GO PAC, by phone on January 30, 2017. Board staff informed Mr. Strawser that the loans described in the letter were improper and would have to be repaid to MN GO PAC.

Analysis

The Minnesota Statutes state, "a . . . political fund . . . may not lend money it has raised to anyone for purposes not related to the conduct of a campaign." Minn. Stat. § 10A.17, subd. 3a. The U.S. Code states that 501(c)(4) organizations must be "operated exclusively for the promotion of social welfare, or local associations of employees . . ." 26 U.S.C. § 501(c)(4)(A). IRS regulations clarify this by stating "An organization is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting in some way the common good and general welfare of the people of the community." 26 CFR § 1.501(c)(4)-1(a)(2). The regulations continue, "The promotion of social welfare does not include direct or indirect participation or intervention in political campaigns on behalf of or in opposition to any candidate for public office." Because of these restrictions, and based on the fact that the loaned money was used for nonprofit startup costs and for purchasing equipment to be used by both the nonprofit and the political fund, the subject loans were not strictly for purposes related to the conduct of a campaign as required by the Minnesota Statutes.

The Board notes that the most efficient way to share equipment between a nonprofit and a political fund is for the nonprofit to purchase the items and for the fund to pay for the use of the equipment at

fair market value as necessary. In a scenario where specific use is not calculated, a prohibited corporate contribution could occur.

Based on the above analysis, the Board makes the following:

Findings of fact

1. MN GO PAC, a political fund registered with the Board, made loans totaling \$7,331.61 to the Minnesota Gun Owners Caucus, a 501(c)(4) nonprofit organization.
2. MN GO PAC reported the repayment of \$3,650 of these loans. \$3,681.61 in loans remain outstanding.
3. The Minnesota Gun Owners Caucus could not, and did not, use the money loaned to it for purposes related to the conduct of a campaign.
4. MN GO PAC believed that it was complying with the Minnesota Statutes when it made the loans to the Minnesota Gun Owners Caucus.
5. MN GO PAC's reports, as currently submitted, do not report the fair market value use of the equipment as an expenditure.

Based on the analysis and the finding of fact, the Board makes the following:

Conclusion of law

1. The loans made by the MN GO PAC to the Minnesota Gun Owners Caucus were in violation of Minn Stat. § 10A.17, subd. 3a.
2. MN GO PAC did not knowingly violate Minn. Stat. § 10A.17, subd. 3a.

Based on the analysis, finding of fact, and conclusion of law, the Board issues the following:

Order

1. MN GO PAC is ordered to obtain the repayment of the outstanding loans from the Minnesota Gun Owners Caucus within 60 days of receipt of this order. Checks or bank statements documenting the return of the outstanding loans must be provided to the Board when the transfers have been completed.
2. Because MN GO PAC did not knowingly violate Minn. Stat. § 10A.17, subd. 3a, no civil penalty is assessed.
3. MN GO PAC is ordered to submit amendments to any previously filed campaign finance reports within 60 days to report the fair market value of the use of equipment purchased with the loaned funds as an unpaid bill.

4. If the MN GO PAC does not comply with the provisions of this order, the Board's executive director may request that the attorney general bring an action on behalf of the Board for the remedies available under Minnesota Statutes section 10A.34.
5. The Board investigation of this matter is concluded and hereby made a part of the public records of the Board pursuant to Minnesota Statutes section 10A.022, subdivision 5.

/s/ Daniel Rosen
Daniel N. Rosen, Chair
Campaign Finance and Public Disclosure Board

Date: March 1, 2017