

# Legislative Toolbox



## Show Me the Money

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**T**here are many opportunities to influence the legislative process — hire a lobbyist, join an association, volunteer on an electoral campaign, or contribute financial resources. You can contribute to an individual candidate, state or local political party unit, or to a political action committee (PAC). Many organizations form PACs and they play a part in influencing the outcome of elections and the legislative process.

### What is a PAC?

PACs are organizations that obtain contributions from individuals and distribute donations to candidates for political office, promote or defeat legislation, or support or oppose a ballot question.

### Where the money comes from...

PACs have strict rules about who they can collect contributions from and who they can contribute to:

- PACs may accept contributions from individuals, other registered PACs and political party units, as well as individual candidates' campaign committees.
- PACs cannot accept anonymous contributions and contributions from associations that are not registered with the Minnesota Campaign Finance and Public Disclosure Board.

- PACs cannot accept any contributions that are designated by the contributor for a specific candidate (also known as “earmarks”).
- Corporations cannot donate to a PAC, although there are some exceptions regarding non-profits.

### Where the money goes....

Once the PAC has raised money, it is restricted to certain types of contributions or expenditures:

- A PAC can contribute to individual candidates, political party units, and to political committees or funds either registered or not registered with the Minnesota Campaign Finance Board.
- The PAC can make direct expenditures and independent expenditures, or expenditures made on behalf of a candidate, without their permission.
- PACs are allowed to spend money on their own operating expenses.

### What are the limits?

While PACs are not allowed to contribute to any candidate during a regular legislative session, they can contribute throughout the remainder of the year.

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However, there are limits:

- In a non-election year, a PAC can donate \$500 to candidates for governor, \$200 to attorney general candidates, and \$100 to candidates running for secretary of state, state auditor, or the state legislature.
- In an election year, the limit jumps to \$2,000 for governor, \$1,000 for attorney general, and \$500 for secretary of state, state auditor, or the state legislature.
- There are no limits on contributions to state or local political party units.

## **How are PACs held accountable?**

PACs must register with the Minnesota Campaign Finance and Public Disclosure Board, which regulates the PAC. Upon registration, a PAC needs a chair and a treasurer (who can be the same person) as well as a bank account. Once the PAC is registered, the treasurer needs to submit an annual report of receipts and disbursements. For each contribution, a PAC must report the name, address and/or registration number, employer, date of payment, and amount of payment. PACs must report the specific purpose of each expenditure. The Board makes software available to ease the process of reporting this information.

