

SF4196 - 13A - Campaign Finance Fees & Penalties Modified

Chief Author: **Lindsey Port**  
 Committee: **Elections**  
 Date Completed: **4/16/2026 12:18:45 PM**  
 Agency: **Campaign Finance Board**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	-	-	-	-
Other Misc Special Revenue	-	-	(43)	(3)	(9)	(9)
<b>Total</b>	-	-	<b>(43)</b>	<b>(3)</b>	<b>(9)</b>	<b>(9)</b>
<b>Biennial Total</b>			<b>(43)</b>			<b>(12)</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	-	-	-
Other Misc Special Revenue	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
General Fund		-	-	-	-	-
Other Misc Special Revenue		-	-	(43)	(3)	(9)
<b>Total</b>		-	-	<b>(43)</b>	<b>(3)</b>	<b>(9)</b>
<b>Biennial Total</b>				<b>(43)</b>		<b>(12)</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund						
Expenditures		-	2	2	2	2
Absorbed Costs		-	(2)	(2)	(2)	(2)
Other Misc Special Revenue		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-
<b>2 - Revenues, Transfers In*</b>						
General Fund						
Other Misc Special Revenue		-	-	43	3	9
<b>Total</b>		-	-	<b>43</b>	<b>3</b>	<b>9</b>
<b>Biennial Total</b>				<b>43</b>		<b>12</b>

**Bill Description**

The bill increases late filing fees and civil penalties for certain political committees, and increases the potential civil penalty for false certification of reports. Additionally, the bill takes away discretion from the Campaign Finance Board (Board) in applying the enhanced penalties. The bill provides that the first \$49,000 in late fees and civil penalties collected in a fiscal year by the Board are deposited in the state general fund, any amount over \$49,000 is deposited in the state elections campaign account in the special revenue fund.

Section 1 Provides a definition for "Campaign finance report". The term means the report or receipts and expenditures filed under Minn. Stat 10A.20, an Electioneering Communications report filed under Minn, Stat 10A.202, or an Affidavit of Contributions filed under Minn. Stat. 10A.323.

Section 2 Provides a definition for "Enhanced penalty". An enhanced penalty is applied if a principal campaign committee, political committee, political fund, or party unit (committee) is late with a registration or campaign finance report **and** the committee is reporting over \$25,000 in new contributions or disbursements since the last reporting period, or the total contributions or total expenditures of the committee exceeds \$100,000.

Section 3 Provides a definition of "Total contributions". Provides that the term means cash contributions, in-kind contributions, and proceeds from loans, received by a committee.

Section 4 Provides a definition for "Total disbursements". Provides that the term means the total of expenditures, approved expenditures, contributions made, in-kind contributions made, independent expenditures, noncampaign disbursements, and any other expenditure of funds or goods by a committee.

Section 5 Provides that the Board cannot waive any portion of an enhanced penalty. Additionally, the first \$49,000 in late fees and civil penalties collected in a fiscal year by the Board must be deposited in the state general fund. Any amount over \$49,000 is deposited in the general account of the state elections campaign account, for use in the public subsidy program. Under current statute all late fees and civil penalties are deposited the state general fund.

Section 6 The section removes discretion from the Board in applying a civil penalty for an individual who willfully files a false statement. If the individual is a treasurer, the civil penalty will also automatically apply to the committee as well. For

campaign finance reports, the penalty for false certification, which is currently \$3,000, will instead be up to four times the sum of the beginning cash balance, total contributions, and total disbursements that were falsely certified. If the amount falsely certified is more than \$25,000 the penalty must be four times the amount falsely certified.

Section 7 The treasurer of a committee is required to maintain financial records that are the basis of financial reports filed with the Board. The penalty for a treasurer that fails to maintain financial records is currently \$3,000. The bill would change the penalty to four times the amount that cannot be documented with financial records. The penalty for failure to maintain financial records would also apply to the committee of the treasurer.

Section 8 - If an individual becomes aware that a report or statement filed with the Board is inaccurate the individual must file an amendment to correct the error within ten days of becoming aware of the problem. The penalty for willfully failing to file an amendment within the required time frame is currently a civil penalty of up to \$3,000. This section provides that the penalty for committees and lobbyist principals is up to four times the amount of the required change or correction, and the Board must impose a civil penalty.

Section 9 The Board conducts a reconciliation of contributions reported as made by committees compared to contributions received reported as received by committees. If there is a discrepancy, (for example committee X reports contributing to committee Y, but committee Y does not report receiving the contribution) then the Board requires information to reconcile the contribution. A committee that willfully fails to cooperate with the Board in reconciling the contribution is currently subject to a civil penalty of up to \$3,000. This section requires the Board to apply a civil penalty, and makes the penalty up to four times the amount that cannot be reconciled.

Section 10 Provides that a late fee or civil penalty assessed on a treasurer or candidate may be paid with committee funds.

Section 11 Committees are required to file period financial reports with the Board. Except for the year-end report, this section applies the enhanced penalty for committees reporting over \$25,000 in new contributions or disbursements since the last reporting period, or the total contributions or total expenditures of the committee exceeds \$100,000. The penalty for committees that qualify is one percent of total contributions or total expenditures (whichever is greater) per day, for each day the report is late, not to exceed 100% of the amount reported.

In addition, if the committee has previously been assessed an enhanced late filing fee (as defined in section 1) once during the prior four years the Board must impose a late fee and civil penalty of up to twice the amount otherwise authorized. If the committee has been assessed an enhanced late filing fee more than twice during the prior four years, the late filing fee or civil penalty imposed must be three times the amount otherwise authorized.

This section also provides a series of enhanced penalties for a committee that does not file a missing report within seven days after the Board sends a certified mailing notifying the committee of the need to file a report.

Section 12 - Provides that a late fee or civil penalty related to a campaign finance report assessed on a treasurer or candidate may be paid with committee funds.

Section 13 The effective date of the legislation is August 12, 2026.

## **Assumptions**

This fiscal note assumes that the Board's expenditures will be limited to the cost of additional mailed notifications/warnings of the increased penalties that will apply for filing a late report. While additional notifications are not required in the bill, the Board views it as an obligation to advise the regulated community of new potential penalties. The cost of the mailings are detailed in the expenditure formula section.

The fiscal note assumes that the effect of the bill will be to prevent late filings by committees that report activity that qualifies for the enhanced penalty. The penalties are potentially so severe they force committees to put in place procedures to prevent late filing of reports. In addition, an examination of the 2022 and 2024 reporting periods found a limited number of late reports that would have qualified for the enhanced penalty. In 2022, when constitutional officers and the Senate and House were on the ballot, there were 1,337 committees required to file a report. Of that total, two candidate committees and four political committees filed late reports that would qualify for the enhanced penalty. The total enhanced penalty potentially owed for the 2022 reporting period would have been \$42,899.

In 2024, when only the House was on the ballot, there were 1,025 committees required to file the report. Of that total, two political committees and seven candidate committees filed late reports that would qualify for the enhanced penalty. The total enhanced penalty potentially owed for the reporting period in 2024 would have been \$9,277.

In non-state election years candidates only file a year-end report, which is not subject to enhanced penalties. Starting in 2025, other committee types filed reports in addition to the year-end report if they made contributions to, or independent expenditures for or against, local candidates or local ballot questions. In total 135 committees were required to file reports other than the year-end, and of that number one committee filed late and reported activity that would have qualified for an enhanced penalty. The total enhanced penalty potentially owed in 2025 would have been \$3,092.

The fiscal note assumes that new revenue from the enhanced penalty will be approximately what would have occurred if the requirements of the bill had been in effect. The fiscal note assumes enhanced penalties for years when all offices are on the ballot will be \$43,000, for years when only the House is on the ballot the estimate is \$9,000 and for non-state election years the estimate is \$3,000.

The fiscal note does not assume additional civil penalties for false certification of a report or other filing. The bill imposes an enhanced penalty only when the violation is willful. The Board rarely finds that an individual willfully filed a false report or statement.

The bill requires that the first \$49,000 in late filing fees and civil penalties collected by the Board in a fiscal year be deposited in the state general fund. Any amount over \$49,000 will be deposited in the state elections campaign account in the special revenue fund. The \$49,000 threshold in the bill is not random, it represents the rounded average of late fees and civil penalties actually collected by the Board in fiscal years 2023, 2024, and 2025. This fiscal note assumes that \$49,000 is reflective of the average amount that will be collected (not including enhanced penalties) in future fiscal years. The fiscal note assumes that the total amount of enhanced penalties will be deposited in the state elections campaign account in the special revenue fund.

**Expenditure and/or Revenue Formula**

Revenue Forecast				
Fiscal Year	Enhanced Penalties to State Election General Fund	Late Fees and Civil Penalties to State General Fund		
2027	\$43,000	\$49,000		
2028	\$3,000	\$49,000		
2029	\$9,000	\$49,000		
<b>Board Costs</b>				
	<b>Number of Letters</b>	<b>Postage</b>	<b>Additional Mailings Per Year</b>	<b>Total Cost</b>
<b>Notification Mailing to Committees</b>	1,488	\$0.78	2	\$2,321.28

**Long-Term Fiscal Considerations**

**Local Fiscal Impact**

N/A

**References/Sources**

N/A

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