

STATE OF MINNESOTA
COUNTY OF RAMSEY

ETHICAL PRACTICES BOARD

In the matter of Proposed Rules governing
Economic Interest Disclosure (Minnesota
Rules parts 4505.0100-4505.1000); Lobbyist
Registration and Reporting (Minnesota Rules
parts 4510.0100-4510.1400); Conflicts of
Interest (Minnesota Rules parts 4515.0100-
4515.0800); and Representation Disclosure
(Minnesota Rules parts 4520.0100-4520.0800)

STATEMENT OF NEED
AND REASONABLENESS

The Ethics in Government Act, Minn. Stat. §10A.02, subd. 13, enacted in 1974, authorized the Ethical Practices Board to promulgate rules to carry out the purposes of the Act. Rules have been adopted governing Economic Interest Disclosure (Minnesota Rules parts 4505.0100-4505.1000) - adopted 1974; amended 1976, 1978, 1979, 1982; Lobbyist Registration and Reporting (Minnesota Rules parts 4510.0100-4510.1400) - adopted 1974; amended 1979, 1982); Conflicts of Interest (Minnesota Rules parts 4515.0100-4515.0800) - adopted 1975; amended 1982; and Representation Disclosure (Minnesota Rules parts 4520.0100-4520.0800) - adopted 1975; amended 1982.

The need to amend these rules arises in order to implement registration and reporting requirements of Minn. Stat. ch. 10A enacted in Laws of 1982 Chapter 305, Laws of 1984 Chapter 654; and the Report of the Legislative Auditor, July, 1985; to enable the Board to provide direction to individuals and associations required to register and file statements and reports with the Board; to guide the Board in providing forms and monitoring compliance; to provide the public with information regarding the data collected by Minn. Stat. §§ 10A.01 - 10A.34; and to remove obsolete provisions and language from existing rules.

should be 1983

The following material describes the need for and reasonableness of each rule proposed. To assist members of the public who are not trained in the law or in political activities and who are involved in endeavors regulated and administered by Minn. Stat. ch. 10A, rules which consolidate and interpret statutory language are crucial to the understanding of the rules.

Minnesota Rules chapter 4505: ECONOMIC INTEREST DISCLOSURE

4505.0900 FILING

Subpart 2. Filing of more than one statement in any year. Language added to this rule incorporates provisions of Laws of 1983, Chapter 305, Section 3, (Minn. Stat. §10A.09, subd. 1(c)), which requires an individual to file a statement of economic interest within 14 days after undertaking the duties of office as a public official when the individual's appointment is subject to the advice and consent of the senate. Stricken language is obsolete, since all candidates must file an affidavit of candidacy, whether they are seeking nomination in a primary election or whether they are nominated by petition to the general election ballot (Minn. Stat. §204B.03).

Minnesota Rules chapter 4510: LOBBYIST REGISTRATION AND REPORTING

4510.0600 DISCLOSURE OF GIFTS, LOANS, HONORARIUMS, ITEMS OR BENEFITS

Subpart 1. General requirements. This rule incorporates provisions of Laws

of 1984, Chapter 654, Article 2, Section 37 (Minn. Stat. §10A.04, subd. 4(b)), which changed the disclosure threshold to \$50 or more, for lobbyist reporting gifts to public officials under Minn. Stat. §10A.04, subd. 4(b).

4510.1300 WAIVER OF LATE FILING FEES. This rule is needed to repeal restrictive language for time deadline to submit a waiver request and to make this rule consistent with other waiver of late filing fee rules. Minn. Stat. §§10A.03, subd. 3, and 10A.04, subd. 5, provide that the Board may impose a late filing fee for late lobbyist registration or report. The rule is recommended by the Legislative Auditor in order to make Board procedures for review of waiver requests conform with Parts 4500.2700 (Campaign Financing Rules) and 4505.0400 (Economic Interest Disclosure Rules).

Minnesota Rules chapter 4515: CONFLICTS OF INTEREST

4515.0100 DEFINITIONS.

Subpart 1. Applicability. This rule removes obsolete language in reference to Minn. Stat. ch. 10A and clarifies the application of the definitions in this part.

Subpart 6. Public Official. This rule removes obsolete language and clarifies the application of Minn. Stat. §10A.01, subd. 18, to the definitions in this part.

4515.0300 APPLICABILITY OF THE CONFLICTS OF INTEREST PROVISIONS. This rule clarifies the application of Minn. Stat. §10A.01, subd. 4, to this part. The substance of the present rule is unchanged.

Minnesota Rules chapter 4520: REPRESENTATION DISCLOSURE

4520.0100 DEFINITISON.

Subpart 1. Applicability. This rule removes obsolete language in reference to Minn. Stat. ch. 10A and clarifies the application of the definitions in this part.

Subpart 5. File, filed, filing. Reference to time and date of filing is clarified to conform with provisions of other Board rules (4500.0100 subpt. 4; 4510.0100 subpt. 3) and with the method of computing time in Minn. Stat. ch. 645.

Subpart 7. Public official. This rule removes obsolete language and clarifies the application of Minn. Stat. §10A.01, subd. 18, to the definitions in this part.

REPEALER

4515.0100, subpart 3. Business with which he is associated. This rule is repealed to remove repetition of statutory language in Minn. Stat. §10A.01, subd. 4. Substance of the rule is proposed as an amendment to part 4515.0300.

4520.0100, subpart 3. Association. This rule is repealed to remove repetition of statutory language in Minn. Stat. §10A.01, subd. 3.

SMALL BUSINESS CONSIDERATIONS IN RULEMAKING

When an agency amends an existing rule which may affect small businesses, Minn.

Minn. Stat. §14.115 requires that the agency consider certain methods for reducing the impact on the rule and to provide certain notices to small businesses.

It appears that the proposed amendments do not directly impact or affect small businesses, therefore, Minn. Stat. §14.115 does not apply. Each amendment proposed regulates, by definition, only individuals. Specifically, for part 4505.0900, by definition, only individuals file statements of economic interest (§10A.09, subd. 1). The amendments in chapter 4510 affect only lobbyists (§10A.03, subd. 3), which can be only individuals (§10A.01, subd. 11). The amendments in chapters 4515 and 4520, which cover conflicts of interest and representation disclosure, govern public officials only (§§10A.01, subd. 18; 10A.07; and 10A.08).

However, these individuals' acts in complying with these regulations may affect small businesses, thus small business may be indirectly impacted by the regulations. To this end, the Board considered all of the methods for reducing the impact of the amendments on small businesses listed in Minn. Stat. §14.115, subd. 2.

However, none of the proposed amendments establish more stringent deadlines or regulations. In fact, in one rule the deadline for a waiver request was deleted (4510.1300). In any case, the Board's position is that amending the rule to reduce the impact on small businesses would be contrary to the statutory objectives of chapter 10A to promote public confidence in state government decision-making through development and administration of disclosure to ensure public access to information filed with the Board.