

Guidelines for Individual Contributors to the Minnesota DFL Party

Both Federal and State Statutes regulate political Contributions from individuals in the State of Minnesota. Federal Campaign Finance laws describe two types of individual contributions to a State Party and Minnesota Campaign Finance laws describe the third type.

In the state of Minnesota these three types of contributions are referred to as:

- 1. Federal Contributions** - subject to the limits and restrictions of Federal Law
- 2. Levin Fund Contributions** - subject to the limits and restrictions of Federal Law & State Law
- 3. Non-Federal Contributions** (sometimes referred to as 'Soft Money') - subject to limits and restrictions of State Law

Both Federal law and Minnesota State law prohibit contributions from Corporations. While Minnesota law prohibits corporate contributions, there are no limits on the amount an individual can contribute to a Minnesota State Political Party's Non-Federal account or its affiliated units Non-Federal accounts.

Individual Contributions Limits in Minnesota

1. Federal Contributions - an individual may contribute \$10000 per year to a State Party's Federal Account. (this is a combined limit between DFL Party and its affiliated units: Congressional Districts, Senate Districts, and House and Senate Caucuses.)

Note: additional restriction on Federal Contributions: Under Federal Law an individual has a \$95000 biennial limit on Federal Contributions (\$37500 to all federal candidate committees and \$57500 to all federal PACs and Parties.)

2. Levin Fund Contributions - under Federal Law an individual may contribute an additional \$10000 per year to a State Party's Levin Fund as long as this amount is not in excess of State Contribution Limits. Since Minnesota has no contribution limits, every individual can contribute \$10000 to a State Party's Levin Fund. Unlike Federal Contributions, Levin Fund Contribution Limits are not combined limits. If the DFL Party's Congressional Districts and Senate Districts all maintained Levin Fund Accounts an individual would be legally allowed to contribute \$10000 to every State Party Levin Fund Account. In Minnesota there are eight Congressional Districts and 67 Senate Districts. So **theoretically**, if each of these Districts maintained a Levin Fund Account an individual could legally contribute \$10000 to each of the 75 District Levin Fund accounts and \$10000 to the State Party's Levin Fund account for a total of \$760000 per year in Levin Fund contributions in the State of Minnesota. At this time only the State Party and a few of its Congressional District affiliates are set up to maintain Levin Fund accounts.

3. Non-Federal Contributions - under Minnesota Campaign Finance Law there are no limits to the amount an individual can contribute to a State Party's Non-Federal account.

Examples:

Situation One: An individual wishes to contribute \$50000 to the Minnesota DFL Party. This person has already contributed \$37500 to various federal candidates during the current two-year election cycle (2003/2004) and, has contributed \$10000 to the National Democratic Party's Federal account and, nothing, so far, to any of the DFL Party affiliates. This person may give the Minnesota DFL \$50000 in the following manor:

1. \$10000 to the Minnesota DFL Federal account
2. \$10000 to the Minnesota DFL Levin Fund account
3. and \$30000 to the Minnesota DFL Non-Federal account

or

1. \$10000 to the Minnesota DFL Federal account
2. \$10000 to the Minnesota DFL State Party Levin account
3. and \$10000 to three of the DFL Congressional District Levin accounts.

Situation Two: An individual wishes to contribute \$100000 to the Minnesota DFL Party. This person has already contributed the maximum \$95000 in Federal Contributions and has already contributed \$10000 to all the State Party Levin accounts. This person may contribute the \$100000 to the DFL's Non-Federal account.

How are Contributions used by a State Party Committee to Promote both Federal and Non-Federal Candidates?

Summary of Regulations for State Party Disbursements:

The role of the Minnesota DFL Party is to coordinate campaign activities statewide and promote the election of the entire slate of endorsed Democratic candidates, both federal and non-federal, during an election cycle. Earmarking of contributions for a specific candidate is illegal under both Federal and State Campaign Finance Laws.

Various Federal and Non-Federal regulations determine the types of activities a State Party may engage in to support its candidates.

All three types of contributions, Federal, Levin, and Non-Federal, are necessary effectively run a State Party's coordinated campaign.

Page 3

To summarize:

Administrative Overhead: Office rent, equipment, supplies, etc. may be paid for by a combination of 28% Federal contributions and 72% Non-Federal contributions.

Non-Federal Direct Support: Direct support of a non-federal candidate must be paid for with 100% non-federal money and is subject to the limits of Minnesota State Campaign Finance Laws.

Federal Direct Support: Any activity that advocates the election or defeat of a specific federal candidate must be paid for with 100% Federal contributions and is subject to the limits of Federal Campaign Finance Laws.

Federal Election Activities: A State Party Committee through the Coordinated Campaign engages in activities referred to as 'Federal Election Activities' under Federal election law. These activities include Voter Identification, Voter Registration and Get Out the Vote Activities. These activities may be paid for with 28% Federal and 72% Levin Funds.

Campaign Finance Law Resources:

Federal Election Commission
www.fec.gov
800-424-9530

Campaign Finance & Public Disclosure Board
www.cfboard.state.mn.us
651-296-5148