

**State of Minnesota  
Campaign Finance & Public Disclosure Board  
Suite 190, Centennial Building. 658 Cedar Street. St. Paul, MN 55155-1603**

**THE FOLLOWING PUBLICATION DOES NOT IDENTIFY THE  
REQUESTER OF THE ADVISORY OPINION, WHICH IS NON PUBLIC DATA  
under Minn. Stat. § 10A.02, subd. 12(b)**

**ADVISORY OPINION 462**

**SUMMARY**

A partnership consisting of individuals may make political contributions from the general treasury of the partnership subject to the limitations and disclosure requirements of Chapter 10A.

**FACTS**

On behalf of a business partnership you request an advisory opinion from the Campaign Finance and Public Disclosure Board based on the following facts, which were provided to the Board in a written request and in response to questions from Board staff.

1. A business partnership (the Partnership), composed solely of individuals, is considering various approaches to influence Minnesota elections.
2. The Partnership owns and operates the building used by the Partnership.
3. The Partnership may register a political committee or fund for the purpose of making contributions to candidates, political party units, and other political committees or funds.
4. If the Partnership forms a political committee or fund it may decide to pledge \$500,000 in collateral for a line of credit that would be available for use by the political committee or fund. The line of credit would be established with a bank or credit union. The political committee or fund would be responsible for any interest accrued for using the line of credit.
5. If a political committee or fund is formed, the Partnership may solicit contributions for the entity. Contributors would be directed to send any contribution to the political committee or fund for deposit.
6. If a political committee or fund is formed the Partnership may wish to provide administrative assistance to the committee or fund, similarly to how a corporation may provide limited administrative assistance under Minnesota Statutes section 211B.15, subdivision 17. If office space is needed the political committee or fund would be responsible for rent, and if the office space is acquired from the 501(c)2 organization, the rent will reflect fair market value.

7. The Partnership may forgo forming a political committee or fund, and instead use the Partnership's general treasury funds to make contributions to one or more registered candidate committees, political party units, or political committees or funds.

With this background in mind, you ask the following questions.

### **Issue One**

Is the Partnership able to register a general-purpose political committee or fund, and contribute to the committee or fund from the Partnership's general treasury?

### **Opinion One**

Yes, the Partnership may register a general-purpose political fund. Minnesota Statutes section 211B.15, subdivision 2, prohibits a "corporation" from offering or making a political contribution to a candidate committee, political party unit, general-purpose political committee, or general-purpose political fund.<sup>1</sup> For the purposes of this statute the word corporation is defined to include:

- (1) a corporation organized for profit that does business in this state;
- (2) a nonprofit corporation that carries out activities in this state;<sup>2</sup> or
- (3) a limited liability company formed under chapter 322C, or under similar laws of another state, that does business in this state.

In Minnesota, a business partnership formed under Chapters 321 or 323A, or similar law in another state, is not a corporation. Therefore, the prohibition on corporate contributions does not apply to a partnership that is made up of individuals. As provided in the facts of this opinion the Partnership consists of individuals, and therefore may contribute either to a political fund that is established by the Partnership, or directly to candidate committees, political party units, political committees, or political funds (registered entities).

The Board notes that under Minnesota law business partnerships are not limited to individuals; a partnership may also include one or more for-profit corporations. Minnesota Statutes section 211B.15 prohibits direct or indirect corporate political contributions, with limited exceptions made for contributions made to independent expenditure committees and funds, and ballot question committees and funds. A for-profit corporation may not circumvent the general prohibition on political contributions by making a contribution through a business partnership.

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<sup>1</sup> The prohibition on receiving corporate contributions does not apply to independent expenditure committees and independent expenditure funds. [Minn. Stat. § 211B.15, subd. 3.](#)

<sup>2</sup> A nonprofit corporation that meets the criteria provided in Minnesota Statutes section 211B.15, subdivision 15, is exempted from the general prohibition on corporate contributions.

For the purposes of Chapter 10A, the Partnership is an “association”. Minnesota Statutes section 10A.01, subdivision 6, defines “association” to mean a group of two or more persons, who are not all members of an immediate family, acting in concert. Associations register with the Board as either a political committee, or a political fund, depending on the nature of the association.

A “political committee” is an association whose major purpose is to influence the nomination or election of a candidate, or to promote or defeat a ballot question (elections).<sup>3</sup> A “political fund” is formed by an association that has a major purpose that is not to influence elections. A political fund is the reporting mechanism for the association to report money accumulated or spent to influence elections.<sup>4</sup> This includes reporting the transfer of money from the general treasury of the association to the fund. The term “general treasury money” is defined to include income from the operation of a business, donations to the association for its general purposes, and membership dues and fees paid to the association.<sup>5</sup> The Partnership was formed for business purposes, not to influence elections, and wishes to use general treasury money to support political activity. Therefore, the Partnership would register a political fund with the Board.

The facts of this opinion request state that the Partnership is considering whether to register a political fund, or to make contributions directly from the general treasury of the Partnership to registered entities. The Partnership may do either, but there are limitations if the Partnership does not register a political fund. Without a political fund, the Partnership is limited to no more than \$750 in direct contributions to registered entities, or no more than \$750 in approved in-kind contributions on behalf of candidates. Registration of a political fund is required if the \$750 threshold is exceeded in a calendar year, and must occur no later than 14 days after the threshold is exceeded.<sup>6,7</sup>

In addition, if the Partnership makes direct contributions, including approved in-kind contributions to registered committees, and the value of the contribution exceeds \$200, then the Partnership must provide a disclosure statement with the contribution, as required in Minnesota Statutes section 10A.27, subdivision 13.<sup>8</sup> An unregistered association, or an officer of the association, is subject to a civil penalty for failure to provide the disclosure statement.

## **Issue Two**

Is the Partnership able to provide collateral for a \$500,000 line of credit for use by the political fund?

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<sup>3</sup> [Minn. Stat. § 10A.01, subd. 27.](#)

<sup>4</sup> [Minn. Stat. § 10A.01, subd. 28.](#)

<sup>5</sup> [Minn. Stat. § 10A.01, subd. 17c.](#)

<sup>6</sup> [Minn. Stat. § 10A.12, subd. 1.](#)

<sup>7</sup> [Minn. Stat. § 10A.14, subd. 1.](#)

<sup>8</sup> An unregistered association that makes a contribution to an independent expenditure committee or fund, or to a ballot question committee or fund, is required to provide the disclosure statement required in Minnesota Statutes section 10A.27, subdivision 15.

## Opinion Two

Yes. As provided in opinion one, the Partnership is not a corporation, so it may provide both cash and in-kind contributions to its own political fund. There is no limit on the size of the contributions made to the political fund from the general treasury of the Partnership.

The Board's understanding of a business line of credit is that it allows the borrower to draw funds as needed. There is typically little or no cost for establishing a line of credit, and no interest payments if the line of credit is not used. Providing substantial collateral for a line of credit will lower the interest rate charged for the funds borrowed using the line of credit. If the collateral provided by the Partnership results in the political fund paying a lower interest rate than what would be charged without the collateral, then the difference between the two interest rates represents an in-kind contribution from the Partnership to the political fund.

## Issue Three

Do the limits on administrative assistance to a political fund provided in Minnesota Statutes section 211B.15, subdivision 17, apply to the Partnership?

## Opinion Three

No. Minnesota Statutes section 211B.15, subdivision 17, provides for limited administrative assistance to a political committee or fund by a nonprofit corporation. The Partnership is not a corporation, so the limitations in the statute do not apply. If the Partnership pays for office space or other operating costs for the political fund those costs are in-kind contributions to the political fund and are reported at the fair market value of the office space or operating cost.

The facts of this opinion provide that the Partnership may solicit contributions for the political fund. If the Partnership incurs costs soliciting contributions, then those costs must be reported as an in-kind contribution to the political fund.

Issued: May 1, 2024

  
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David Asp, Chair  
Campaign Finance and Public Disclosure Board