

**STATE OF MINNESOTA
CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD**

CONCILIATION AGREEMENT

In the matter of the Mike Nelson Volunteer Committee (15548);

1. The Mike Nelson Volunteer Committee is the principal campaign committee of Representative Mike Nelson. The Minnesota Horsemen's Benevolent & Protective Association, Inc. (MNHBP) is a horsepersons' organization that is organized as a nonprofit corporation under section 501(c)(6) of the Internal Revenue Code. The MNHBPA does not have a political committee or fund registered with the Board. The Nelson committee's amended 2019 year-end report of receipts and expenditures disclosed a \$500 contribution given by the MNHBPA in August 2019.

2. Minnesota Statutes section 10A.27, subdivision 13, prohibits a principal campaign committee from accepting a contribution that exceeds \$200 from an association not registered with the Board, unless the contribution is accompanied by a written disclosure statement satisfying the requirements of Minnesota Statutes section 10A.20, and that statement is filed with the recipient's next report. The MNHBPA did not provide the required disclosure statement with its contribution. A contribution that is not returned within 90 days of being deposited is deemed to be accepted under Minnesota Statutes section 10A.15, subdivision 3.

3. Kathleen Nelson, the Nelson committee's treasurer, explained that she thought the contribution was given by the MNHBPA's designated lobbyist, Cort Holten, who was listed as the source of the contribution in the committee's original 2019 year-end report. Mrs. Nelson stated that the committee returned \$500 to the MNHBPA in February 2020.

4. The parties agree that the Nelson committee accepted a contribution in excess of \$200 without the required disclosure statement in violation of Minnesota Statutes section 10A.27, subdivision 13. This is the committee's first violation of the disclosure requirement regarding contributions from unregistered associations.

5. To avoid a similar violation in the future, the Nelson committee agrees:

- a. To ensure that the committee's treasurer reviews and enters contributions into the Campaign Finance Reporter software within 60 days of receipt;
- b. That it will not accept a contribution in excess of \$200 from an association without also obtaining the association's Board registration number, a disclosure statement in the form required by statute if the association is not registered with the Board, or advice from Board staff; and

c. That when accepting a contribution made via check, the individual or association listed as the payor will be reported as the source of the contribution.

6. The Nelson committee agrees to provide to the Board, within 90 days of the date the agreement is signed by both parties, a copy of the deposited check or other documentation showing that \$500 was returned to the MNHBPA.

7. The Nelson committee agrees to the imposition of a civil penalty in the amount of \$300 for accepting a contribution in excess of \$200 without the disclosure statement required by Minnesota Statutes section 10A.27, subdivision 13. The civil penalty is the amount of the contribution that exceeded \$200. Of this amount, \$100 is due within 30 days of the date the agreement is signed by both parties. The remaining \$200 of the penalty is, by the terms of this agreement, stayed until January 1, 2023. If the committee violates Minnesota Statutes section 10A.27, subdivision 13, before January 1, 2023, the outstanding civil penalty is due immediately. If the committee does not violate Minnesota Statutes section 10A.27, subdivision 13, before January 1, 2023, the outstanding civil penalty is waived.

8. If the Nelson committee does not comply with the provisions of this agreement, this matter may be reopened by the Board and the Board may take such actions as it deems appropriate.

/s/ Mike Nelson
Representative Mike Nelson
Mike Nelson Volunteer Committee

Dated: June 11, 2020

/s/ Gary Haugen
Gary Haugen, Vice Chair
Campaign Finance and Public Disclosure Board

Dated: June 3, 2020