

SENATE BILL NO. 289

INTRODUCED BY D. ANKNEY

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3
4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING CAMPAIGN FINANCE LAWS; REVISING
5 DEFINITIONS OF "CONTRIBUTION", "EXPENDITURE", AND "POLITICAL COMMITTEE"; CLARIFYING TYPES
6 OF POLITICAL COMMITTEES; DEFINING CAMPAIGN-RELATED TERMS; REVISING ATTRIBUTION
7 REQUIREMENTS; PROHIBITING A UNION FROM CONTRIBUTING TO CANDIDATES; REQUIRING THE
8 COMMISSIONER OF POLITICAL PRACTICES TO ADOPT RULES TO DETERMINE THE PRIMARY PURPOSE
9 OF AN INCIDENTAL COMMITTEE AND TO DEFINE WHAT CONSTITUTES A DE MINIMIS ACT,
10 CONTRIBUTION, OR EXPENDITURE; REVISING WHEN A POLITICAL COMMITTEE FILES CERTIFICATION
11 WITH THE COMMISSIONER; PROVIDING AN EXEMPTION TO THE CONTRIBUTION LIMITS FOR CERTAIN
12 PERSONAL SERVICES PROVIDED TO A CANDIDATE; CLARIFYING DISCLOSURE REQUIREMENTS FOR
13 CERTAIN ELECTION MATERIALS; REVISING THE TIMES FOR FILING CERTAIN REPORTS; CLARIFYING
14 DISCLOSURE REQUIREMENTS FOR CONTRIBUTIONS AND EXPENDITURES; ALLOWING THE
15 COMMISSIONER OF POLITICAL PRACTICES TO REQUIRE CERTAIN REPORTS TO BE FILED
16 ELECTRONICALLY; REQUIRING THE COMMISSIONER TO POST CERTAIN REPORT INFORMATION ON
17 A WEBSITE; PROVIDING DISCLOSURE REQUIREMENTS FOR INCIDENTAL COMMITTEES; CLARIFYING
18 THAT CERTAIN DISCLOSURE REPORTS ARE TO BE FILED REGARDLESS OF AN ENTITY'S TAX STATUS;
19 REVISING AND EXPANDING THE COMMISSIONER'S RULEMAKING AUTHORITY; AMENDING SECTIONS
20 2-2-121, 13-1-101, 13-35-225, 13-35-227, 13-35-402, 13-37-114, 13-37-201, 13-37-216, 13-37-219, 13-37-225,
21 13-37-226, 13-37-228, 13-37-229, 13-37-231, AND 13-37-402, MCA; AND REPEALING SECTION 13-37-230,
22 MCA."

23
24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

25
26 **Section 1.** Section 2-2-121, MCA, is amended to read:
27 **"2-2-121. Rules of conduct for public officers and public employees.** (1) Proof of commission of any
28 act enumerated in subsection (2) is proof that the actor has breached a public duty.
29 (2) A public officer or a public employee may not:
30 (a) subject to subsection (7), use public time, facilities, equipment, supplies, personnel, or funds for the



1 officer's or employee's private business purposes;

2 (b) engage in a substantial financial transaction for the officer's or employee's private business purposes
3 with a person whom the officer or employee inspects or supervises in the course of official duties;

4 (c) assist any person for a fee or other compensation in obtaining a contract, claim, license, or other
5 economic benefit from the officer's or employee's agency;

6 (d) assist any person for a contingent fee in obtaining a contract, claim, license, or other economic
7 benefit from any agency;

8 (e) perform an official act directly and substantially affecting to its economic benefit a business or other
9 undertaking in which the officer or employee either has a substantial financial interest or is engaged as counsel,
10 consultant, representative, or agent; or

11 (f) solicit or accept employment, or engage in negotiations or meetings to consider employment, with a
12 person whom the officer or employee regulates in the course of official duties without first giving written
13 notification to the officer's or employee's supervisor and department director.

14 (3) (a) Except as provided in subsection (3)(b), a public officer or public employee may not use public
15 time, facilities, equipment, supplies, personnel, or funds to solicit support for or opposition to any political
16 committee, the nomination or election of any person to public office, or the passage of a ballot issue unless the
17 use is:

18 (i) authorized by law; or

19 (ii) properly incidental to another activity required or authorized by law, such as the function of an elected
20 public officer, the officer's staff, or the legislative staff in the normal course of duties.

21 (b) As used in this subsection (3), "properly incidental to another activity required or authorized by law"
22 does not include any activities related to solicitation of support for or opposition to the nomination or election of
23 a person to public office or political committees organized to support or oppose a candidate or candidates for
24 public office. With respect to ballot issues, properly incidental activities are restricted to:

25 (i) the activities of a public officer, the public officer's staff, or legislative staff related to determining the
26 impact of passage or failure of a ballot issue on state or local government operations;

27 (ii) in the case of a school district, as defined in Title 20, chapter 6, compliance with the requirements of
28 law governing public meetings of the local board of trustees, including the resulting dissemination of information
29 by a board of trustees or a school superintendent or a designated employee in a district with no superintendent
30 in support of or opposition to a bond issue or levy submitted to the electors. Public funds may not be expended

1 for any form of commercial advertising in support of or opposition to a bond issue or levy submitted to the
2 electors.

3 (c) This subsection (3) is not intended to restrict the right of a public officer or public employee to express
4 personal political views.

5 (d) (i) If the public officer or public employee is a Montana highway patrol chief or highway patrol officer
6 appointed under Title 44, chapter 1, the term "equipment" as used in this subsection (3) includes the chief's or
7 officer's official highway patrol uniform.

8 (ii) A Montana highway patrol chief's or highway patrol officer's title may not be referred to in the
9 solicitation of support for or opposition to any political committee, the nomination or election of any person to
10 public office, or the passage of a ballot issue.

11 (4) (a) A candidate, as defined in 13-1-101~~(6)(a)(8)(a)~~, may not use or permit the use of state funds for
12 any advertisement or public service announcement in a newspaper, on radio, or on television that contains the
13 candidate's name, picture, or voice except in the case of a state or national emergency and then only if the
14 announcement is reasonably necessary to the candidate's official functions.

15 (b) A state officer may not use or permit the use of public time, facilities, equipment, supplies, personnel,
16 or funds to produce, print, or broadcast any advertisement or public service announcement in a newspaper, on
17 radio, or on television that contains the state officer's name, picture, or voice except in the case of a state or
18 national emergency if the announcement is reasonably necessary to the state officer's official functions or in the
19 case of an announcement directly related to a program or activity under the jurisdiction of the office or position
20 to which the state officer was elected or appointed.

21 (5) A public officer or public employee may not participate in a proceeding when an organization, other
22 than an organization or association of local government officials, of which the public officer or public employee
23 is an officer or director is:

24 (a) involved in a proceeding before the employing agency that is within the scope of the public officer's
25 or public employee's job duties; or

26 (b) attempting to influence a local, state, or federal proceeding in which the public officer or public
27 employee represents the state or local government.

28 (6) A public officer or public employee may not engage in any activity, including lobbying, as defined in
29 5-7-102, on behalf of an organization, other than an organization or association of local government officials, of
30 which the public officer or public employee is a member while performing the public officer's or public employee's

1 job duties. The provisions of this subsection do not prohibit a public officer or public employee from performing
2 charitable fundraising activities if approved by the public officer's or public employee's supervisor or authorized
3 by law.

4 (7) A listing by a public officer or a public employee in the electronic directory provided for in 30-17-101
5 of any product created outside of work in a public agency is not in violation of subsection (2)(a) of this section.
6 The public officer or public employee may not make arrangements for the listing in the electronic directory during
7 work hours.

8 (8) A department head or a member of a quasi-judicial or rulemaking board may perform an official act
9 notwithstanding the provisions of subsection (2)(e) if participation is necessary to the administration of a statute
10 and if the person complies with the disclosure procedures under 2-2-131.

11 (9) Subsection (2)(d) does not apply to a member of a board, commission, council, or committee unless
12 the member is also a full-time public employee.

13 (10) Subsections (2)(b) and (2)(e) do not prevent a member of the governing body of a local government
14 from performing an official act when the member's participation is necessary to obtain a quorum or to otherwise
15 enable the body to act. The member shall disclose the interest creating the appearance of impropriety prior to
16 performing the official act."

17

18 **Section 2.** Section 13-1-101, MCA, is amended to read:

19 **"13-1-101. Definitions.** As used in this title, unless the context clearly indicates otherwise, the following
20 definitions apply:

21 (1) "Active elector" means an elector whose name has not been placed on the inactive list due to failure
22 to respond to confirmation notices pursuant to 13-2-220 or 13-19-313.

23 (2) "Active list" means a list of active electors maintained pursuant to 13-2-220.

24 (3) "Anything of value" means any goods that have a certain utility to the recipient that is real and that
25 is ordinarily not given away free but is purchased.

26 (4) "Application for voter registration" means a voter registration form prescribed by the secretary of state
27 that is completed and signed by an elector, submitted to the election administrator, and contains voter registration
28 information subject to verification as provided by law.

29 (5) "Ballot" means a paper ballot counted manually or a paper ballot counted by a machine, such as an
30 optical scan system or other technology that automatically tabulates votes cast by processing the paper ballots.

1 (6) (a) "Ballot issue" or "issue" means a proposal submitted to the people at an election for their approval
 2 or rejection, including but not limited to an initiative, referendum, proposed constitutional amendment, recall
 3 question, school levy question, bond issue question, or ballot question.

4 (b) For the purposes of chapters 35 and 37, an issue becomes a "ballot issue" upon certification by the
 5 proper official that the legal procedure necessary for its qualification and placement on the ballot has been
 6 completed, except that a statewide issue becomes a "ballot issue" upon preparation and transmission by the
 7 secretary of state of the form of the petition or referral to the person who submitted the proposed issue.

8 (7) "Ballot issue committee" means a political committee specifically organized to support or oppose a
 9 ballot issue.

10 ~~(6)(8)~~ "Candidate" means:

11 (a) an individual who has filed a declaration or petition for nomination, acceptance of nomination, or
 12 appointment as a candidate for public office as required by law;

13 (b) for the purposes of chapter 35, 36, or 37, an individual who has solicited or received and retained
 14 contributions, made expenditures, or given consent to an individual, organization, political party, or committee
 15 to solicit or receive and retain contributions or make expenditures on the individual's behalf to secure nomination
 16 or election to any office at any time, whether or not the office for which the individual will seek nomination or
 17 election is known when the:

18 (i) solicitation is made;

19 (ii) contribution is received and retained; or

20 (iii) expenditure is made; or

21 (c) an officeholder who is the subject of a recall election.

22 ~~(7)(9)~~ (a) "Contribution" means:

23 (i) the receipt by a candidate or a political committee of an advance, gift, loan, conveyance, deposit,
 24 payment, or distribution of money or anything of value to influence an election support or oppose a candidate or
 25 a ballot issue;

26 (ii) an expenditure, including an in-kind expenditure, that is made in coordination with a candidate or ballot
 27 issue committee and is reportable by the candidate or ballot issue committee as a contribution;

28 ~~(ii)(iii) a transfer of funds between political committees~~ the receipt by a political committee of funds
 29 transferred from another political committee;

30 ~~(iii)(iv) the payment by a person other than a candidate or political committee~~ of compensation for the

1 personal services of another person that are rendered to a candidate or political committee.

2 (b) "Contribution" does not mean:

3 ~~——(i) services provided without compensation by individuals volunteering a portion or all of their time on~~
 4 ~~behalf of a candidate or political committee or meals and lodging provided by individuals in their private~~
 5 ~~residences for a candidate or other individual;~~

6 ~~——(ii) the cost of any bona fide news story, commentary, or editorial distributed through the facilities of any~~
 7 ~~broadcasting station, newspaper, magazine, or other periodical publication of general circulation;~~

8 ~~——(iii) the cost of any communication by any membership organization or corporation to its members or~~
 9 ~~stockholders or employees; or~~

10 ~~——(iv) filing fees paid by the candidate.~~

11 (10) "Coordinated", including any variations of the term, means made in cooperation with, in consultation
 12 with, at the request of, or with the express prior consent of a candidate or political committee or an agent of a
 13 candidate or political committee.

14 (11) "De minimis act" means an action, contribution, or expenditure that is so small that it does not trigger
 15 registration, reporting, disclaimer, or disclosure obligations under Title 13, chapter 35 or 37, or warrant
 16 enforcement as a campaign practices violation under Title 13, chapter 37.

17 ~~(8)(12)~~ (12) "Election" means a general, regular, special, or primary election held pursuant to the
 18 requirements of state law, regardless of the time or purpose.

19 ~~(9)(13)~~ (13) "Election administrator" means the county clerk and recorder or the individual designated by a
 20 county governing body to be responsible for all election administration duties, except that with regard to school
 21 elections not administered by the county, the term means the school district clerk.

22 (14) (a) "Election communication" means the following forms of communication to support or oppose a
 23 candidate or ballot issue:

24 (i) a paid advertisement broadcast over radio, television, cable, or satellite;

25 (ii) paid placement of content on the internet or other electronic communication network;

26 (iii) a paid advertisement published in a newspaper or periodical or on a billboard;

27 (iv) a mailing; or

28 (v) printed materials.

29 (b) The term does not mean:

30 (i) an activity or communication for the purpose of encouraging individuals to register to vote or to vote,

- 1 if that activity or communication does not mention or depict a clearly identified candidate or ballot issue;
- 2 (ii) a communication that does not support or oppose a candidate or ballot issue;
- 3 (iii) a bona fide news story, commentary, blog, or editorial distributed through the facilities of any
- 4 broadcasting station, newspaper, magazine, internet website, or other periodical publication of general circulation;
- 5 (iv) a communication by any membership organization or corporation to its members, stockholders, or
- 6 employees; or
- 7 (v) a communication that the commissioner determines by rule is not an election communication.
- 8 (15) (a) "Electioneering communication" means a communication made within 60 days of the initiation
- 9 of voting in an election that does not support or oppose a candidate or ballot issue, that can be received by more
- 10 than 100 recipients in the district voting on the candidate or ballot issue, and that:
- 11 (i) refers to one or more clearly identified candidates in that election;
- 12 (ii) depicts the name, image, likeness, or voice of one or more clearly identified candidates in that
- 13 election; or
- 14 (iii) refers to a political party, ballot issue, or other question submitted to the voters in that election.
- 15 (b) The term does not mean:
- 16 (i) a bona fide news story, commentary, blog, or editorial distributed through the facilities of any
- 17 broadcasting station, newspaper, magazine, internet website, or other periodical publication of general circulation;
- 18 (ii) a communication by any membership organization or corporation to its members, stockholders, or
- 19 employees; or
- 20 (iii) a communication that the commissioner determines by rule is not an electioneering communication.
- 21 ~~(16)~~ "Elector" means an individual qualified to vote under state law.
- 22 ~~(17)~~ (a) "Expenditure" means a purchase, payment, distribution, loan, advance, promise, pledge, or
- 23 gift of money or anything of value;
- 24 ~~(i) made for the purpose of influencing the results of an election by a candidate or political committee~~
- 25 to support or oppose a candidate or a ballot issue; or
- 26 (ii) used or intended for use in making independent expenditures or in producing electioneering
- 27 communications.
- 28 (b) "Expenditure" does not mean:
- 29 (i) services, food, or lodging provided in a manner that they are not contributions under subsection ~~(7)~~
- 30 (9);

1 (ii) payments by a candidate for a filing fee or for personal travel expenses, food, clothing, lodging, or
2 personal necessities for the candidate and the candidate's family;

3 (iii) the cost of any bona fide news story, commentary, blog, or editorial distributed through the facilities
4 of any broadcasting station, newspaper, magazine, or other periodical publication of general circulation; or

5 (iv) the cost of any communication by any membership organization or corporation to its members or
6 stockholders or employees.

7 ~~(12)~~(18) "Federal election" means a general or primary election in which an elector may vote for
8 individuals for the office of president of the United States or for the United States congress.

9 ~~(13)~~(19) "General election" or "regular election" means an election held for the election of public officers
10 throughout the state at times specified by law, including elections for officers of political subdivisions when the
11 time of the election is set on the same date for all similar political subdivisions in the state. For ballot issues
12 required by Article III, section 6, or Article XIV, section 8, of the Montana constitution to be submitted by the
13 legislature to the electors at a general election, "general election" means an election held at the time provided
14 in 13-1-104(1). For ballot issues required by Article XIV, section 9, of the Montana constitution to be submitted
15 as a constitutional initiative at a regular election, regular election means an election held at the time provided in
16 13-1-104(1).

17 ~~(14)~~(20) "Inactive elector" means an individual who failed to respond to confirmation notices and whose
18 name was placed on the inactive list pursuant to 13-2-220 or 13-19-313.

19 ~~(15)~~(21) "Inactive list" means a list of inactive electors maintained pursuant to 13-2-220 or 13-19-313.

20 (22) (a) "Incidental committee" means a political committee that is not specifically organized or operating
21 for the primary purpose of supporting or opposing candidates or ballot issues but that may incidentally become
22 a political committee by receiving a contribution or making an expenditure.

23 (b) For the purpose of this subsection (22), the primary purpose is determined by the commissioner by
24 rule and includes criteria such as the allocation of budget, staff, or members' activity or the statement of purpose
25 or goal of the person or individuals that form the committee.

26 (23) "Independent committee" means a political committee organized for the primary purpose of receiving
27 contributions and making expenditures that is not controlled either directly or indirectly by a candidate and that
28 does not coordinate with a candidate in conjunction with the making of expenditures except pursuant to the limits
29 set forth in 13-37-216(1).

30 (24) "Independent expenditure" means an expenditure for an election communication to support or

1 oppose a candidate or ballot issue made at any time that is not coordinated with a candidate or ballot issue
 2 committee.

3 ~~(16)~~(25) "Individual" means a human being.

4 ~~(17)~~(a) "Issue" or "ballot issue" means a proposal submitted to the people at an election for their approval
 5 or rejection, including but not limited to initiatives, referenda, proposed constitutional amendments, recall
 6 questions, school levy questions, bond issue questions, or a ballot question.

7 ~~————~~(b) For the purposes of chapters 35 and 37, an issue becomes a "ballot issue" upon certification by the
 8 proper official that the legal procedure necessary for its qualification and placement upon the ballot has been
 9 completed, except that a statewide issue becomes a "ballot issue" upon preparation and transmission by the
 10 secretary of state of the form of the petition or referral to the person who submitted the proposed issue:

11 ~~(18)~~(26) "Legally registered elector" means an individual whose application for voter registration was
 12 accepted, processed, and verified as provided by law.

13 ~~(19)~~(27) "Mail ballot election" means any election that is conducted under Title 13, chapter 19, by mailing
 14 ballots to all active electors.

15 ~~(20)~~(28) "Person" means an individual, corporation, association, firm, partnership, cooperative,
 16 committee, including a political committee, club, union, or other organization or group of individuals or a candidate
 17 as defined in subsection ~~(6)~~ (8).

18 ~~(24)~~(29) "Place of deposit" means a location designated by the election administrator pursuant to
 19 13-19-307 for a mail ballot election conducted under Title 13, chapter 19.

20 ~~(22)~~(30) (a) "Political committee" means a combination of two or more individuals or a person other than
 21 an individual who ~~makes~~ receives a contribution or makes an expenditure:

22 ~~(a)~~(i) to support or oppose a candidate or a committee organized to support or oppose a candidate or
 23 a petition for nomination; ~~or~~

24 ~~(b)~~(ii) to support or oppose a ballot issue or a committee organized to support or oppose a ballot issue;
 25 or

26 ~~(c) as an earmarked contribution~~

27 (iii) to prepare or disseminate an election communication, an electioneering communication, or an
 28 independent expenditure.

29 (b) Political committees include ballot issue committees, incidental committees, independent committees,
 30 and political party committees.

- 1 (c) A candidate and the candidate's treasurer do not constitute a political committee.
- 2 (d) A political committee is not formed when a combination of two or more individuals or a person other
3 than an individual makes an election communication, an electioneering communication, or an independent
4 expenditure of \$100 or less.
- 5 (31) "Political party committee" means a political committee formed by a political party organization and
6 includes all county and city central committees.
- 7 (32) "Political party organization" means a political organization that:
8 (a) was represented on the official ballot in either of the two most recent statewide general elections; or
9 (b) has met the petition requirements, as provided in Title 13, chapter 10, part 5.
- 10 ~~(23)~~(33) "Political subdivision" means a county, consolidated municipal-county government, municipality,
11 special district, or any other unit of government, except school districts, having authority to hold an election for
12 officers or on a ballot issue.
- 13 ~~(24)~~(34) "Polling place election" means an election primarily conducted at polling places rather than by
14 mail under the provisions of Title 13, chapter 19.
- 15 ~~(25)~~(35) "Primary" or "primary election" means an election held throughout the state to nominate
16 candidates for public office at times specified by law, including nominations of candidates for offices of political
17 subdivisions when the time for nominations is set on the same date for all similar subdivisions in the state.
- 18 ~~(26)~~(36) "Provisional ballot" means a ballot cast by an elector whose identity or eligibility to vote has not
19 been verified as provided by law.
- 20 ~~(27)~~(37) "Provisionally registered elector" means an individual whose application for voter registration
21 was accepted but whose identity or eligibility has not yet been verified as provided by law.
- 22 ~~(28)~~(38) "Public office" means a state, county, municipal, school, or other district office that is filled by
23 the people at an election.
- 24 ~~(29)~~(39) "Random-sample audit" means an audit involving a manual count of ballots from designated
25 races and ballot issues in precincts selected through a random process as provided in 13-17-503.
- 26 ~~(30)~~(40) "Registrar" means the county election administrator and any regularly appointed deputy or
27 assistant election administrator.
- 28 ~~(34)~~(41) "School election" has the meaning provided in 20-20-101.
- 29 ~~(32)~~(42) "School election filing officer" means the filing officer with whom the declarations for nomination
30 for school district office were filed or with whom the school ballot issue was filed.

1 ~~(33)~~(43) "School recount board" means the board authorized pursuant to 20-20-420 to perform recount
2 duties in school elections.

3 ~~(34)~~(44) "Signature envelope" means an envelope that contains a secrecy envelope and ballot and that
4 is designed to:

5 (a) allow election officials, upon examination of the outside of the envelope, to determine that the ballot
6 is being submitted by someone who is in fact a qualified elector and who has not already voted; and

7 (b) allow it to be used in the United States mail.

8 ~~(35)~~(45) "Special election" means an election other than a statutorily scheduled primary or general
9 election held at any time for any purpose provided by law. It may be held in conjunction with a statutorily
10 scheduled election.

11 ~~(36)~~(46) "Statewide voter registration list" means the voter registration list established and maintained
12 pursuant to 13-2-107 and 13-2-108.

13 (47) "Support or oppose", including any variations of the term, means:

14 (a) using express words, including but not limited to "vote", "oppose", "support", "elect", "defeat", or
15 "reject", that call for the nomination, election, or defeat of one or more clearly identified candidates, the election
16 or defeat of one or more political parties, or the passage or defeat of one or more ballot issues submitted to voters
17 in an election; or

18 (b) otherwise referring to or depicting one or more clearly identified candidates, political parties, or ballot
19 issues in a manner that is susceptible of no reasonable interpretation other than as a call for the nomination,
20 election, or defeat of the candidate in an election, the election or defeat of the political party, or the passage or
21 defeat of the ballot issue or other question submitted to the voters in an election.

22 ~~(37)~~(48) "Transfer form" means a form prescribed by the secretary of state that may be filled out by an
23 elector to transfer the elector's registration when the elector's residence address has changed within the county.

24 ~~(38)~~(49) "Valid vote" means a vote that has been counted as valid or determined to be valid as provided
25 in 13-15-206.

26 ~~(39)~~(50) "Voted ballot" means a ballot that is:

27 (a) deposited in the ballot box at a polling place;

28 (b) received at the election administrator's office; or

29 (c) returned to a place of deposit.

30 ~~(40)~~(51) "Voting system" or "system" means any machine, device, technology, or equipment used to

1 automatically record, tabulate, or process the vote of an elector cast on a paper ballot."

2

3 **Section 3.** Section 13-35-225, MCA, is amended to read:

4 **"13-35-225. Election materials not to be anonymous -- statement of accuracy -- notice -- penalty.**

5 (1) All ~~communications advocating the success or defeat of a candidate, political party, or ballot issue through~~
6 ~~any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, poster, handbill,~~
7 ~~bumper sticker, internet website, or other form of general political advertising~~ election communications,
8 electioneering communications, and independent expenditures must clearly and conspicuously include the
9 attribution "paid for by" followed by the name and address of the person who made or financed the expenditure
10 for the communication. The attribution must contain:

11 (a) for election ~~material~~ communications or electioneering communications financed by a candidate or
12 a candidate's campaign finances, the name and the address of the candidate or the candidate's campaign; ~~and~~

13 (b) for election ~~material~~ communications, electioneering communications, or independent expenditures
14 financed by a political committee, the name of the committee, the name of the committee treasurer, and the
15 address of the committee or the committee treasurer; ~~and~~

16 (c) for election communications, electioneering communications, or independent expenditures financed
17 by a political committee that is a corporation or a union, the name of the corporation or union, its chief executive
18 officer or equivalent, and the address of the principal place of business.

19 (2) Communications in a partisan election financed by a candidate or a political committee organized
20 on the candidate's behalf must state the candidate's party affiliation or include the party symbol.

21 (3) (a) Printed election material described in subsection (1) that includes information about another
22 candidate's voting record must include the following:

23 (i) a reference to the particular vote or votes upon which the information is based;

24 (ii) a disclosure of ~~contrasting all~~ all ~~votes known to have been~~ made by the candidate on the same ~~issue~~
25 ~~if the contrasting votes were made in any of the previous 6 years~~ legislative bill or enactment; and

26 (iii) a statement, signed as provided in subsection (3)(b), that to the best of the signer's knowledge, the
27 statements made about the other candidate's voting record are accurate and true.

28 (b) The statement required under subsection (3)(a) must be signed:

29 (i) by the candidate if the election material was prepared for the candidate ~~or the candidate's political~~
30 ~~committee~~ and includes information about another candidate's voting record; or

1 (ii) by the person financing the communication or the person's legal agent if the election material was not
2 prepared for a candidate ~~or a candidate's political committee.~~

3 (4) If a document or other article of advertising is too small for the requirements of subsections (1)
4 through (3) to be conveniently included, the candidate responsible for the material or the person financing the
5 communication shall file a copy of the article with the commissioner of political practices, together with the
6 required information or statement, at the time of its public distribution.

7 (5) If information required in subsections (1) through (3) is omitted or not printed or if the information
8 required by subsection (4) is not filed with the commissioner, upon discovery of or notification about the omission,
9 the candidate responsible for the material or the person financing the communication shall:

10 (a) file notification of the omission with the commissioner of political practices within 5 2 business days
11 of the discovery or notification;

12 (b) bring the material into compliance with subsections (1) through (3) or file the information required by
13 subsection (4) with the commissioner; and

14 (c) withdraw any noncompliant communication from circulation as soon as reasonably possible.

15 (6) Whenever the commissioner receives a complaint alleging a any violation of ~~subsection (1) or (2)~~
16 subsections (1) through (3), the commissioner shall as soon as practicable assess the merits of the complaint.

17 (7) (a) If the commissioner determines that the complaint has merit, the commissioner shall notify the
18 complainant and the candidate or political committee of the commissioner's determination. The notice must state
19 that the candidate or political committee shall bring the material into compliance as required under this section:

20 (i) within 5 2 business days after receiving the notification if the notification occurs more than 7 days prior
21 to an election; or

22 (ii) within 24 hours after receiving the notification if the notification occurs 7 days or less prior to an
23 election.

24 (b) When notifying the candidate or campaign committee under subsection (7)(a), the commissioner shall
25 include a statement that if the candidate or political committee fails to bring the material into compliance as
26 required under this section, the candidate or political committee is subject to a civil penalty pursuant to
27 13-37-128."

28

29 **Section 4.** Section 13-35-227, MCA, is amended to read:

30 "**13-35-227. Prohibited contributions from corporations and unions.** (1) A corporation or union may

1 not make a contribution ~~or an expenditure in connection with~~ to a candidate ~~or a political committee that supports~~
 2 ~~or opposes a candidate or a political party~~ directly or through an intermediary.

3 (2) A ~~person, candidate, or political committee~~ may not accept or receive a corporate or union
 4 contribution described in subsection (1).

5 (3) A political committee that is not a corporation or union may establish a fund to be used for making
 6 political contributions to candidates if the fund consists only of funds solicited from noncorporate and nonunion
 7 sources.

8 ~~(3)(4)~~ This section does not prohibit the establishment or administration of A corporation or union may
 9 establish a separate, segregated fund to be used for making political contributions ~~or expenditures~~ to candidates
 10 if the fund consists only of voluntary contributions solicited from an individual who is a shareholder, employee,
 11 or member of the corporation or union.

12 ~~(4)(5)~~ A person who violates this section is subject to the civil penalty provisions of 13-37-128."
 13

14 **Section 5.** Section 13-35-402, MCA, is amended to read:

15 **"13-35-402. Fair notice period before election --definition.** (1) A candidate; or a political committee
 16 ~~that has filed a certification under 13-37-201, and an independent political committee~~ shall at the time specified
 17 in subsection (3) ~~of this section~~ provide to candidates listed in subsection (2) ~~of this section~~ any final copy of
 18 campaign advertising in print media, in printed material, or by broadcast media that is intended for public
 19 distribution in the 10 days prior to an election day unless:

20 (a) identical material was already published or broadcast; or

21 (b) the material does not identify or mention the opposing candidate.

22 (2) The material must be provided to all other candidates who have filed for the same office and who are
 23 individually identified or mentioned in the advertising, except candidates mentioned in the context of
 24 endorsements.

25 (3) Final copies of material described in subsection (1) must be provided to the candidates listed in
 26 subsection (2) at the following times:

27 (a) at the time the material is published or broadcast or disseminated to the public;

28 (b) if the material is disseminated by direct mail, on the date of the postmark; or

29 (c) if the material is prepared and disseminated by hand, on the day the material is first being made
 30 available to the general public.

1 (4) The copy of the material that must be provided to the candidates listed in subsection (2) must be
 2 provided by electronic mail, facsimile transmission, or hand delivery, with a copy provided by direct mail if the
 3 recipient does not have available either electronic mail or facsimile transmission. If the material is for broadcast
 4 media, the copy provided must be a written transcript of the broadcast.

5 ~~(5) For the purposes of this section, an "independent political committee" is a committee that is not
 6 specifically organized on behalf of a particular candidate or that is not controlled either directly or indirectly by a
 7 candidate or a candidate's committee in conjunction with the making of expenditures or accepting contributions."~~

8

9 **Section 6.** Section 13-37-114, MCA, is amended to read:

10 "**13-37-114. Rules.** (1) The commissioner shall adopt rules to carry out the provisions of chapter 35 of
 11 this title and this chapter in conformance with the Montana Administrative Procedure Act.

12 (2) The rules must:

13 (a) include the criteria and process used to determine the primary purpose of an incidental committee;

14 and

15 (b) define what constitutes de minimis acts, contributions, or expenditures."

16

17 **Section 7.** Section 13-37-201, MCA, is amended to read:

18 "**13-37-201. Campaign treasurer.** (1) Except as provided in 13-37-206, each candidate and each
 19 political committee shall appoint one campaign treasurer and certify the full name and complete address of the
 20 campaign treasurer pursuant to this section.

21 (2) (a) A candidate shall file the certification within 5 days after becoming a candidate.

22 (b) A ~~Except as provided in subsection (2)(c),~~ a political committee shall file the certification, which must
 23 include an organizational statement and the name and address of all officers, if any, within 5 days after it makes
 24 an expenditure or authorizes another person to make an expenditure on its behalf, whichever occurs first.

25 (c) A political committee that is seeking to place a ballot issue before the electors shall file the
 26 certification, including the information required in subsection (2)(b), within 5 days after the issue becomes a ballot
 27 issue, as defined in 13-1-101(6)(b).

28 (3) The certification of a candidate or political committee must be filed with the commissioner and the
 29 appropriate election administrator as specified for the filing of reports in 13-37-225."

30

1 **Section 8.** Section 13-37-216, MCA, is amended to read:

2 **"13-37-216. Limitations on contributions -- adjustment.** (1) (a) Subject to adjustment as provided for
3 in subsection (4) and subject to 13-35-227 and 13-37-219, aggregate contributions for each election in a
4 campaign by a political committee or by an individual, other than the candidate, to a candidate are limited as
5 follows:

6 (i) for candidates filed jointly for the office of governor and lieutenant governor, not to exceed \$500;

7 (ii) for a candidate to be elected for state office in a statewide election, other than the candidates for
8 governor and lieutenant governor, not to exceed \$250;

9 (iii) for a candidate for any other public office, not to exceed \$130.

10 (b) A contribution to a candidate includes contributions made to ~~the candidate's committee and to any~~
11 political committee organized on the candidate's behalf.

12 ~~(2) (a) A political committee that is not independent of the candidate is considered to be organized on~~
13 ~~the candidate's behalf. For the purposes of this section, an independent committee means a committee that is~~
14 ~~not specifically organized on behalf of a particular candidate or that is not controlled either directly or indirectly~~
15 ~~by a candidate or candidate's committee and that does not act jointly with a candidate or candidate's committee~~
16 ~~in conjunction with the making of expenditures or accepting contributions.~~

17 ~~———— (b) A leadership political committee maintained by a political officeholder is considered to be organized~~
18 ~~on the political officeholder's behalf.~~

19 ~~(3) (2)~~ All political committees except those of political party organizations are subject to the provisions
20 of subsections (1) and (2) subsection (1). For purposes of this subsection, "political party organization" means
21 ~~any political organization that was represented on the official ballot at the most recent gubernatorial election.~~
22 Political party organizations may form political committees that are subject to the following aggregate limitations,
23 except as provided in subsection (3), adjusted as provided for in subsection (4), and subject to 13-37-219, from
24 all political party committees:

25 (a) for candidates filed jointly for the offices of governor and lieutenant governor, not to exceed \$18,000;

26 (b) for a candidate to be elected for state office in a statewide election, other than the candidates for
27 governor and lieutenant governor, not to exceed \$6,500;

28 (c) for a candidate for public service commissioner, not to exceed \$2,600;

29 (d) for a candidate for the state senate, not to exceed \$1,050;

30 (e) for a candidate for any other public office, not to exceed \$650.

1 (3) In-kind personal services provided by a political party organization to a candidate are not included
 2 in the limits set in subsection (2). The value of these in-kind personal services is subject to reporting and
 3 disclosure by the candidate and by the political party organization.

4 (4) (a) The commissioner shall adjust the limitations in subsections (1) and ~~(2)~~ (2) by multiplying each
 5 limit by an inflation factor, which is determined by dividing the consumer price index for June of the year prior to
 6 the year in which a general election is held by the consumer price index for June 2002.

7 (b) The resulting figure must be rounded up or down to the nearest:

8 (i) \$10 increment for the limits established in subsection (1); and

9 (ii) \$50 increment for the limits established in subsection ~~(2)~~ (2).

10 (c) The commissioner shall publish the revised limitations as a rule.

11 (5) ~~A~~ Except as provided in subsection (3), a candidate may not accept any contributions, including
 12 in-kind contributions, in excess of the limits in this section.

13 (6) For purposes of this section, "election" means the general election or a primary election that involves
 14 two or more candidates for the same nomination. If there is not a contested primary, there is only one election
 15 to which the contribution limits apply. If there is a contested primary, then there are two elections to which the
 16 contribution limits apply."

17

18 **Section 9.** Section 13-37-219, MCA, is amended to read:

19 **"13-37-219. Limitations on contributions to candidate when office sought is not known.** A
 20 candidate, as defined in 13-1-101~~(6)(b)(8)(b)~~, who has not determined the office to which the individual will seek
 21 nomination or election is subject to the lowest contribution limitation of the offices the candidate is considering
 22 seeking."

23

24 **Section 10.** Section 13-37-225, MCA, is amended to read:

25 **"13-37-225. Reports of contributions and expenditures required.** (1) Except as provided in
 26 13-37-206, each candidate and political committee shall file periodic reports of contributions and expenditures
 27 made by or on the behalf of a candidate or political committee. Except as provided in subsection (3), all reports
 28 required by this chapter must be filed with the commissioner and with the election administrator of the county in
 29 which a candidate is a resident or the political committee has its headquarters. However, where residency within
 30 a district, county, city, or town is not a prerequisite for being a candidate, copies of all reports must be filed with

1 the election administrator of the county in which the election is to be held or, if the election is to be held in more
2 than one county, with the election administrator in the county that the commissioner specifies.

3 (2) In lieu of all contribution and expenditure reports required by this chapter, the commissioner shall
4 accept copies of the reports filed by candidates for congress and president of the United States and their political
5 committees pursuant to the requirements of federal law.

6 (3) Reports required by this chapter for candidates for a state district office, including but not limited to
7 candidates for the legislature, the public service commission, or district court judge, and candidates for a state
8 office filled by a statewide vote must be filed with the commissioner and do not have to be filed with the election
9 administrator of a county.

10 (4) A person who makes an election communication, electioneering communication, or independent
11 expenditure is subject to reporting and disclosure requirements as provided in chapters 35 and 37 of this title."
12

13 **Section 11.** Section 13-37-226, MCA, is amended to read:

14 **"13-37-226. Time for filing reports.** (1) Candidates for a state office filled by a statewide vote of all the
15 electors of Montana, ~~and political committees that are organized to support or oppose a particular statewide~~
16 ~~candidate~~ statewide ballot issue committees, and political committees that receive a contribution or make an
17 expenditure supporting or opposing a candidate for statewide office or a statewide ballot issue shall file reports
18 electronically as follows:

19 (a) quarterly, due on the ~~fifth~~ 5th day following a calendar quarter, beginning with the calendar quarter
20 in which:

21 (i) funds are received or expended during the year or years prior to the election year that the candidate
22 expects to be on the ballot; or

23 (ii) an issue becomes a ballot issue, as defined in 13-1-101(6)(b);

24 (b) on the ~~10th~~ 1st day of ~~each month from March, April, July, August, and September~~ through November
25 during a year in which an election is held;

26 (c) on the ~~15th and 5th days~~ day preceding the date on which an election is held;

27 (d) within ~~24 hours~~ 2 business days after receiving a contribution of \$200 or more if received between
28 the ~~40th~~ 20th day before the election and the day of the election;

29 (e) not more than 20 days after the date of the election; and

30 (f) on the 10th day of March and September of each year following an election until the candidate or

1 political committee files a closing report as specified in 13-37-228(3).

2 ~~(2) Political committees organized to support or oppose a particular statewide ballot issue shall file~~
3 ~~reports:~~

4 ~~—— (a) quarterly, due on the fifth day following a calendar quarter, beginning with the calendar quarter in~~
5 ~~which the text of the proposed ballot issue is submitted for review and approval pursuant to 13-27-202 during the~~
6 ~~year or years prior to the election year that an issue is or is expected to be on the ballot;~~

7 ~~—— (b) on the 10th day of March and on the 10th day of each subsequent month through September in each~~
8 ~~year that an election is to be held;~~

9 ~~—— (c) on the 15th and 5th days preceding the date on which an election is held;~~

10 ~~—— (d) within 24 hours after receiving a contribution of \$500 or more if received between the 10th day before~~
11 ~~the election and the day of the election;~~

12 ~~—— (e) within 20 days after the election; and~~

13 ~~—— (f) on the 10th day of March and September of each year following an election until the political~~
14 ~~committee files a closing report as specified in 13-37-228(3).~~

15 ~~(3)(2)~~ Candidates for a state district office, including but not limited to candidates for the legislature, the
16 public service commission, or a district court judge, and political committees that ~~are specifically organized~~
17 receive contributions or make expenditures to support or oppose a particular state district candidate or issue,
18 unless the political committee is already reporting under the provisions of subsection (1), shall file reports as
19 follows:

20 (a) on the 35th and 12th day days preceding the date on which an election is held;

21 (b) within ~~48 hours~~ 2 business days after receiving a contribution of \$100 or more if received between
22 the 17th day before the election and the day of the election. ~~The report under this subsection (3)(b) must be made~~
23 ~~by mail or by electronic communication to the commissioner pursuant to 13-37-225.;~~

24 (c) not more than 20 days after the date of the election; and

25 (d) on the 10th day of March and September of each year following an election until the candidate or
26 political committee files a closing report as specified in 13-37-228(3).

27 ~~(4)(3)~~ Candidates for any other public office and political committees that ~~are specifically organized~~
28 receive contributions or make expenditures to support or oppose a particular local issue shall file the reports
29 specified in subsection ~~(3)~~ (2) only if the total amount of contributions received or the total amount of funds
30 expended for all elections in a campaign, excluding the filing fee paid by the candidate, exceeds \$500, except

1 as provided in 13-37-206.

2 ~~(5)(4)~~ For the purposes of this subsection, a committee that is not specifically organized to support or
 3 ~~oppose a particular candidate or ballot issue and that receives contributions and makes expenditures in~~
 4 ~~conjunction with an election is an independent committee. For the purpose of reporting, a political party committee~~
 5 ~~is an independent committee. An independent committee~~ Independent and political party committees not required
 6 to report under subsection (1) or (2) shall file:

7 (a) a report on the ~~12th day~~ 90th, 35th, and 12th days preceding the date of an election in which it
 8 participates by making an expenditure;

9 (b) a report within ~~24 hours of making an expenditure or incurring a debt or obligation~~ 2 business days
 10 of receiving a contribution of \$500 or more ~~for election material described in 13-35-225(1) if made~~ received
 11 between the 17th day before the election and the day of the election;

12 (c) a report within 2 business days of making an expenditure of \$500 or more for an electioneering
 13 communication if the expenditure is made between the 17th day before the election and the day of the election;

14 ~~(e)(d)~~ a report not more than 20 days after the date of the election in which it participates by making an
 15 expenditure; and

16 ~~(d)(e)~~ a report on a date to be prescribed by the commissioner for a closing report at the close of each
 17 calendar year.

18 (5) An incidental committee not required to report under subsection (1) or (2) shall file a report:

19 (a) on the 90th, 35th, and 12th days preceding the date of an election in which it participates by making
 20 an expenditure;

21 (b) within 2 business days of receiving a contribution as provided in [section 14(1)] of \$500 or more if
 22 received between the 17th day before an election and the day of the election;

23 (c) within 2 business days of making an expenditure of \$500 or more for an electioneering communication
 24 if the expenditure is made between the 17th day before the election and the day of the election;

25 (d) not more than 20 days after the date of the election in which it participated; and

26 (e) on a date to be prescribed by the commissioner for a closing report at the close of each calendar year.

27 (6) The commissioner shall post on the commissioner's website:

28 (a) all reports filed under this section within 7 business days of filing; and

29 (b) for each election the calendar dates that correspond with the filing requirements of subsections (1),
 30 (2), (4), and (5).

1 (7) The commissioner may require reports filed under this section to be submitted electronically.

2 ~~(6) The commissioner may promulgate rules regarding the extent to which organizations that are~~
3 ~~incidental political committees shall report their politically related activities in accordance with this chapter.~~

4 ~~(7)(8)~~ Except as provided in subsections (1)(d), ~~(2)(d)~~ (2)(b), ~~(3)(b)~~ (4)(b), (4)(c), and (5)(b), and (5)(c),
5 all reports required by this section must be complete as of the fifth 5th day before the date of filing as specified
6 in 13-37-228(2) and this section.

7 (9) A political committee may file a closing report prior to the date prescribed by rule or set in
8 13-37-228(3) and after the complete termination of its contribution and expenditure activity during an election
9 cycle."

10
11 **Section 12.** Section 13-37-228, MCA, is amended to read:

12 **"13-37-228. Time periods covered by reports.** Reports filed under 13-37-225 and 13-37-226 must be
13 filed to cover the following time periods even though no contributions or expenditures may have been received
14 or made during the period:

15 (1) The initial report must cover all contributions received or expenditures made by a candidate or
16 political committee prior to the time that a person became a candidate or a political committee, as defined in
17 13-1-101, until the fifth 5th day before the date of filing of the appropriate initial report pursuant to 13-37-226(1)
18 through (5). Reports filed by political committees organized to support or oppose a statewide ballot issue must
19 disclose all contributions received and expenditures made prior to the time an issue becomes a ballot issue by
20 transmission of the petition to the proponent of the ballot issue or referral by the secretary of state even if the
21 issue subsequently fails to garner sufficient signatures to qualify for the ballot.

22 (2) Subsequent periodic reports must cover the period of time from the closing of the previous report to
23 5 days before the date of filing of a report pursuant to 13-37-226(1) through (5). For the purposes of this
24 subsection, the reports required under 13-37-226(1)(d), ~~(2)(d)~~ (2)(b), ~~(3)(b)~~ (4)(b), (4)(c), and (5)(b), and (5)(c)
25 are not periodic reports and must be filed as required by 13-37-226(1)(d), ~~(2)(d)~~ (2)(b), ~~(3)(b)~~ (4)(b), (4)(c), or
26 (5)(b), and (5)(c), as applicable.

27 (3) Closing reports must cover the period of time from the last periodic report to the final closing of the
28 books of the candidate or political committee. A candidate or political committee shall file a closing report
29 following an election in which the candidate or political committee participates whenever all debts and obligations
30 are satisfied and further contributions or expenditures will not be received or made that relate to the campaign

1 unless the election is a primary election and the candidate or political committee will participate in the general
2 election."

3

4 **Section 13.** Section 13-37-229, MCA, is amended to read:

5 **"13-37-229. Disclosure of contributions received requirements for candidates, ballot issue**
6 **committees, political party committees, and independent committees.** ~~Each report required by this chapter~~
7 ~~shall~~ (1) The reports required under 13-37-225 through 13-37-227 from candidates, ballot issue committees,
8 political party committees, and independent committees must disclose the following information concerning
9 contributions received:

10 (1)(a) the amount of cash on hand at the beginning of the reporting period;

11 (2)(b) the full name, mailing address, occupation, and employer, if any, of each person who has made
12 aggregate contributions, other than loans, of \$35 or more to a candidate or political committee, including the
13 purchase of tickets and other items for events, such as dinners, luncheons, rallies, and similar fundraising events;

14 (3)(c) for each person identified under subsection (2) (1)(b), the aggregate amount of contributions made
15 by that person within the reporting period and the total amount of contributions made by that person for all
16 reporting periods;

17 (4)(d) the total sum of individual contributions made to or for a political committee or candidate and not
18 reported under subsections (2) and (3) (1)(b) and (1)(c);

19 (5)(e) the name and address of each political committee or candidate from which the reporting committee
20 or candidate received any transfer of funds, together with the amount and dates of all transfers;

21 (6)(f) each loan from any person during the reporting period, together with the full names, mailing
22 addresses, occupations, and employers, if any, of the lender and endorsers, if any, and the date and amount of
23 each loan;

24 (7)(g) the amount and nature of debts and obligations owed to a political committee or candidate, in the
25 form prescribed by the commissioner;

26 (8)(h) an itemized account of proceeds that total less than \$35 from a person from mass collections
27 made at fundraising events;

28 (9)(i) each contribution, rebate, refund, or other receipt not otherwise listed under subsections (2) through
29 (8) (1)(b) through (1)(h) during the reporting period;

30 (10)(j) the total sum of all receipts received by or for the committee or candidate during the reporting

1 period; and

2 ~~(11)(k)~~ other information that may be required by the commissioner to fully disclose the sources of funds
3 used to support or oppose candidates or issues.

4 (2) (a) Except as provided in subsection (2)(c), the reports required under 13-37-225 through 13-37-227
5 from candidates, ballot issue committees, political party committees, and independent committees must disclose
6 the following information concerning expenditures made:

7 (i) the full name, mailing address, occupation, and principal place of business, if any, of each person to
8 whom expenditures have been made by the committee or candidate during the reporting period, including the
9 amount, date, and purpose of each expenditure and the total amount of expenditures made to each person;

10 (ii) the full name, mailing address, occupation, and principal place of business, if any, of each person
11 to whom an expenditure for personal services, salaries, and reimbursed expenses have been made, including
12 the amount, date, and purpose of that expenditure and the total amount of expenditures made to each person;

13 (iii) the total sum of expenditures made by a political committee or candidate during the reporting period;

14 (iv) the name and address of each political committee or candidate to which the reporting committee or
15 candidate made any transfer of funds, together with the amount and dates of all transfers;

16 (v) the name of any person to whom a loan was made during the reporting period, including the full
17 name, mailing address, occupation, and principal place of business, if any, of that person and the full names,
18 mailing addresses, occupations, and principal places of business, if any, of the endorsers, if any, and the date
19 and amount of each loan;

20 (vi) the amount and nature of debts and obligations owed by a political committee or candidate in the
21 form prescribed by the commissioner; and

22 (vii) other information that may be required by the commissioner to fully disclose the disposition of funds
23 used to support or oppose candidates or issues.

24 (b) Reports of expenditures made to a consultant, advertising agency, polling firm, or other person that
25 performs services for or on behalf of a candidate or political committee must be itemized and described in
26 sufficient detail to disclose the specific services performed by the entity to which payment or reimbursement was
27 made.

28 (c) A candidate is required to report the information specified in this subsection (2) only if the transactions
29 involved were undertaken for the purpose of supporting or opposing a candidate."

30

1 **NEW SECTION. Section 14. Disclosure requirements for incidental committees.** (1) The reports
2 required under 13-37-225 through 13-37-227 from incidental committees must disclose the following information
3 concerning contributions to the committee that are designated by the contributor for a specified candidate, ballot
4 issue, or petition for nomination or that are made by the contributor in response to an appeal by the incidental
5 committee for contributions to support incidental committee election activity, including in-kind expenditures,
6 independent expenditures, election communications, or electioneering communications:

7 (a) the full name, mailing address, occupation, and employer, if any, of each person who has made
8 aggregate contributions during the reporting period for a specified candidate, ballot issue, or petition for
9 nomination of \$35 or more;

10 (b) for each person identified under subsection (1)(a), the aggregate amount of contributions made by
11 that person for all reporting periods;

12 (c) each loan received from any person during the reporting period for a specified candidate, ballot issue,
13 or petition for nomination, together with the full names, mailing addresses, occupations, and employers, if any,
14 of the lender and endorsers, if any, and the date and amount of each loan;

15 (d) the amount and nature of debts and obligations owed to an incidental committee for a specified
16 candidate, ballot issue, or petition for nomination in the form prescribed by the commissioner;

17 (e) an account of proceeds that total less than \$35 per person from mass collections made at fundraising
18 events sponsored by the incidental committee for a specified candidate, ballot issue, or petition for nomination;
19 and

20 (f) the total sum of all contributions received by or designated for the incidental committee for a specified
21 candidate, ballot issue, or petition for nomination during the reporting period.

22 (2) The reports required under 13-37-225 through 13-37-227 from incidental committees must disclose
23 the following information concerning expenditures made:

24 (a) the full name, mailing address, occupation, and principal place of business, if any, of each person
25 to whom expenditures have been made during the reporting period, including the amount, date, and purpose of
26 each expenditure and the total amount of expenditures made to each person;

27 (b) the full name, mailing address, occupation, and principal place of business, if any, of each person
28 to whom an expenditure for personal services, salaries, and reimbursed expenses have been made during the
29 reporting period, including the amount, date, and purpose of that expenditure and the total amount of
30 expenditures made to each person;

- 1 (c) the total sum of expenditures made during the reporting period;
- 2 (d) the name and address of each political committee or candidate to which the reporting committee
3 made any transfer of funds together with the amount and dates of all transfers;
- 4 (e) the name of any person to whom a loan was made during the reporting period, including the full
5 name, mailing address, occupation, and principal place of business, if any, of that person, and the full names,
6 mailing addresses, occupations, and principal places of business, if any, of the endorsers, if any, and the date
7 and amount of each loan;
- 8 (f) the amount and nature of debts and obligations owed by a political committee in the form prescribed
9 by the commissioner; and
- 10 (g) other information that may be required by the commissioner to fully disclose the disposition of funds
11 used to make expenditures.

12 (3) Reports of expenditures made to a consultant, advertising agency, polling firm, or other person that
13 performs services for or on behalf of an incidental committee must be itemized and described in sufficient detail
14 to disclose the specific services performed by the entity to which payment or reimbursement was made.

15

16 **Section 15.** Section 13-37-231, MCA, is amended to read:

17 **"13-37-231. Reports to be certified as true, complete, and correct.** (1) A report required by this
18 chapter to be filed by a candidate or political committee must be verified as true, complete, and correct by the
19 oath or affirmation of the individual filing the report. The individual filing the report must be the candidate or an
20 officer of a political committee who is on file as an officer of the committee with the commissioner.

21 (2) A copy of a report or statement filed by a candidate or political committee must be preserved by the
22 individual filing it for a period coinciding with the term of office for which the person was a candidate or for a
23 period of 4 years, whichever is longer."

24

25 **NEW SECTION. Section 16. Reports to be filed regardless of tax status.** A person that makes an
26 election communication, an electioneering communication, or an independent expenditure shall file reports
27 required by this chapter regardless of the person's tax status under state or federal law.

28

29 **Section 17.** Section 13-37-402, MCA, is amended to read:

30 **"13-37-402. Constituent accounts -- reports.** (1) A constituent services account may be established

1 to pay for constituent services by a successful candidate required to report ~~contributions~~ under 13-37-229 and
 2 ~~expenditures under 13-37-230~~. A constituent services account may be established by filing an appropriate form
 3 with the commissioner.

4 (2) (a) A successful candidate may deposit only surplus campaign funds in a constituent services
 5 account.

6 (b) The money in the account may be used only for constituent services. The money in the account may
 7 not be used for personal benefit. Expenditures from a constituent services account may not be made when the
 8 holder of the constituent services account also has an open campaign account.

9 (3) A person described in subsection (1) may not establish any account related to the public official's
 10 office other than a constituent services account. This subsection does not prohibit a person from establishing a
 11 campaign account.

12 (4) The holder of a constituent services account shall file a quarterly report with the commissioner, by
 13 a date established by the commissioner by rule. The report must disclose the source of all money deposited in
 14 the account and enumerate expenditures from the account. The report must include the same information as
 15 required for a candidate ~~reporting contributions~~ required to report under 13-37-229 and ~~expenditures under~~
 16 ~~13-37-230~~. The report must be certified as provided in 13-37-231.

17 (5) The holder of a constituent services account shall close the account within 120 days after the account
 18 holder leaves public office."

19
 20 **NEW SECTION. Section 18. Repealer.** The following section of the Montana Code Annotated is
 21 repealed:

22 13-37-230. Disclosure of expenditures made.

23
 24 **NEW SECTION. Section 19. Codification instruction.** [Sections 14 and 16] are intended to be codified
 25 as an integral part of Title 13, chapter 37, part 2, and the provisions of Title 13, chapter 37, part 2, apply to
 26 [sections 14 and 16].

27
 28 **NEW SECTION. Section 20. Saving clause.** [This act] does not affect rights and duties that matured,
 29 penalties that were incurred, or proceedings that were begun before [the effective date of this act].

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