

2 INTRODUCED BY _____

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4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING REPORTING REQUIREMENTS OF AN
5 INCIDENTAL COMMITTEE; PROVIDING THAT AN INCIDENTAL COMMITTEE IS ONLY REQUIRED TO
6 REPORT EXPENDITURES MADE DIRECTLY TO A CANDIDATE'S CAMPAIGN; AND AMENDING
7 SECTIONS 13-37-225, 13-37-226, 13-37-229, AND 13-37-232, MCA."

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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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12 **"13-37-225. Reports of contributions and expenditures required -- electronic filing and**
13 **publication.** (1) (a) Except as provided in 13-37-206, 13-37-232, and subsections (1)(b) and (1)(c), each
14 candidate, political committee, and joint fundraising committee shall file with the commissioner periodic
15 electronic reports of contributions and expenditures made by or on the behalf of a candidate, political
16 committee, or joint fundraising committee.

17 (b) The commissioner may, for good cause shown in a written application by a candidate, political
18 committee, or joint fundraising committee grant a waiver to the requirement that reports be filed electronically.

19 (c) (i) If a candidate or treasurer for a political committee or a joint fundraising committee
20 experiences technical difficulties with the electronic report filing system, the candidate or treasurer may file by
21 fax or e-mail the same information in hard copy with the commissioner that would otherwise be required by
22 subsection (1)(a) to be filed electronically. Within 3 days of filing the required information in hard copy, the
23 candidate or treasurer shall file the information electronically.

24 (ii) A filing made pursuant to subsection (1)(c)(i) must be considered the same as an electronic
25 submission. The commissioner may not include a candidate in the notification to the secretary of state required
26 by 13-37-126(5) if the candidate meets the requirements of subsection (1)(c)(i).

27 (d) To facilitate the implementation of subsection (1)(c), the commissioner shall provide an
28 interactive document that can be filled out by the candidate or treasurer and printed, e-mailed, or faxed.

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11 **Section 2.** Section 13-37-226, MCA, is amended to read:

12 **"13-37-226. Time for filing reports.** (1) Except as provided in 13-37-206 and 13-37-225(3), a

13 candidate shall file reports required by 13-37-225(1)(a) containing the information required by 13-37-229, 13-

14 37-231, and 13-37-232 as follows:

15 (a) quarterly, due on the 5th day following a calendar quarter, beginning with the calendar quarter

16 in which funds are received or expended during the year or years prior to the election year that the candidate

17 expects to be on the ballot and ending in the final quarter of the year preceding the year of an election in which

18 the candidate participates;

19 (b) except as provided in subsection (4)(a), the 20th day of March, April, May, June, August,

20 September, October, and November in the year of an election in which the candidate participates;

21 (c) except as provided in subsection (6), within 2 business days of receiving a contribution equal to

22 the applicable limitation provided in 13-37-216 for the candidate if the contribution is received between the 15th

23 day of the month preceding an election in which the candidate participates and the day before the election;

24 (d) except as provided in subsection (6), within 2 business days of making an expenditure of an

25 amount equal to or more than the applicable contribution limitation provided in 13-37-216 for the candidate if

26 made between the 15th day of the month preceding an election in which the candidate participates and the day

27 before the election;

28 (e) semiannually on the 10th day of March and September, starting in the year following an

1 election in which the candidate participates until the candidate files a closing report as specified in 13-37-
2 228(3); and
3 (f) as provided by subsection (3).
4 (2) Except as provided in 13-37-206, 13-37-225(3), and 13-37-227, a political committee or a joint
5 fundraising committee shall file reports required by 13-37-225(1)(a) containing the information required by 13-
6 37-229, 13-37-231, and 13-37-232 as follows:
7 (a) quarterly, due on the 5th day following a calendar quarter, beginning with the calendar quarter
8 in which the political committee or the joint fundraising committee receives a contribution or makes an
9 expenditure after an individual becomes a candidate or an issue becomes a ballot issue, as defined in 13-1-
10 101(6)(b), and ending in the final quarter of the year preceding the year in which the candidate or the ballot
11 issue appears on the ballot;
12 (b) except as provided in subsection (4)(b), the 30th day of March, April, May, June, August,
13 September, October, and November in the year of an election in which the political committee or the joint
14 fundraising committee participates;
15 (c) within 2 business days of receiving a contribution, except as provided in 13-37-232, of \$500 or
16 more if received between the 25th day of the month before an election in which the political committee or the
17 joint fundraising committee participates and the day before the election;
18 (d) within 2 business days of making an expenditure of \$500 or more that is made between the
19 25th day of the month before an election in which the political committee or the joint fundraising committee
20 participates and the day before the election;
21 (e) quarterly, due on the 5th day following a calendar quarter, beginning in the calendar quarter
22 following a year of an election in which the political committee or the joint fundraising committee participates
23 until the political committee or the joint fundraising committee files a closing report as specified in 13-37-228(3);
24 and
25 (f) as provided by subsection (3).
26 (3) In addition to the reports required by subsections (1), (2), and (4), if a candidate, political
27 committee, or joint fundraising committee participates in a special election, the candidate, political committee,
28 or joint fundraising committee shall file reports as follows:

9 (5) Except as provided by 13-37-206, candidates for a local office and political committees that
10 receive contributions or make expenditures referencing a particular local issue or a local candidate shall file the
11 reports specified in subsections (1) through (4) only if the total amount of contributions received or the total
12 amount of funds expended for all elections in a campaign exceeds \$500.

13 (6) A candidate is not required to file a report required by subsection (1)(c) or (1)(d) if the
14 candidate is not opposed in the election.

15 (7) A report required by this section must cover contributions received and expenditures made
16 pursuant to the time periods specified in 13-37-228.

17 (8) A report required by this section is due by 11:59 p.m. on the due date.

18 (9) A political committee may file a closing report prior to the date in 13-37-228(3) and after the
19 complete termination of its contribution and expenditure activity during an election cycle.

20 (10) For the purposes of this section:

21 (a) a candidate participates in an election by attempting to secure nomination or election to an
22 office that appears on the ballot; and

23 (b) a political committee or a joint fundraising committee participates in an election by receiving a
24 contribution or making an expenditure.

25 (11) Nothing in this section may be construed to require an incidental committee to file a report
26 concerning expenditures made to political committees or joint fundraising committees or concerning any
27 contributions."

1 **Section 3.** Section 13-37-229, MCA, is amended to read:

2 **"13-37-229. Disclosure requirements for candidates, ballot issue committees, political party**

3 **committees, and independent committees -- exceptions.** (1) The reports required under 13-37-225 through

4 13-37-227 from candidates, ballot issue committees, political party committees, independent committees, and

5 joint fundraising committees must disclose the following information concerning contributions received:

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

7 (b) the full name, mailing address, occupation, and employer, if any, of each person who has

8 made aggregate contributions, other than loans, of \$50 or more to a candidate, political committee, or joint

9 fundraising committee, including the purchase of tickets and other items for events, such as dinners, luncheons,

10 rallies, and similar fundraising events. If a contribution is made by a joint fundraising committee to a participant

11 in the joint fundraising committee, the participant shall disclose the information in this subsection (1)(b) for each

12 contributor of the funds allocated to the participant by the joint fundraising committee.

13 (c) for each person identified under subsection (1)(b), the aggregate amount of contributions made

14 by that person within the reporting period and the total amount of contributions made by that person for all

15 reporting periods;

16 (d) the total sum of individual contributions made to or for a political committee, candidate, or joint

17 fundraising committee and not reported under subsections (1)(b) and (1)(c);

18 (e) the name and address of each political committee, candidate, or joint fundraising committee

19 from which the reporting committee or candidate received any transfer of funds, together with the amount and

20 dates of all transfers;

21 (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 (g) except as provided in subsection (5), the amount and nature of debts and obligations owed to a

25 political committee, candidate, or joint fundraising committee in the form prescribed by the commissioner;

26 (h) an itemized account of proceeds that total less than \$50 from a person from mass collections

27 made at fundraising events;

28 (i) each contribution, rebate, refund, or other receipt not otherwise listed under subsections (1)(b)

1 through (1)(h) during the reporting period; and

2 (j) the total sum of all receipts received by or for the committee or candidate during the reporting
3 period.

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

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

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

15 (iii) the total sum of expenditures made by a political committee, candidate, or joint fundraising
16 committee during the reporting period. If the expenditure is made by a joint fundraising committee, the joint
17 fundraising committee shall report gross and net allocations to each participant.

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

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

25 (vi) except as provided in subsection (5), the amount and nature of debts and obligations owed by
26 a political committee, candidate, or joint fundraising committee in the form prescribed by the commissioner; and

27 (vii) if a joint fundraising committee allocated contributions to a participant, the contribution
28 information under subsections (1)(a) through (1)(c) for each contributor that contributed to the gross amount

1 allocated by the joint fundraising committee to the participant.

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

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

8 (d) Subsection (2)(a)(vii) applies only to the report of a joint fundraising committee.

9 (3) (a) A Except as provided in 13-37-232, a candidate, a political committee, or a joint fundraising
10 committee is not required to report the following expenditures under the 2-business-day reporting requirements
11 in 13-37-226(1)(d) and (2)(d):

12 (i) bookkeeping expenses paid to track and ensure campaign finance compliance;
13 (ii) payroll expenditures;
14 (iii) mileage; and
15 (iv) payment on a previously disclosed debt.

16 (b) A candidate, a political committee, or a joint fundraising committee is not relieved of the duty to
17 report the expenditures listed in subsection (3)(a) in the next periodic report.

18 (4) A candidate is not required to report:

19 (a) contributions received from a political party committee for compensation of the personal
20 services of another person that are rendered to the candidate if the political party committee reports the amount
21 of contributions made to the candidate in the form of personal services; and

22 (b) tangible campaign materials such as campaign signage, literature, or photographs produced
23 for a previous campaign or video produced for a previous campaign if the expenditures to produce the tangible
24 materials or video were reported in a previous campaign by the candidate.

25 (5) A Except as provided in 13-37-232, a candidate, political committee, or joint fundraising
26 committee is not required to report a debt or obligation unless the debt or obligation exists and has not been
27 paid as of the day the report must be filed."

28

1 **Section 4.** Section 13-37-232, MCA, is amended to read:

2 **"13-37-232. Disclosure requirements for incidental committees.** (1) A combination of two or more
3 individuals or a person other than an individual that would otherwise qualify as an incidental committee but that
4 receives less than \$250 in contributions or that makes less than \$250 in expenditures does not form a political
5 committee and is not required to file as an incidental committee.

6 (2) The reports required under 13-37-225 through 13-37-227 from incidental committees must
7 disclose the following information concerning contributions to the committee that are designated by the
8 contributor for a specified candidate, ballot issue, or petition for nomination or that are made by the contributor
9 in response to an appeal by the incidental committee for contributions to support incidental committee election
10 activity, including in-kind expenditures, independent expenditures, election communications, or electioneering
11 communications:

12 (a) except as provided in subsection (5), the full name, mailing address, occupation, and employer,
13 if any, of each person who has made aggregate contributions during the reporting period for a specified
14 candidate, ballot issue, or petition for nomination of \$35 or more;

15 (b) for each person identified under subsection (2)(a), the aggregate amount of contributions made
16 by that person for all reporting periods;

17 (c) except as provided in subsection (5), each loan received from any person during the reporting
18 period for a specified candidate, ballot issue, or petition for nomination, together with the full names, mailing
19 addresses, occupations, and employers, if any, of the lender and endorsers, if any, and the date and amount of
20 each loan;

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

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

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

28 (3) The reports required under 13-37-225 through 13-37-227 from incidental committees must

1 disclose the following information concerning expenditures made:

2 (a) the full name, mailing address, occupation, and principal place of business, if any, of each
3 person to whom expenditures have been made during the reporting period, including the amount, date, and
4 purpose of each expenditure and the total amount of expenditures made to each person; only be made for
5 expenditures made by an incidental committee directly to a candidate's campaign. The reports must disclose
6 the full name, mailing address, occupation, and principal place of business, if any, of each candidate to whom
7 expenditures have been made during the reporting period, including the amount, date, and purpose of each
8 expenditure and the total amount of expenditures made to each candidate. No reports are required for
9 expenditures made to political committees or joint fundraising committees.

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

14 (c) the total sum of expenditures made during the reporting period;

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

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

21 (f) the amount and nature of debts and obligations owed by a political committee in the form
22 prescribed by the commissioner; and

23 (g) other information that may be required by the commissioner to fully disclose the disposition of
24 funds used to make expenditures.

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

28 (5)(3) An incidental committee shall report an expenditure within 30 days of making the expenditure

1 unless the expenditure is made during the time period described in 13-37-226(2)(d).

(6) An incidental committee shall request the occupation and employer of a contributor or person who provided a loan to the incidental committee. If the contributor or person who provided a loan does not provide the requested information, the incidental committee is only required to report what is provided.

5 (7) An incidental committee that does not receive contributions for a specified candidate, ballot
6 issue, or petition for nomination and that does not solicit contributions for incidental committee election activity,
7 including in-kind expenditures, independent expenditures, election communications, or electioneering
8 communications, is required to report only its expenditures."

9 - END -