

HOUSE BILL NO. 673

INTRODUCED BY R. GREGG, B. MITCHELL

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING DONOR PRIVACY LAWS FOR CERTAIN POLITICAL CONTRIBUTIONS; PROVIDING FOR DONOR PRIVACY ON CONTRIBUTIONS OF LESS THAN \$1,000 TO AN ORGANIZATION APPROVED UNDER SECTION 501(C)(4) OF THE INTERNAL REVENUE CODE; PROVIDING DEFINITIONS; AND AMENDING SECTIONS 13-37-101, 13-37-114, 13-37-229, AND 13-37-232, MCA."

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

Section 1. Section 13-37-101, MCA, is amended to read:

"13-37-101. Definitions. As used in this chapter, unless the context clearly indicates otherwise, the following definitions apply:

(1) "C4 donor" means a person who contributes money to an organization that has a tax-exempt designation under section 501(c)(4) of the Internal Revenue Code, 26 U.S.C. 501(c)(4), as amended.

~~(1)(2)~~ "Commissioner" means the commissioner of political practices created by 13-37-102.

~~(2)(3)~~ "Public office" has the meaning provided in 13-1-101.

~~(3)(4)~~ "Recusal" means disqualification from a matter by reason of prejudice or conflict of interest.

~~(4)(5)~~ "Relative" means a family member who is within the second degree of consanguinity or affinity to the commissioner."

Section 2. Section 13-37-114, MCA, is amended to read:

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

(2) The identity of a C4 donor remains confidential and not subject to disclosure for contributions of less than \$1,000 from the C4 donor.

1 ~~(2)~~(3) The rules must:

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

4 (b) define what constitutes de minimis acts, contributions, or expenditures; and

5 (c) provide for C4 donor confidentiality for C4 donor contributions of less than \$1,000."
6

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

8 **"13-37-229. Disclosure requirements for candidates, ballot issue committees, political party**
9 **committees, and independent committees -- exceptions.** (1) The reports required under 13-37-225 through
10 13-37-227 from candidates, ballot issue committees, political party committees, independent committees, and
11 joint fundraising committees must disclose the following information concerning contributions received:

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

13 (b) subject to subsection (6), the full name, mailing address, occupation, and employer, if any, of
14 each person who has made aggregate contributions, other than loans, of \$50 or more to a candidate, political
15 committee, or joint fundraising committee, including the purchase of tickets and other items for events, such as
16 dinners, luncheons, rallies, and similar fundraising events. If a contribution is made by a joint fundraising
17 committee to a participant in the joint fundraising committee, the participant shall disclose the information in this
18 subsection (1)(b) for each contributor of the funds allocated to the participant by the joint fundraising committee.

19 (c) for each person identified under subsection (1)(b), the aggregate amount of contributions made
20 by that person within the reporting period and the total amount of contributions made by that person for all
21 reporting periods;

22 (d) the total sum of individual contributions made to or for a political committee, candidate, or joint
23 fundraising committee and not reported under subsections (1)(b) and (1)(c);

24 (e) the name and address of each political committee, candidate, or joint fundraising committee
25 from which the reporting committee or candidate received any transfer of funds, together with the amount and
26 dates of all transfers;

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

1 each loan;

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

4 (h) subject to subsection (6), an itemized account of proceeds that total less than \$50 from a
5 person from mass collections made at fundraising events;

6 (i) each contribution, rebate, refund, or other receipt not otherwise listed under subsections (1)(b)
7 through (1)(h) during the reporting period; and

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

10 (2) (a) Except as provided in subsection (2)(c), the reports required under 13-37-225 through 13-
11 37-227 from candidates, ballot issue committees, political party committees, independent committees, and joint
12 fundraising committees must disclose the following information concerning expenditures made:

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

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

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

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

27 (v) the name of any person to whom a loan was made during the reporting period, including the full
28 name, mailing address, occupation, and principal place of business, if any, of that person and the full names,

1 mailing addresses, occupations, and principal places of business, if any, of the endorsers, if any, and the date
2 and amount of each loan;

3 (vi) except as provided in subsection (5), the amount and nature of debts and obligations owed by
4 a political committee, candidate, or joint fundraising committee in the form prescribed by the commissioner; and
5 (vii) if a joint fundraising committee allocated contributions to a participant, the contribution
6 information under subsections (1)(a) through (1)(c) for each contributor that contributed to the gross amount
7 allocated by the joint fundraising committee to the participant.

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

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

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

15 (3) (a) A candidate, a political committee, or a joint fundraising committee is not required to report
16 the following expenditures under the 2-business-day reporting requirements in 13-37-226(1)(d) and (2)(d):

17 (i) bookkeeping expenses paid to track and ensure campaign finance compliance;

18 (ii) payroll expenditures;

19 (iii) mileage; and

20 (iv) payment on a previously disclosed debt.

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

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

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

27 (b) tangible campaign materials such as campaign signage, literature, or photographs produced
28 for a previous campaign or video produced for a previous campaign if the expenditures to produce the tangible

1 materials or video were reported in a previous campaign by the candidate.

2 (5) A candidate, political committee, or joint fundraising committee is not required to report a debt
3 or obligation unless the debt or obligation exists and has not been paid as of the day the report must be filed.

4 (6) Contributions of less than \$1,000 from a C4 donor remain confidential. For the purpose of this
5 section, the contribution amount of \$1,000 is substituted for the contribution amount in subsections (1)(b) and
6 (1)(h) for a C4 donor contribution."

7

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

9 **"13-37-232. Disclosure requirements for incidental committees.** (1) A combination of two or more
10 individuals or a person other than an individual that would otherwise qualify as an incidental committee but that
11 receives less than \$250 in contributions or that makes less than \$250 in expenditures does not form a political
12 committee and is not required to file as an incidental committee.

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

19 (a) except as provided in subsection subsections (5) and (8), the full name, mailing address,
20 occupation, and employer, if any, of each person who has made aggregate contributions during the reporting
21 period for a specified candidate, ballot issue, or petition for nomination of \$35 or more;

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

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

28 (d) the amount and nature of debts and obligations owed to an incidental committee for a specified

- 1 candidate, ballot issue, or petition for nomination in the form prescribed by the commissioner;
- 2 (e) except as provided in subsection (8), an account of proceeds that total less than \$35 per
- 3 person from mass collections made at fundraising events sponsored by the incidental committee for a specified
- 4 candidate, ballot issue, or petition for nomination; and
- 5 (f) the total sum of all contributions received by or designated for the incidental committee for a
- 6 specified candidate, ballot issue, or petition for nomination during the reporting period.
- 7 (3) The reports required under 13-37-225 through 13-37-227 from incidental committees must
- 8 disclose the following information concerning expenditures made:
- 9 (a) the full name, mailing address, occupation, and principal place of business, if any, of each
- 10 person to whom expenditures have been made during the reporting period, including the amount, date, and
- 11 purpose of each expenditure and the total amount of expenditures made to each person;
- 12 (b) the full name, mailing address, occupation, and principal place of business, if any, of each
- 13 person to whom an expenditure for personal services, salaries, and reimbursed expenses has been made
- 14 during the reporting period, including the amount, date, and purpose of that expenditure and the total amount of
- 15 expenditures made to each person;
- 16 (c) the total sum of expenditures made during the reporting period;
- 17 (d) the name and address of each political committee or candidate to which the reporting
- 18 committee made any transfer of funds together with the amount and dates of all transfers;
- 19 (e) the name of any person to whom a loan was made during the reporting period, including the full
- 20 name, mailing address, occupation, and principal place of business, if any, of that person, and the full names,
- 21 mailing addresses, occupations, and principal places of business, if any, of the endorsers, if any, and the date
- 22 and amount of each loan;
- 23 (f) the amount and nature of debts and obligations owed by a political committee in the form
- 24 prescribed by the commissioner; and
- 25 (g) other information that may be required by the commissioner to fully disclose the disposition of
- 26 funds used to make expenditures.
- 27 (4) Reports of expenditures made to a consultant, advertising agency, polling firm, or other person
- 28 that performs services for or on behalf of an incidental committee must be itemized and described in sufficient

1 detail to disclose the specific services performed by the entity to which payment or reimbursement was made.

2 (5) An incidental committee shall report an expenditure within 30 days of making the expenditure
3 unless the expenditure is made during the time period described in 13-37-226(2)(d).

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

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

11 (8) Contributions of less than \$1,000 from a C4 donor remain confidential. For the purpose of this
12 section, the contribution amount of \$1,000 is substituted for the contribution amount in subsections (2)(a) and
13 (2)(e) for a C4 donor contribution."

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