

MINUTES OF THE MEETING  
STATE ADMINISTRATION COMMITTEE  
MONTANA STATE SENATE

March 21, 1983

The fifty-first meeting of the Senate State Administration Committee was called to order by Senator Pete Story on March 21, 1983 at 10:00 a.m. in room 331 of the State Capitol Building in Helena, Montana.

ROLL CALL: Roll was noted and a quorum was present. All members were present although Senators Stimatz, Towe and Lee were late.

The meeting was called to hear House Bills 521, 356, 387 and 386, all Representative Vincent's bills.

CONSIDERATION OF HOUSE BILL 521:

"AN ACT REQUIRING PRIOR NOTIFICATION TO PERSONS APPOINTED TO SERVE ON COMMITTEES TO PREPARE ARGUMENTS FOR AND AGAINST BALLOT ISSUES; PROVIDING THAT NO PERSON MAY BE REQUIRED TO SERVE ON SUCH A COMMITTEE.

REPRESENTATIVE JOHN VINCENT, District 78, introduced this bill and stated that this is not a PAC bill. He said that it is hopeful, with a couple of amendments, it will be in good shape in regards to the time and notification requirements involved in preparing voters pamphlets.

Representative Vincent cited an example he experienced to the committee and said that it was a very awkward situation. He did not feel the time he was given was enough time to get the job done. He said that they never did get in under the line but did get to do what he intended. He said that he feels a person should be able to assent or decline.

This would set up a time line in which a person would have to receive a letter asking if they would like to be a member of a committee to which they would have to respond.

When they put this bill through there were questions and Representative Fabrega posed a question of response by certified mail. The amendment presented as EXHIBIT 1 would take care of this. He asked permission of the committee to have Jan Rehberg, House minority staff person, to explain the amendment. EXHIBIT 2 and EXHIBIT 3 gives a time line sequence.

JAN REHBERG explained the amendments on Representative Marks' behalf at the request of Representative Vincent. Ms. Rehberg said that Representative Marks desired that the Secretary of State's office for the notification process. They would submit a list about one week before the secretary of state

would be responsible to send out the notification. It would contain two names for each position and in the case of the initiative, the person who is submitting the petition would have to submit a similar list stating at least two names for the position on the committee. This would be done at least two weeks after they submit their petition for verification.

The only other amendment which is three through nine, replaces the secretary of state for appointing authority. The appointee would then respond to the Secretary of State. Amendment 11 could be done two ways. The one they have would strike out the last paragraph of the bill. If you do not want to strike this out 13 and 17 it could be submitted following amendment 4. 13 and 17 basically says, if there has been a rejection the new appointee has to be notified in accordance with the time schedule.

PROPOSERS:

JOHN MOTL, Common Cause, stated that they are in favor of this because of the earlier bill. They are concerned that the voters get the information.

CLIFF CHRISTIAN, Secretary of State representative, said he appreciate the attempts made to clarify what has become to them a very serious problem. Page 4, line 4 in another problem that could perhaps be clarified, where a person that is notified has eight days and following that it says that there are five days that can go by and if the person chosen for the appointment chooses not to for any reason then they only have three days left and certified mail service does not come into play the appointee authority could simply call other individuals and ask them to sit on this committee. He said that they would like that clarified. The last voters information pamphlet cost \$5000 as an additional cost.

QUESTIONS OF THE COMMITTEE:

SENATOR MARBUT asked why eight days selected.

REPRESENTATIVE VINCENT said that it was selected because it fit and there was no need to screw it down tighter.

SENATOR MARBUT asked why not 15 days on both.

DAVID ROCKWELL, and aide to the House of Representatives said they had 15 days originally but the secretary of state had a problem with it. He pointed out the details to the committee from a chart. He said that there are two appointments that have to be made, the first by June 17 is for constitutional amendments referred to the people by the legislature. The

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second are initiatives or referendum petitions.

REPRESENTATIVE VINCENT stated since they went through it in the House and since there is so much time involved in going through the time frame that their people could work with the staff so they would not have to go through it all again.

The hearing closed on H.B.521.

CONSIDERATION OF HOUSE BILL 356:

"AN ACT PROVIDING LIMITATIONS ON THE AMOUNT OF MONETARY CONTRIBUTIONS A CANDIDATE FOR THE STATE SENATE OR STATE HOUSE OF REPRESENTATIVES MAY RECEIVE FROM POLITICAL COMMITTEES."

REPRESENTATIVE JOHN VINCENT, District 78, introduced H.B. 356 and submitted an editorial from the Great Falls Tribune, EXHIBIT 4 and a handout packet on what they would be dealing with, shown as EXHIBIT 5. He said that this is becoming a serious problem in Montana politics. H.B.356 would limit the total amount a candidate could receive from PAC. There is no money limit now. The intent of the bill does not address how much money in total but how much they can receive from a particular source. Every poll that he is aware of, both nationally and in the state indicates a overwhelming support in the 70% and 77% that people think that too much money is being spent in influence the political process in electing people to office and too much special interest money is being spent. They want limitations.

It is important to note we are not talking prohibition he said. Special interest has a right in our legislative process but only to a certain extent. The question is, to what degree. If H.B.356 passes they would establish approximately this level; about 20% given the average campaign expenditure in Montana would be allowed from political action committees, that would leave 80% to come from the individuals.

PROPONENTS:

ROBERT ANDERSON, student at the University of Montana and staff person for the Montana Public Interest Research Group introduced his testimony for the record in support of this bill, shown as EXHIBIT 6. He added that they have 450 names on a petition that they collected in three days in support of H.B.356.

EARL Reilly, Montana Senior Citizens Association, presented his testimony shown as EXHIBIT 7.

NANCY HARTT with the Montana Democratic Party spoke in support

of this bill.

DON JUDGE, AFL-CIO presented their written testimony shown as EXHIBIT 8.

STEVE HARPER, a Helena accountant and representing himself, said that as an individual under the law there is a restriction on how much he can give one candidate but that he does not mind that because he knows that it takes a lot of individuals to get someone elected but it is not fair for individual money to fight against big money from big organizations.

JOHNATHAN MOTL, Common Cause, presented his written testimony as EXHIBIT 9 and charts shown as EXHIBIT 9(a) and explained the charts and information.

CELINDA LAKE, representing the Women's Lobbyest Fund, stated that she believes both PAC and individual voices are heard in Montana. They believe in keeping the political processes open.

SENATOR DOROTHY ECK, District 39, stated that she supports this bill because she believes in encouraging contributions from the local people rather than large organizations and it may change PAC's way of giving. She said that it means more to her to have the MEA offer her their position or hear individual relators give their position for the good of Gallatin Valley. This would encourage individuals to support people at the local level.

SENATOR CHET BLAYLOCK, District 35, stated his support of H.B.356.

OPPONENTS:

JANELLE K. FALLAN, Montana Chamber of Commerce, stated that they do not have a PAC although they are concerned about the political process in Montana. This bill talks about monetary contributions limitations and specifically exempts from line 18 in-kind contributions. Time and money seem to be the two political assets in a campaign and both are necessary and a lot of folks have more money than time. This bill would twist the political process in favor of time.

She stated that Representative Vincent stated that there are no exemptions under this bill and it would apply to everyone. She said she would submit that it doesn't. Those that have a lot of time could put their assets behind a candidate where another group without time can put money into a candidate. She said that it also sounds like we do not limit PAC money,

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but they do. The law says PAC cannot give more than \$600 to a state senate race and no more than \$300 to a house race. For an individual it is \$400 and \$250.

HELEN BROGAN testified as an opponent and submitted an amendment to the bill, EXHIBIT 10.

DENNIS REHBERG representing the Montana Association of Realtors, stated that he could not present any kind of bill to make it better because he does not feel it is fair and does not deserve any consideration. He said that you are talking about people, time and money and perhaps the amendment will make it more bearable for those that have in-kind money but none in considering the power of incumbency. Anytime you put a limit on the amount of money a person can give or accept you are giving an undue advantage to the incumbents that are already in office. He asked the committee to kill the bill. EXHIBIT 11.

TOM MAEHER, Great Falls, spoke as an opponent to H.B.356.

QUESTIONS OF THE COMMITTEE:

SENATOR MANNING asked if they made a survey of the people supported by PACs.

REPRESENTATIVE VINCENT said that he did not do that but that there has been studies. He drew attention to charts that showed who is receiving PAC money. He said that some millionaires have spent a lot of money on candidates that have lost. This bill would not set out to address in-kind contributions and if you want to address overall contributions it is addressed Representative's bill also.

SENATOR LEE stated that there are three bills dealing with PACs and that the bill they are talking about could die. He asked who put the language in the bill.

REPRESENTATIVE VINCENT said that it was done before the Winslow bill was introduced.

SENATOR LEE questioned Montana Citizens for More Effective Legislature, MontCEL.

REPRESENTATIVE VINCENT said that nothing was itemized as far as in-kind contributions.

SENATOR ECK stated that she has not worked with the financial side of MontCEL. She said it was her understanding that they could set up their books so they could determine what goes where.

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SENATOR LEE said this bill is not going to solve any problems because we will have a bunch of little MontCEL groups.

SENATOR ECK stated it is her understanding that what they could do is to write off time and staff persons work.

SENATOR VINCENT stated that they have tried to address in-kind.

JOHN MOTL said it assumes the in-kind contribution as recordable. The in-kind was excluded because the parties do in-kind work.

SENATOR MARBUT asked what section of the law limits contributions by PACs.

JANNELL FALLON said 13-37-216.

SENATOR VINCENT said it not in the law.

SENATOR VINCENT CLOSED on H.B.356 and told the committee that this bill is not intended to prohibit but to limit. All PAC money does is buy access. He read some statements by candidates that have made statements are referred to their attachments and/or obligations to their money source.

CONSIDERATION OF HOUSE BILL 387:

"AN ACT LIMITING AN INDIVIDUAL'S CONTRIBUTIONS TO A POLITICAL COMMITTEE; AMENDING SECTION 13-37-216, MCA."

REPRESENTATIVE JOHN VINCENT, District 78, sponsor of H.B.387 said that the primary justifications for PACs is they give a large number of people access to the process. In this state there is nothing that says why an individual can give to PACs, so in some cases rather than many individuals contributing their \$10 or \$15 do get involved in the process you have just a few contributing a substantial amount (he pointed to a chart in front of the room) and in some cases over \$1000 to form a Political Action Committee (PAC). Many people are now pooling their resources and have a disproportionate influence on the process because they have much more influence than the individual contributions. He called attention to a handout, EXHIBIT 12.

PROPOSERS:

NANCY HARTT, Democratic Party, said that by putting a \$500 limit will allow most of the people to give what they choose.

JOHNATHAN MOTEL, Common Cause of Montana, spoke as a proponent and submitted written testimony, EXHIBIT 13 and called attention to news articles, EXHIBIT 13(a).

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ROBERT ANDERSON, MSU and staff person for the Montana Public Interest Research Group, stated his support for H.B.387.

EARL REILLY, Montana Senior Citizens Association, presented their support the House Bill 387.

MARGARET DAVIS, LEAGUE OF WOMEN VOTERS, spoke in favor of House Bill 387 and urged the committee's support.

OPPONENTS:

JANELLE K. FALLAN, Montana Chamber of Commerce, presented the Chambers opposition to H.B.387 and written testimony, EXHIBIT 14.

HELEN GROGEN, Bridger, Montana, stated that she opposes the bill and on the chance that they might pass it submitted an amendment to H.B.387. She said that \$1500 was not alot of money to give and she as a working widow could afford to do this if she should wish. EXHIBIT 15 is the amendments.

DENNIS REHBERG, Montana Association of Realtors, stated their opposition, (see Exhibit 11) and asked who should say who should put what into something to protect what they believe in. He said that realtors know more about the voting record than they ever have before because they are involved. If you put a \$500 limit on it you will see four or five different groups. The \$1500 keeps it above board. He said that they stand by their contributions and this bill takes away this voice.

MS. GROGEN stated that their average contribution is \$6.75 from the realtors and their were 5.9% of 2000 realtors in Montana contributing to ARPAC.

QUESTIONS OF THE COMMITTEE:

SENATOR MARBUT asked Representative Vincent if he classed NRA as PACs.

REPRESENTATIVE VINCENT said they have a PAC, he doesn't know if it is the NRA PAC or just what it is.

SENATOR MARBUT asked if he classed Professional Associations as PACs and are all associations PACS. He said they get alot of lobbying from them.

REPRESENTATIVE VINCENT said that if they contribute to ballot issues or a candidate race then they have a PAC. An association can come up and lobby just by registering though.

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SEANTOR STORY said the MontCEL is a PAC, Common Cause is not.

REPRESENTATIVE VINCENT said that any two people that register with the state of Montana for the purpose of forming a PAC become a PAC.

SENATOR LEE said that he is having the same problem with this bill as he had with S.B.783 becuae what you are saying is that I can only donate \$500 to a PAC but the person that would quit his job to campaign for someone, take money out of his pocket for supplies for signs or use my own their is no limitations to what could be donated in that form.

REPRESENTATIVE VINCENT said that there is a difference between him going out and donating than an organized PAC.

SENATOR TOWE elaborated that the problem is not when someone like the realtors donate \$6.75 each but when the amount is alot of money they have the ability to gain disporportionate influence on the political process.

The hearing closed on H.B.387.

CONSIDERATION OF HOUSE BILL 386:

"AN ACT REQUIRING THE NAMING AND LABELING OF POLITICAL COMMITTEES."

REPRESENTATIVE VINCENT, District 78, sponsor of H.B.386 introduced the bill to the committee and referred to his Handout, EXHIBIT 16 and EXHIBIT 17 that shows the chosen names for the PACs. He said that PACs should identify themselves and what they stand for in their name or title.

PROPONENTS:

MARGARET DAVIS, League of Women Voters, presented a written amendment and statement shown as EXHIBIT 18.

DON JUDGE, AFL-CIO, expressed their support of H.B.386 and presented written testimony, EXHIBIT 19. He stated that yard signs do have to be reported as in-kind-services.

NANCY HARTT, Montana Democratic Party, spoke as a proponent.

EARL RILEY, Montana Senior Citizens' Association, expressed their support for the bill.

JOHN MOTL, Montana Common Cause, stated that they support H.B. 386.



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ROBERT ANDERSON, Montana Public Interest Groups, stated that 95% of the students surveyed supported this bill.

ROGER TIPPY, Montana Beer and Wine Wholesalers, presented EXHIBIT 20 and said that they got their name from Michigan's title and they chose to save some money by using the same one. He asked the committee's consideration of the amendments presented in Exhibit 18 which contains his testimony also.

OPPONENTS:

TOM MAEGHER, Great Falls, spoke as a realtor opposing H.B.386.

QUESTIONS OF THE COMMITTEE:

SENATOR MARBUT asked since this is political why do we have economic and social reproach rules.

SENATOR VINCENT said because they can be political. It is an attempt to forthrightly name the political action committee so people will know what they represent.

SENATOR LEE questioned responsible and senseable voting parents.

REPRESENTATIVE VINCENT said it was introduced by the committee opposing putting wine in the grocery stores.

SENATOR MARBUT asked what is 14 and SENATOR TOWE said it is MontCEL.

SENATOR LEE asked if he was going to form a PAC would he list himself as a principal.

SENATOR STORY asked if MontCEL worked for any republican candidates.

NANCY HARTT said that she believed they did.

SENATOR TOWE questioned "and paid employees"

REPRESENTATIVE VINCENT said that he has not had time to study that.

SENATOR TOWE asked Margaret Davis why they want this taken out.

MARGARET DAVIS, League of Women Voters, said those people are covered sufficiently under subsection 2.

SENATOR TOWE stated that what she says is right but there is a majority in subsection 2. He asked, what do you mean "be shared"..is there a problem there.

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SENATOR TOWE stated that he believes that they share the same economical interests but not the same political interests.

JOHN MOTL said the reason there is is because subsection 2 makes it a reporting effort. He believes "the best identified" wording takes the best care of this.

MR. TIPPY said that PACs must file their own disclosure acts.

The hearing closed on H.B.387.

EXECUTIVE ACTION:

ACTION ON HOUSE BILL 329:

SENATOR MARBUT MOVED THE STATEMENT OF INTENT.

MOTION PASSED with Senators Marbut, Manning, Stimatz, Towe and Tveit voting "yes" and Senators Lee, Hammond and Story voting "no". Senator Towe will carry the bill.

ACTION ON HOUSE BILL 288:

This bill was held for vote of the full committee. The original motion is shown in the minutes of March 18, 1983 and the only absent vote is Senator Lee. The total votes are shown as follows:


Senator Hammond	yes	Senator Stimatz	No
Senator Marbut	no	Senator Towe	No
Senator Tveit	yes	Senator Story	Yes
Senator R. Manning	no	<u>Senator Lee</u>	<u>No</u>

THIS IS A TIE VOTE.

MOTION FAILED.

H.B.288 HELD IN COMMITTEE.

The meeting adjourned at 11:45 a.m.

  
CHAIRMAN, Senator Pete Story

ROLL CALL

STATE ADMINISTRATION

COMMITTEE

48th LEGISLATIVE SESSION -- 1983

Date 3-21

SENATE  
SEAT #

NAME	PRESENT	ABSENT	EXCUSED
SENATOR PETE STORY, Chairman	X		
SENATOR H. W. HAMMOND, Vice Ch	X		
SENATOR REED MARBUT	X		
SENATOR LARRY TVEIT	X		
SENATOR R. MANNING	X		
SENATOR LAWRENCE STIMATZ	X		
SENATOR THOMAS TOWE	X		
SENATOR GARY LEE	X		

45  
34  
44  
33  
48  
7  
26  
11

DATE \_\_\_\_\_

COMMITTEE ON \_\_\_\_\_

## VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Don Judge	MT STATE AFL-CIO	HB 386 & HB 356	X	
W. H. J.		HB 356	X	
Walt Anderson	MONTPIRG	356, 386, 387	X	
		7		
		387		
		356		
TOM MATHER	MONT ASSOC LEADERS	386 357		X
Celinda Lake	Women's Lobby Fund	356	X	
Dorothy E. ph	Senate District 39	356 386 387	X	
Nancy J. Harts	MT. Democratic Party	356-386 387	X	

PROPOSED AMENDMENTS TO HOUSE BILL 521

AMEND THIRD READING COPY (blue) AS FOLLOWS:

- (1) Page 3, line 25  
Following: "authority"  
Strike: "by certified mail"
- (2) Page 4, lines 9 and 10  
Following: "AUTHORITY"  
Strike: "BY CERTIFIED MAIL"
- (3) Page 4, line 17  
Strike: "4"  
Insert: "2"

PROPOSED AMENDMENTS TO HOUSE BILL 521

- (1) Page 3, line 7  
Following: "people."  
Insert: "All persons responsible for appointing members to the committee, as specified in 13-27-402, M.C.A., shall submit to the secretary of state a list of the names and addresses of at least two desired appointees, set forth in the order of preference of appointment, no later than three weeks before the deadline for filing appointments."
- (2) Page 3, line 12  
Following: line 12  
Insert: "All persons responsible for appointing members to the committee as specified in 13-27-402, M.C.A., shall submit to the secretary of state a list of the names and addresses of at least two desired appointees, set forth in the order of preference of appointment, no later than two weeks after the petition required by Title 13, chapter 27, part 2, is submitted for verification in accordance with 13-27-301."
- (3) Page 3, line 21  
Following: "the"  
Strike: "appointing authority"  
Insert: "secretary of state"
- (4) Page 3, line 25  
Following: "the"  
Strike: "appointing authority"  
Insert: "secretary of state"
- (5) Page 4, line 1  
Following: "the"  
Strike: "appointing authority"  
Insert: "secretary of state"
- (6) Page 4, line 5  
Following: "the"  
Strike: "appointing authority"  
Insert: "secretary of state"
- (7) Page 4, line 9  
Following: "the"  
Strike: "appointing authority"  
Insert: "secretary of state"
- (8) Page 4, line 10  
Following: "the"  
Strike: "appointing authority"  
Insert: "secretary of state"

- (9) Page 4, line 14  
Following: "the"  
Strike: "appointing authority"  
Insert: "secretary of state"
- (10) Page 4, line 17  
Strike: "(4)"  
Insert: "(2)"
- (11) Page 4  
Strike: "lines 13 through 17"  
Insert: "The secretary of state immediately upon notification of rejection or failure to receive acceptance shall notify by certified mail the next person in order of preference of appointment listed by the appointing authority pursuant to sub-sections (1) and (2)."

TIMELINE FOR THE NOTIFICATION AND APPOINTMENT OF  
COMMITTEE MEMBERS AND THE FILING OF ARGUMENTS AND  
REBUTTALS FOR THE VOTER INFORMATION PAMPHLET.

1984

HB 521

Appointing authority must notify appointees to committees advocating approval or rejection of an act referred to the people or a constitutional amendment proposed by the legislature. (Notification must be by certified mail.)

JUNE 17

Appointees of the above committees must be filed with the Secretary of State.

JULY 2

Deadline for certification of petition to the Governor.

JULY 13

Appointing authority must notify appointees to committees advocating approval or rejection of a ballot measure referred to the people by referendum petition or proposed by any type of initiative petition. (Notification must be by certified mail.)

JULY 15

Appointees of the above committees must be filed with the Secretary of State.

JULY 23

HB 107

AUGUST 8

Deadlines for arguments advocating approval or rejection of a ballot issue to be filed with the Secretary of State.

AUGUST 18

Deadline for rebuttal arguments to be filed with the Secretary of State.

NOVEMBER 6

Election Day.



*Tribune March 8, 1983*

## *It's time to limit PACs*

The Montana Senate is considering three bills to limit the influence of special interest political action committees (PACs) on legislative campaigns.

Those campaigns have gone from being 8.1 percent PAC-financed in 1976 to 19.3 percent last year. In other words, money from the political arms of various business, agriculture and labor groups made up 8.1 percent of the total raised in legislative campaigns in 1976, and now makes up almost 20 percent of that total.

In dollars, PACs contributed \$122,767 of the \$635,596 raised by legislative candidates last year — nearly one in every five dollars. This rapid increase in PAC campaign contributions is a disturbing trend.

Disturbing, because when special interests finance campaigns and win elections, the average citizen may lose. A real danger exists of legislators becoming representatives of special interests and of single interests, rather than of their constituents.

The bills under consideration by the Senate would limit the amount of money a candidate could accept from PACs, limit the amount an individual could contribute to a PAC, and force PACs to bear names that accurately reflect the special interest they represent.

Under the first bill, HB356, Senate candidates could accept no more than \$1,000 total from PACs; House hopefuls, no more than \$600. According to the bill's sponsor, House Majority Leader John Vincent, D-Bozeman, that would put the average campaign fund at 20 percent PAC money, the current average level. Donations from citizens would then account for 80 percent of a candidate's funds. That's reasonable.

The second bill, HB387, would limit individual contributions to PACs to \$500, and thus limit the funds PACs have to help finance campaigns and win influence. That also is reasonable.

The last bill, HB386, would keep special interests from disguising their political aims with innocuous-sounding names. It would make them spell out their particular special interest in the title of the PAC. That's not just reasonable, it's only logical and fair.

This series of bills will probably have a much tougher time getting through the more conservative and politically seasoned Senate than they did in the House. But senators need to be convinced of the bills' value to an open and fair elective and representative process — a goal no one can oppose.

The bills merit approval.

HOUSE BILL NO. 356      HOUSE BILL NO. 356      HOUSE BILL NO. 356

## FACT SHEET

### The Problem

Money from Political Committees (Pacs) to legislative candidates in Montana has increased to \$123,000 in 1982 elections or 19.3% of all receipts by candidates for the Montana legislature. In Montana PACs are funded by and represent a wide variety of such special interests as utilities, banks, labor unions, oil interests, businessmen and professionals. The following chart shows the extent of PAC growth

Figure 1. Contributions to Legislative Races, 1976-1982

	1976	1978	1980	1982
Special Interest PAC Dollars	22,648	48,777	111,330	122,767
Total Contributions	278,609	382,140	582,708	635,596
% PAC Contributions	8.1	12.8	19.1	19.3

### The Solution

H.B. 356 proposes a limit of \$600 in total PAC campaign contributions for a candidate for the Montana House and a \$1000 limit for a Senate candidate. This would allow PACs a definite financial role in Montana legislative campaigns but it prevents

a situation where PACs become the majority financiers of campaigns, now common in U.S. Congressional races.

### Questions?

#### 1. Why are PAC contributions a problem?

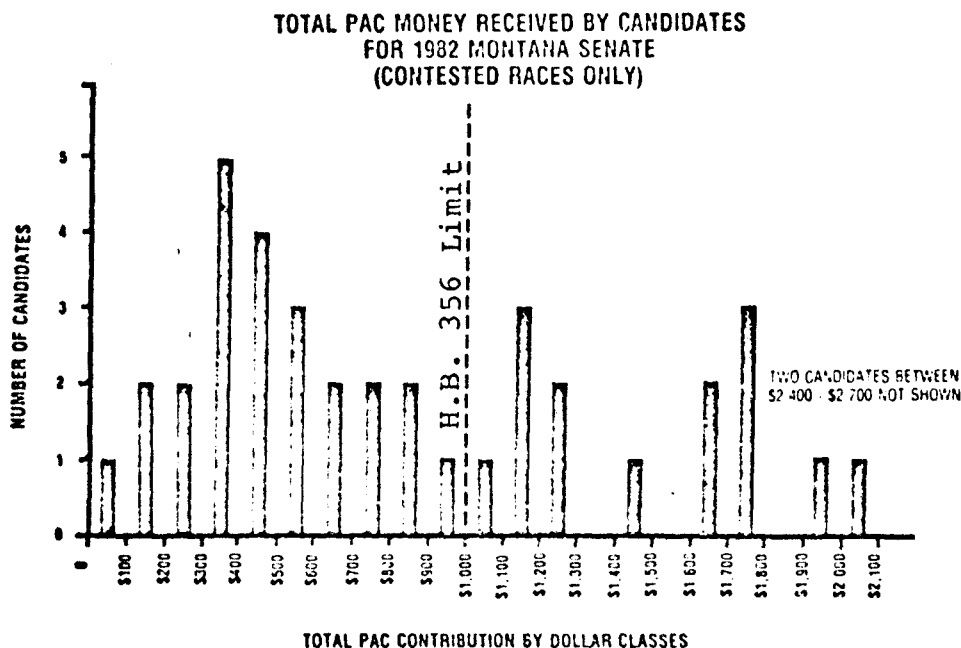
Too much money from any one source has compromised our democracy in the past. A poll conducted by the University of Montana polling service for Common Cause of Montana showed that 78% of Montanans surveyed believed a campaign contribution was synonymous with power over the candidate.

#### 2. Why not instead limit the amount one PAC can give to a lower amount - say \$50 a candidate?

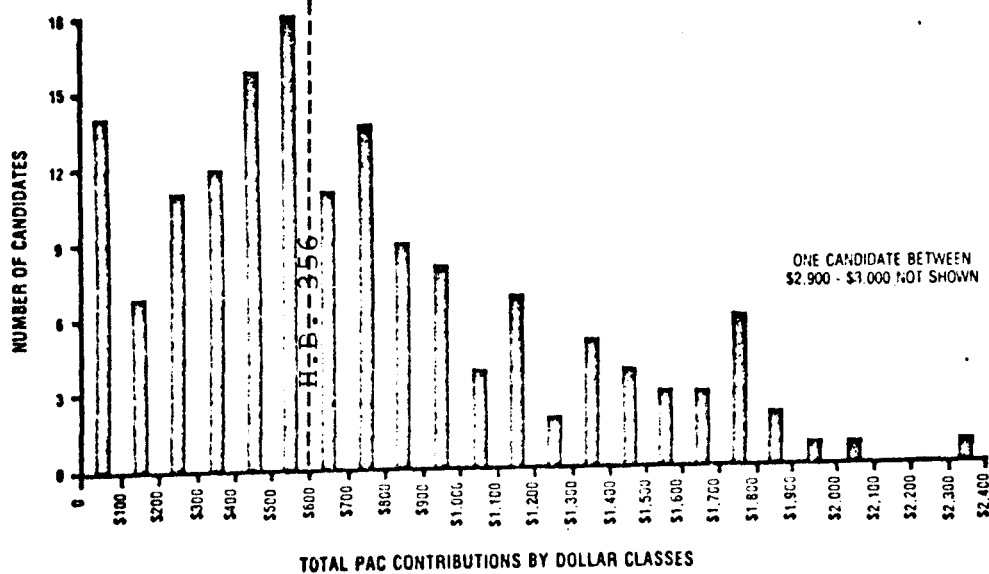
PACs are very easy to form and lowering the allowed amount would probably just encourage a special interest to form many smaller PACs. H.B. 356 guarantees that a candidate will not receive more than \$600 (House) or \$1000 (Senate) from PACs and therefore is a better reform.

#### 3. What type of effect would this reform have?

The following charts show the amount of PAC money received by legislative candidates in 1982:



**TOTAL PAC MONEY RECEIVED BY CANDIDATES  
FOR 1982 MONTANA HOUSE OF REPRESENTATIVES  
(CONTESTED RACES ONLY)**



As the chart demonstrates, H.B. 356 would accomplish significant reform.

4. Why not use a % limit rather than a fixed dollar amount?

A % limit would create reporting problems for candidates. The fixed dollar is easier to understand and simpler to deal with.

5. Aren't PAC contributions leveling off by themselves?

No, PAC contributions have risen steadily during the last four elections. The data we have shows that PAC contributions increase most rapidly in presidential years and we can expect an even more rapid increase in the 1984 elections if we do not pass H.B. 356 or a similar reform.

6. Where did the PAC contribution limits in H.B. 356 come from?

Those numbers represent about 20-25% of the cost of an average legislative race at this time.

7. Will there be any enforcement costs?

No. Enforcement occurs through the court system as described in 13-37-128, M.C.A. As is the case with present campaign financing laws, the system will be largely self-enforcing due to the adversarial nature of elections that makes it politically costly for a candidate to violate the law.

8. Won't limiting PAC contributions skew the system toward incumbents?

No. An average incumbent candidate now receives over double the amount of PAC contributions as an average challenger.

Many political scholars believe the overall political system favors the incumbent over the challenger so PAC reform should help upon up the political process.

9. Does H.B. 356 infringe on corporate free speech?

No. H.B. 356 limits a candidates receipts of PAC money and the state has a legitimate interest in acting to prevent the possibility of the type of corruption that has often followed the flow of money to candidates for elected office. In addition, a PAC wishing to contribute to a candidate will be able to find a candidate who has not reached his/her PAC receipt limit even if the PACs first choice has reached his/her PAC receipt limit.

10. Would contributions by political party PACs be included?

Yes, political party PACs will be included.



EXHIBIT 6  
State Admin.  
March 21, 1983

## MONTANA PUBLIC INTEREST RESEARCH GROUP

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### TESTIMONY BEFORE THE STATE ADMINISTRATION

#### COMMITTEE OF THE MONTANA SENATE

#### IN SUPPORT OF HOUSE BILL 356

March 21, 1983

Good morning, Mr. Chairman and members of the committee. My name is Robert Anderson. I am a student at the University of Montana and a staff person for the Montana Public Interest Research Group (MontPIRG). MontPIRG is a non-profit, non-partisan citizenship organization funded and operated by students at the university, which performs research, education and advocacy on issues pertaining to consumer protection, the environment, governmental responsibility and general social concern. I am here this morning to express MontPIRG's support for the PAC reform measures contained in House Bill 356 and others.

That individuals with similar politically attainable desires and goals will form into a group with which to focus their voice on decision makers is a natural part of our political system. Such "factions" are as old as democracy itself and, it would seem, are here to stay. To deny their existence would be foolish, and to demand their immediate and permanent removal would be impractical and probably undesirable. The founders of our government recognized this, and they also realized that as factions grew in size and sophistication along with the rest of the political process, from time to time decisions would have to be made that balanced the existence of factional influence with the sanctity of the one-person, one-vote rule. Such a decision is before you today.

PACs emerged on the political scene during the post-watergate chaos of the mid-seventies, when it was believed by some that maybe we would all be better off if we could keep track of who was giving what to whom. This was the first time that corporations were allowed to act in the manner of regular citizens by openly giving money to political campaigns. PACs have been giving and growing for several years now, and it's obvious that some fine tuning is needed at this point if the electoral process in this state is to retain some semblance of respectability in the eyes of the Montana voter.

Here are some specific examples of what I mean. Over the past six years the amount of PAC money spent of Montana legislative campaigns grew by more than \$100,000. In 1982, nearly 20% of the whopping \$635,000 spend on legislative races came from Political Action Committees. Such sky-high campaign spending has several adverse effects. It puts effective participation in a legislative bid almost out of the reach of of someone who doesn't want to take PAC dollars. It insulates legislators from their rightful constituency by turning them away from grassroots fundraising and forcing them to draw more and more from seemingly bottomless special interest coffers.

Ever increasing levels of campaign spending also decrease the impact that one voter's contribution of time or money to a candidate can have. The obvious result: voters feel less effective and they get less involved. The PACs win again. In a recent poll of University of Montana students, 70% of those surveyed said they felt that the recent increases in PAC contributions to legislative races, as well as the current level of campaign spending in this state are both too high, and 75% said they would favor putting a limit on the amount PACs give to candidates.

Perhaps an even more compelling issue is the question of what exactly these PACs are getting for their money. Despite legislators' protestations to the contrary, there is a strong public perception that special interest financing equals special interest voting. In MontPIRG's poll of university students, 92% said they believe that PAC money influences the voting habits of elected officials. I would submit to the members of this committee that to continue to permit the influence and spending of PACs to grow at what is essentially an unregulated rate, is not only antidemocratic, it is very poor public policy.

Based on our recent student poll, MontPIRG supports House Bill 356 very strongly. We feel it is an excellent first step in returning control over the electoral process to the voters of Motana, where it belongs.



## MONTANA PUBLIC INTEREST RESEARCH GROUP

729 KEITH AVENUE  
MISSOULA, MT. 59801  
(406) 721-6040

SENATE PRESIDENT STAN STEPHENS, SENATE MINORITY LEADER CHET BLAYLOCK  
AND STATE ADMINISTRATION COMMITTEE CHAIRMAN PETE STORY

To the Honorable Gentlemen named above:

We, being students, staff and Faculty of the University of Montana as well as residents of Montana, hereby petition as follows:

WHEREAS, We believe legislators should represent the people of Montana and not any one special interest; and

WHEREAS, We are concerned about extensive financing of Montana legislative campaigns by special interests:

Specifically, campaign spending in Montana legislative races by Political Action Committees (PACs), which has increased from 8% of total campaign contributions (or \$20,000) in 1976 to 20% of total campaign contributions (or \$120,000) in 1982; and

WHEREAS, 92% of University of Montana students in a recent poll believe that PAC money influences the voting habits of candidates and elected officials; and

WHEREAS, In response to this type of concern, legislation has been introduced to limit the amount of PAC money a candidate for the Montana Senate can receive to \$1,000 and \$600 for a candidate for the Montana House; and

WHEREAS, This legislation, in the form of HB 356, has already passed the Montana House of Representatives;

NOW, THEREFORE, We, the undersigned citizens of the State of Montana encourage the Montana Senate through its leadership to support and pass HB 356.

\* \* \* \* \*

NAME (Print or sign legibly)

ADDRESS (If student, list Hometown)

Phone #

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# Montana Senior Citizens Assn., Inc.

WITH AFFILIATED CHAPTERS THROUGHOUT THE STATE

P.O. BOX 423 - HELENA, MONTANA 59624



(406) 443 5341

21 March 1983

## TESTIMONY OF EARL REILLY OF THE MONTANA SENIOR CITIZENS ASSOCIATION IN SUPPORT OF HOUSE BILL 356

For the record, my name is Earl Reilly and I am a member of The Montana Senior Citizens Association, which I represent today. I am here to speak in favor of House Bill 356.

During the past years, we have all become aware of the influence which political action committees have gained in the electoral process. Although their financial power is not as great in the state of Montana as on the national level, it still represented a full 20% of all political contributions made in the last legislative election and during the past 6 years, the financial power of the political committees has increased 600%. Senior citizens, and many other citizens, fear that this financial power has the tendency to distort equal participation by all citizens in the electoral process.

The unlimited use of this money, representing narrow political interests, is unquestionably the greatest current deterrent to equitable and open government that I can imagine. Montana Senior Citizens believes that all citizens, rich or poor, of all political beliefs, must share equally in the democratic process. The unchecked use of concentrated wealth, as seen in political committees, will prevent this much needed and desirable participation from happening.

When I talk with people who refuse to participate in any form of government activity, even to vote, the common reason they give is a feeling of impotence. Why should we, they ask, when people and groups with money have such undue influence on the process? I must admit that I have trouble answering their reasoning. House Bill 356 would be helpful in addressing and correcting this attitude and situation. It would remove a great portion of the undue influence political committees have merely because of their financial strength. Certainly by limiting the contribution of these committees to state House and Senate candidates, as does this bill, candidates will have to depend more on the small contributions of individuals.



Box 1176, Helena, Montana

JAMES W. MURRY  
EXECUTIVE SECRETARY

ZIP CODE 59624  
406/442-1708

TESTIMONY OF DON JUDGE

MARCH 21, 1983

HOUSE BILL 356

SENATE STATE ADMINISTRATION COMMITTEE

I am Don Judge, representing the Montana State AFL-CIO. Our organization supports House Bill 356, which limits total PAC contributions to \$1,000 for a Senate campaign and \$600 for a House campaign.

This seems to be a reasonable limit, it is high enough to allow contributions from several PACs. But it is quite low compared to campaigns which are contested, at least in urban areas. Such limits will provide less than 20% of a contested campaign.

The Montana State AFL-CIO, as you well know, is involved in the political action field. We have one of the largest PACs in the state. We raise our money from voluntary contributions from members and local unions around Montana. But we favor this contribution limitation because money is taking an even more important role in campaigns, and that is not healthy.

According to the Common Cause study conducted by Dr. James Lopach, PAC spending has increased in Montana elections from \$22,648 in 1976 to \$111,330 in 1980. PAC spending was 5 times larger in only 4 years.

PAC influence is increasing so rapidly that we must beware of falling into the quagmire which characterizes national politics, in which the winning candidate is very rarely the one which spent less, excepting a few cases of entrenched incumbents.

Montana does not need the best politicians money can buy. It needs to limit the influence of large chunks of money from PACs. This bill is one part of needed campaign reform, although we should not expect it to be a cure-all.

We ask you to support HB. 356.

Thank you.

March 21, 1983  
Testimony Submitted Before  
Senate Committee on State Administration  
Senator Pete Story, Chairman

Mr. Chairman and members of the Committee. My name is Jonathan Motl and I speak today on behalf of Common Cause of Montana in support of House Bill 356. HB 356 proposes that there be a monetary limit on the amount of contributions that a candidate for the Montana House or Senate could receive from Political Action Committees or PACs.

As was indicated in earlier testimony by the sponsor of HB 356, the motivation for HB 356 came from the recent and rapid growth of PAC funding activity in Montana's House and Senate races. As the chart on page two of the study attached to this testimony shows, PAC funding of state legislative races in Montana has quadrupled in dollars in just the last four election cycles until PAC money constituted one of every five dollars received by state legislative candidates during the 1982 races.

What's more, the charts on page three of the study show that PAC funding in Montana is moving toward the example we see on a national level in that some candidates are beginning to receive close to a majority of campaign funds from PACs.

Common Cause of Montana believes that this large influx of money into the political system has the potential to undermine our democratic process by substituting the voice of the wealthy special interests for the voice of

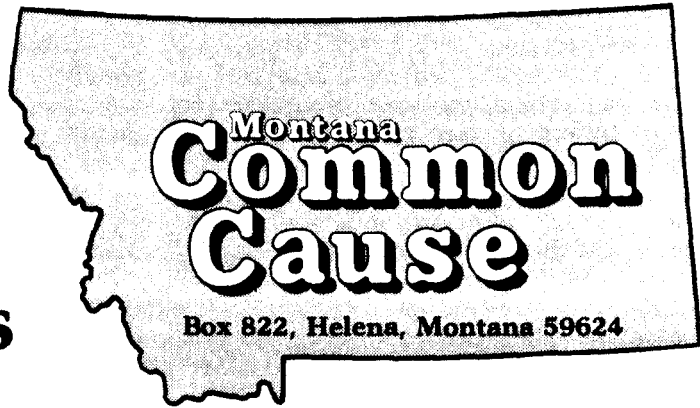
-2-

Montana's people. That concern, we believe, is shared by many Montanans. In June of 1982 Montana Common Cause commissioned the University of Montana polling service to conduct a public opinion poll on the topic of campaign contributions. The University's polling service conducts these polls on a regular basis and chooses poll respondents who are representative of Montana's adult population. That poll, based on the responses of 411 Montanans, found that 78.3% believe that campaign contributions buy an inordinate amount of influence over legislators.

Because of these above concerns and observations Common Cause strongly supports the passage of HB 356. We believe it is very important that a PAC limitation bill pass through this session of the Montana legislature. The federal experience shows us that we can expect PAC money to increase each election cycle and as that occurs the possibility of reform becomes increasingly more slim as the system become more and more dependent on PAC money. HB 356 is a good reform. It proposes a substantial yet limited role for PACs in Montana's legislative races and it would serve the state well if it were to become law. Thank you for this opportunity to testify.

VOL. IX  
Special Issue  
February 1983

# Special Interests and Montana Politics



*A Study of Campaign Contributions to Candidates for the 1983 Montana Legislature • by John Heffernan*

## Preface

Throughout my formal education, I have been taught that representative government is built on the idea that no voter should exercise greater voting power than another. To the author, this idea represents the soil that nurtured democracy and hence our great nation. The idea has often been referred to as the "one man-one vote" rule.

As I began this study, I read that many scholars have long been concerned that the egalitarian "one person-one vote" rule could be harmed by the disparity in the distribution of wealth in America. Either by chance, discrimination or by shaping one's destiny, people are not always afforded equal opportunities for obtaining wealth. Therefore, there are people who own larger "slices of the pie." These entities, whether a majority or minority, are united by an interest that isn't shared by all and may not be in the best interest of all concerned and they therefore constitute a faction or special interest.

This concern is not new. James Madison noted in the *Federalist Papers No. 10* that factions will arise to threaten democracy when there is a disparity in the distribution of wealth. Madison further observes that factions are inherent whenever liberty prevails and the only recourse available to the reformer is to control them.

This study concerns a recent phenomena known as political action committees, controlled by special interests that can exert undue influence on elected officials through campaign contributions. Most candidates aren't wealthy enough to finance their campaigns themselves. Money is necessary to politician's campaigns, therefore campaign contributions are a primary means by which wealth can ingratiate politicians and influence politics. As a student concerned with the political process and as a believer in democratic reform, I enthusiastically endorse the reforms set out herein.

John Heffernan  
Helena, Montana  
January, 1983

## Introduction

This study analyzes the financing of the 1982 Montana State Legislative campaigns, comparing these recent data with similar information from a study of the 1976, '78 and '80 Montana Legislative races conducted by Dr. James Lopach of the University of Montana. Seen together, the studies reveal emerging trends in Montana campaign financing and the need for reforms to insure democracy for Montanans.

The study identifies two general problems in the campaign financing of Montana Legislative races: (1) too much money coming from special interest sources and (2) rapid increases in the total amount of money being spent on campaigns. We define a "special interest" as any labor, professional, business, corporate or ideological organization, not directly affiliated with a major political party, which seeks to contribute to and influence the outcome of political campaigns.

The author is a University of Montana senior who is serving as a full-time intern and lobbyist with Common Cause of Montana.

## Special Interests and Montana Legislative Politics

Political Action Committees or PACs are a relatively new innovation that grew out of the early 1970 changes in the Federal Election Campaign Act (FECA). Before 1972, corporations and trade and professional associations were not allowed to contribute to political campaigns. However, bowing to such pressures as the revelations of large amounts of illegal corporate campaign contributions during the Watergate scandal, Congress enacted FECA in 1972 and amended it in 1974 and 1976. FECA now provides legal avenues for corporate participation in American politics and PACs became the vehicle for participation.<sup>1</sup> Montana, as was the case in most states, followed the federal lead and allowed PACs (called Political Committees in Montana) to be established and

*(continued to page 2)*

<sup>1</sup> The earlier study completed by Dr. Lopach and published by Common Cause contains a more detailed discussion of the origin of PACs. We recommend the reader refer to that report should there be any questions regarding the origins of PACs.

House Bill 356, Third Reading

Title, page 1, line 6  
Following: "Amount of"  
Strike: "MONETARY"

Sec. 1, p. 1, line 12  
Following: "Senate"  
Insert: "in 1984"

Sec. 1, p. 1, line 13  
Following: "than"  
Strike: "\$1,000"  
Insert: "\$2,500"  
Following: "combined"  
Strike: "MONETARY"

Sec. 1, p. 1, line 15  
Following: "representatives"  
Insert: "in 1984"

Sec. 1, p. 1, line 16  
Following: "than"  
Strike: "\$600"  
Insert: "\$1,500"  
Following: "combined"  
Strike: "MONETARY"

Sec. 1, p. 1, line 18  
Following: "CONTRIBUTIONS"  
Strike: "MAY NOT"  
Insert: "SHALL"

Sec. 1, p. 1, line 19  
Following: "TOTALS"  
Insert: "The foregoing limitations shall be multiplied by  
the inflation factor, as defined in 15-30-101 (8)  
for the year in which general elections are held  
after 1984. The commissioner shall publish the  
revised limitations as a rule."



MONTANA  
ASSOCIATION  
OF REALTORS®

EXHIBIT 11<sup>a</sup>  
March 21, 1983

EXECUTIVE OFFICE  
600 NORTH PARK  
HELENA, MONTANA 59601  
TELEPHONE:  
(406) 443-4032

TESTIMONY OF DENNIS REHBERG  
H.B. 283, H.B. 356, H.B. 387  
POLITICAL ACTION COMMITTEE REFORM LEGISLATION.

Mr. Chairman, members of the committee, I am Dennis Rehberg representing the Montana Association of Realtors.

As the 1983 legislative session heats up, you have been hearing more and more about election reform. Specifically, about proposals introduced by Representative John Vincent and Representative Cal Winslow.

The problem of election reform can be stated in this way: How do we improve political dialogue -- attract a more attentive and well-informed electorate -- encourage citizens to participate in the political process as workers, contributors, and voters -- and yet diminish financial inequalities among candidates and political parties -- and reduce the dominance of big money while simultaneously opening opportunities for well-qualified persons to become candidates?

How do we apply democratic principles to elections in an age of media politics, that seems to be dominated by dollar politics, in ways consistent with constitutional guarantees?

Political power is distributed unequally in society; it can not be correlated with wealth, status, skill or any other single characteristic. Money is only one part of the equation. But it is the common denominator in the shaping of many of those things comprising political power, because it buys what is not or cannot be volunteered. Giving money permits many

Page 2

Montana citizens the ability to share energy that must go into politics, as a substitute for service.

One key goal of a good political system should be open and intense competition. This helps make our politics more responsive. Spending limitations reduce opportunities for voters to hear about candidates and issues, and put challengers at a considerable disadvantage.

Campaign spending by challengers has more impact on election outcomes than spending by incumbents. Simply being known and remembered by voters is a key factor in election success. The average legislative incumbent, with all the resources of office, enjoys an advantage in voter recognition before the campaign begins. In fact, an intelligent incumbent never quits campaigning. On the other hand, the challenger, normally not as well known, has everything to gain from an extensive -- and expensive -- voter awareness effort. It often takes half of the challengers campaign budget to build up the name recognition and credibility necessary to run an effective race. This means that incumbents usually need less campaign money than challengers---even though they are able to raise more. Any policy that limits campaign contributions and spending benefits incumbents, consequently lessening competition. Perhaps the answer would be to only limit incumbent expenditures.

Politics without the influence of interest groups is not realistic. Politics is about people and groups of people, their ideas, their interests and aspirations. Too many ideas and interests of value to society would get lost without the organized participation of groups in electoral politics.

House Bills 283, 356, and 387 lack a philosophy about regulation that is both constitutional and pragmatically designed to keep the election process open and flexible rather than rigid, exclusionary and fragmented. Nobody wants to stop necessary change, but it is extremely important that change be thought out, be properly directed, be fully discussed. These conditions have not been met.



Page 3

This legislature can and should exercise careful reasoning in whatever they do regarding the regulation of elections because there are so many constitutional implications to consider. The issues are too important to be resolved by the courts alone, because the issues involve reallocating political power and thus are at the very core of our democratic system.

Ask yourself this: what's wrong with wanting to continue to help our public servants make the right decisions in providing responsible government over the affairs of our state! The case for Political Action Committees has been its ability to bring new pressures to bear on the legislative process, to interest more citizens in campaigns and issues, and to force officials to better prove and defend their policies.

What's wrong with wanting to educate voters, to heighten interest in candidates and issues by raising money, and to stimulate individual involvement in campaigns at a time when millions of Americans fail to even perform the most basic responsibility of citizenship - - - the VOTE.

# # # #

HOUSE BILL NO. 337      HOUSE BILL NO. 387      HOUSE BILL NO. 337

## FACT SHEET

### The Problem

There is no limit to the amount of money one individual can give one PAC. Montana is beginning to see the formation of PACS funded by large amounts of money from a few people.

### The Solution

House Bill 387 proposes that an individual be limited to \$500 or less in contributions to a single PAC each year.

### Questions?

#### 1. Why single contributions to PACs out?

The bill does not do that. At the present time individuals are limited in the amount of money they can give to a Senate candidate (\$400), House candidate (\$250) and to most other campaigns. H.B. 387 plugs the present "loophole" that allows unlimited contributions to PACs.

#### 2. Are there PAC donors who would be affected by H.B. 387?

Yes, at least five PACs have donors who give \$500 or more per year. One of these PACs is the Political Action League which is funded by nightclub, tavern and restaurant owners from Great Falls. In 1982 PAL received the following contributions over \$500: Tom Heisler (\$1100); Tom O'Brien (\$1100);

Ernie Grasseschi (\$1100); Jack Murphy (\$1000); R.C. Murphy (\$1000); Jack Jermelle (\$1000); Martin Javich (\$1000); Jan Tovson (\$1100); Lee Robertson (\$1000); Larry Schott (\$1000); and Jim Jiles (\$1000).

3. Would this limit individual donations to national PACs?

No. It would apply only to Montana Political Committees; that is those who receive their PAC status through recognition by Montana office of the Commissioner of Political Practice.

4. Would this limit PAC donations to other PACs?

No. The bill uses the word "individual" which is defined by the Definition section of the overall laws to mean "a human being." [13-1-101(9)] The use of this word is deliberate as the bill is designed solely to plug the loophole in the limits on what individuals can give to candidates, either directly in their own name or indirectly through a PAC.

March 21, 1983  
Testimony Submitted Before  
Senate State Administration Committee  
Senator Pete Story, Chairman

Mr. Chairman and members of the Committee. My name is Jonathan Motl and I speak today on behalf of Common Cause of Montana in support of House Bill 387. HB 387 proposes that there be a limit set on the amount of money one individual can give to one PAC.

As the bill sponsor's fact sheets have indicated, HB 387 would plug an existing campaign financing loophole by setting a limit on contributions to PACs similar to limits that already exist in respect to contributions to candidates. Common Cause believes this reform is consistent with existing Montana law and that the reform is needed to deal with the emerging pattern of a few individuals funding a PAC through large donations. For example, in 1982, Montana Resources (oil and land interests), Political Action League (Cascade County tavern owners), and Citizens for Responsible Government (Montana Power) had over 25 contributors between them who gave over \$500 or more to the PAC.

Common Cause believes that Montanans are acutely aware of the role of PACs in Montana's election process. Attached to this testimony are copies of several news stories or editorials which have recently been published in various Montana newspapers concerning PACs. Many of those stories discuss proposed reform and the editorials endorse reform. Common Cause calls this information to your attention and urges passage of HB 387 as a needed reform.

Tuesday, March 8, 1983      **Great Falls Tribune**

## *It's time to limit PACs*

The Montana Senate is considering three bills to limit the influence of special interest political action committees (PACs) on legislative campaigns.

Those campaigns have gone from being 8.1 percent PAC-financed in 1976 to 19.3 percent last year. In other words, money from the political arms of various business, agriculture and labor groups made up 8.1 percent of the total raised in legislative campaigns in 1976, and now makes up almost 20 percent of that total.

In dollars, PACs contributed \$122,767 of the \$635,596 raised by legislative candidates last year — nearly one in every five dollars. This rapid increase in PAC campaign contributions is a disturbing trend.

Disturbing, because when special interests finance campaigns and win elections, the average citizen may lose. A real danger exists of legislators becoming representatives of special interests and of single interests, rather than of their constituents.

The bills under consideration by the Senate would limit the amount of money a candidate could accept from PACs, limit the amount an individual could contribute to a PAC, and force PACs to bear names that accurately reflect the special interest they represent.

Under the first bill, HB356, Senate candidates could accept no more than \$1,000 total from PACs; House hopefuls, no more than \$600. According to the bill's sponsor, House Majority Leader John Vincent, D-Bozeman, that would put the average campaign fund at 20 percent PAC money, the current average level. Donations from citizens would then account for 80 percent of a candidate's funds. That's reasonable.

The second bill, HB387, would limit individual contributions to PACs to \$500, and thus limit the funds PACs have to help finance campaigns and win influence. That also is reasonable.

The last bill, HB386, would keep special interests from disguising their political aims with innocuous-sounding names. It would make them spell out their particular special interest in the title of the PAC. That's not just reasonable, it's only logical and fair.

This series of bills will probably have a much tougher time getting through the more conservative and politically seasoned Senate than they did in the House. But senators need to be convinced of the bills' value to an open and fair elective and representative process — a goal no one can oppose.

The bills merit approval.

1982-1983  
1982-1983  
(10-10-82, 11-11-82)

JUL 1 1982

SENATOR GUY F. HARRIS  
SPOKANE, MONTANA 83402

## ***PACs need clear labeling***

<sup>16</sup> You can bet there will be a flurry of bills introduced in the upcoming session of the Montana Legislature aimed at limiting the influence of political action committees on state elections.

Most of the bills will attempt to limit, in one way or another, the amount of money PACs may contribute to individual candidates. Even in Montana the cost of getting elected is escalating, and PACs are contributing an increasingly large part of that cost.

Generally state media have done an adequate job of reporting the source of candidates' campaign funds. However, PACs often assume names that do little to identify the group which is putting up the bucks.

Voters at the very least are entitled to know the composition of the group that is contributing large sums to a particular candidate. What we need from PACs is some truth in advertising, some labeling on the package that clearly identifies the contents. PACs that represent groups of tavern owners or labor unions or teachers or doctors or whatever should be clearly identified as such in a candidate's campaign statement.

Voters, after all, are entitled to know who is paying a candidate's bills.

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# Public office should not be up for sale

Common Cause of Montana commissioned a study of political action committees (PACs) in Montana has concluded that the time to put the lid on PACs has arrived.

The government reform citizens group says its study shows that PACs are on the way to becoming "the dominant force in elective politics in Montana. Nearly 80 percent of the respondents to a poll, which was part of the study, think that special interests gain "inordinate political power" by campaign contributions.

State Common Cause president John Lowry of Butte said the people don't like the fact that the influence of special interest PACs is growing in Montana. Lowry added that Common Cause will lobby during the next legislative session for laws to limit the impact of PAC contributions.

Common Cause supports legislation calling for public financing of legislative campaigns; putting a limit on the amount raised and spent by candidates and requiring that PACs involved in supporting initiative efforts to clearly identify themselves in support or opposition to the initiative.

We don't think Montanans, independent as they are, want much to do with public financing of campaigns. Common Cause's poll substantiates this. It found that 44.1 percent of Montanans favored some form of public financing of campaigns while 52.8 percent opposed the idea, including 26.9 percent strongly opposed. It's going to be extremely difficult to convince the legislators that they should opt for public financing in light of the poll results.

Limiting contributions and expenditures will also be a problem. Incumbents aren't going to cut their throats and reduce their campaign spending ability so challengers will have a better shot at them.

We also doubt that limiting PAC contributions to candidates will have the desired effect. The courts have ruled that PACs can run independent campaigns for or against a candidate. They don't contribute money directly to the candidate. They run their own campaign whether the candidate likes it or not. NCPAC's campaign against Sen. John Melcher is a perfect example.

But we do think PACs should be accurately identified, as well as their stands for or against issues and candidates. And in spite of all the problems we have cited, we also think the Legislature should somehow place some limits on campaign spending. Spending on elections on the national level has gotten completely out of hand, and the effect of big state bucks on a small state's election process can

AN  
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VIEW

TUESDAY

October 19, 1982  
Helena, Montana  
Vol. 39 No. 332

Single copy 25c

Home delivered in Helena for 20c a day

INDEPENDENT RECORD

FROM MONTANA'S CAPITAL

4—The Montana Standard, Butte, Thursday, October 14, 1982

## Opinion and comment

# PACs could change legislative politics

That Common Cause of Montana report on political action committees (PAC) involvement in legislative races is an eye-opener. If the trend continues, PACs could be supplying most of the money spent in legislative campaigns within the decade.

University of Montana professor James Lopach, who conducted the study for Common Cause, says PACs were responsible for only 8 percent of the contributions to legislative campaigns in 1976. In 1980, PACs furnished nearly 20 percent of the money spent in these races. The 1982 races, of course, aren't over yet, but PAC bankrolling presumably has been heavy again this year.

In 1980, a total of about \$72,000 was donated to Montana legislative candidates. PACs provided about \$111,000 of this. Montana Common Cause Chairman John Lowry of Butte says a poll conducted as part of the study shows that Montanans think these donations give interest groups "inordinate political power."

Money probably isn't the decisive factor in all Montana legislative races. Districts are small, in terms of voter population, which means face-to-face contact between voter and candidate can have more effect than heavy spending.

But nobody scoffs at a big campaign war chest, either. In races that otherwise would be fairly even, money can make the difference.

Common Cause wants the Legislature to restrict the PACs. The organization will ask the Legislature to limit campaign spending and/or contributions and provide for some sort of public campaign financing. Common Cause also wants to limit the total PAC contributions a candidate can receive and to require PACs that get involved

in ballot measure campaigns to be identified so that voters can tell if the PAC is for or against the measure.

Limiting the amount of money candidates could receive or spend might just cause Montana's PACs to conduct independent campaigns, like NCPAC. The courts have ruled that, because of freedom of expression, independent PACs can collect and spend all they wish. Limiting campaign spending also might be opposed on grounds it could favor well-known, incumbent office-holders over unknown challengers.

Public campaign financing might be acceptable to Montanans, depending on how it's done, but there are drawbacks to public financing, too.

The Legislature and other organizations, of course, may have their own thoughts about PAC spending. Not everyone will agree that growing PAC involvement in state politics is necessarily bad.

Sooner or later, though, PAC money could change the face of legislative politics in Montana. For that reason, the Legislature should at least take a good look at the growing role of PACs in these races. It should try to determine whether the trend will, indeed, result in more and more political power flowing to the interests behind the PACs. It should try to determine whether ordinary Montanans, without connections or backing from outside their districts, will be at a growing disadvantage in races against PAC-backed candidates.

And the Legislature should do so soon. As Lowry points out, the longer PACs give to legislative candidates and the more they give, the harder it will be for many legislators to examine the issue objectively.



## Great Falls Tribune

Tuesday, December 21, 1982

# *Political spending scandal*

There's a feeling of deep concern — and resentment — in the nation about the way political spending has raced out of control.

Worried members of Congress are among those who deplore the shocking high cost of political campaigns and the way political contributions affect legislation.

In an article in the Dec. 20 U.S. News and World Report, several retiring members of Congress talked frankly about political spending practices. Sen. S.I. Hayakawa, R.-Calif., and others called for a limit on campaign contributions.

No individual should be permitted to give more than \$100 to any candidate, he said.

"These contributions have become — let's not disguise them by their names — a huge, masked bribe," Hayakawa declared.

Rep. Henry Reuss, D.-Wis., said the removal of limits on political spending contributed to unhealthy conditions surrounding political spending.

Parties can't match the huge sums that millionaires and special interest groups throw into an election, Reuss said. He pointed out that it is preposterous that many millions are legally spent for a congressional seat that pays \$60,000 a year for

two years.

Elizabeth Drew, respected journalist and political analyst, went into detail about scandalous political spending in a two-part series that ended in the New Yorker magazine in its Dec. 13 issue.

Drew said outrageous spending practices are helping make voters even more cynical than they have been.

"As the public cynicism gets deeper, the political system gets worse," she said. "Until the problem of money is dealt with, the system will not get better."

Drew contended that the nation has allowed the basic idea of our democratic process, representative government, to slip away. The only question before us, she said, was whether we are serious about trying to retrieve representative government.

Legislation aimed at reforming political spending did not occupy a high priority for the lame duck session of Congress.

And, cynical Americans won't hold their breath waiting for Congress to do much about the system in the new session that opens next month. But clearly, campaign spending reform is needed; and the sooner, the better.

8-C Great Falls Tribune Sunday, March 13, 1983

# Winslow says spending limits should be broadly supported

By CHARLES S. JOHNSON  
Tribune Capitol Bureau

HELENA — Concern over campaign spending and political action committees crosses party lines, Rep. Cal Winslow, R-Billings, says.

"It's not just a Democratic issue," Winslow said. "Republicans are concerned too."

He is concerned over the perception that Democrats are the only ones who are trying to limit the influence of money on politics.

Winslow said the perception may be due in part to the fact that his House Bill 283 hasn't received as much media coverage as a package of bills to limit PACs sponsored by House Majority Leader John Vincent, D-Bozeman.

One reason for the lack of coverage, he said, is that his bill was bottled up in the House State Administration

Committee where some unacceptable amendments calling for public financing of campaigns were added. Winslow had to blast the bill out of committee and amend the bill on the floor.

It passed in the rush of business on the last day before the deadline to transmit House bills to the Senate last month.

Winslow supports Vincent's package of bills but believes his measure goes even further.

One of Vincent's bills would limit how much money PACs can give to legislative candidates. House candidates could not receive more than \$600 from PACs, while Senate candidates couldn't get more than \$1,000.

Winslow's bill would also impose limitations on PAC donations to all other candidates from governor down to county officials.

"There is a danger that PACs can get involved in local races too," he said.

HB283 imposes a voluntary limit on campaign expenses and stipulates that candidates cannot receive more than 20 percent of the maximum voluntary limit from PACs.

The voluntary expenditure limitation for governor and lieutenant governor is \$500,000, which means they couldn't receive more than \$100,000 from PACs.

Other offices with the voluntary

expenditure limitation listed first, followed by the PAC ceiling are: secretary of state, \$200,000 and \$40,000; attorney general, \$150,000 and \$30,000; auditor, \$100,000 and \$20,000;

Superintendent of public instruction, \$100,000 and \$20,000; Supreme Court justices, \$25,000 and \$5,000; public service commissioner, \$20,000 and \$4,000; district court judge, \$8,000 and \$1,600;

County attorney, \$5,000 and \$1,000; clerk of district court, \$2,500 and \$500; sheriff, \$8,000 and \$1,600; clerk

and recorder, \$3,000 and \$600; county commissioner, \$15,000 and \$3,000; public administrator, assessor, coroner and justice of the peace, \$2,000 and \$400.

Winslow said his bill also will plug a loophole in the current law by requiring PACs to estimate the value and report the in-kind services they provide for candidates such as preparing campaign brochures.

Republican candidates had been critical of a liberal group known as Montana Committee for an Effective

Legislature, or MontCEL, which specializes in providing in-kind services to legislative candidates but wasn't required to report it.

These in-kind services donated should be reported just as money donations are reported, he said.

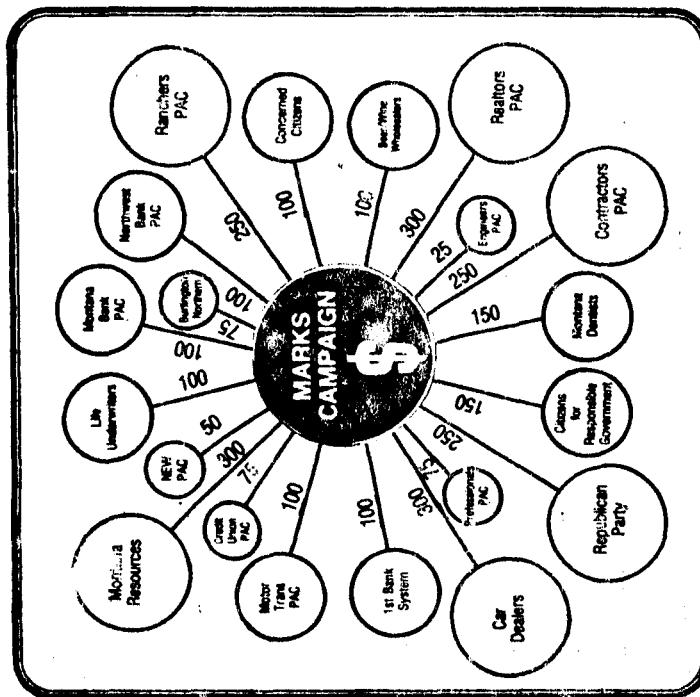
"A candidate can become just as obligated to special interests if they passed out his brochures as if they had given him \$1,000," Winslow said.

His bill will be heard before the Senate State Administration Committee March 22.

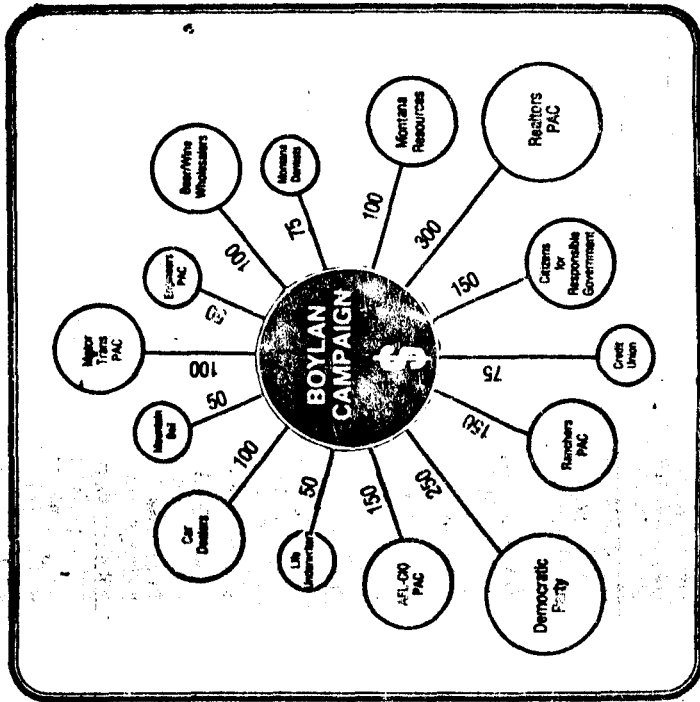
GREAT FALLS TRIBUNE  
Great Falls, MT 59403  
(ID-37,604, S-43,249)

JAN 28 1983

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Rep. Bob Marks, R-Clancy, led the field in Political Action Committee donations, netting \$2,925 from 20 different PACs. Sen. Paul Boylan, D-Bozeman, was the Demo-



crat with most PAC dollars, garnering \$1,700 from 14 PACs. Seven Republican Senate candidates who received more than Boylan. (Common Cause graphics)

*Study finds PACs' spending increasing*

**House Capitol Bureau**  
**HELENA** - Political action committees contributed nearly one out of every five dollars raised by state legislative candidates in 1982.

PACs are political arms of various business, agricultural and labor groups that donate money directly to political campaigns.

Incumbent legislators and Republicans benefit the most from this "special interest money," according to a study released Thursday by Montana Common Cause.

The study showed that PACs contributed a total of \$122,767 of the \$635,596 raised by legislative candidates, 19.3 percent of the total.

The percentage of legislative campaign funds raised by PACs has increased from 8.1 percent in 1976 to 12.8 percent in 1978, to 19.1 percent in 1980 to 19.3 percent last year.

John Lowry, Butte, chairman of Montana Common Cause, said the latest figures demonstrate the need for stronger state laws to regulate the influence of PACs.

"Reform is badly needed, as PACs continue to play a little known but increasingly significant role in Montana legislative campaigns, and the overall cost of those campaigns continues to rise rapidly," he said.

Common Cause supports several bills to limit PACs' influence.

Common Cause found that House Minority Leader Bob Marks, R-Clancy, raised more money from PACs than any other candidate. Marks collected \$2,925 from 20 PACs, an amount that made up 39 percent of his campaign war chest.

Sen. Paul Boylan, D-Bozeman, topped the Democratic list with \$1,700 from 14 PACs. The PAC money constituted 66 percent of his campaign donations.

Of the top 10 House candidates in PAC receipts, all were Republicans. Eight of the top 10 Senate candidates in PAC donations were Republicans.

Boylan, the top Democrat,

Top PAC man in Senate races was Elwood English, a Republican who was defeated by Sen. Thomas Towe, D-Billings. English received \$2,650 in PAC money, which was 37 percent of his total.

The Common Cause report, written by University of Montana student John Heffernan, concludes that special interest money wouldn't be such a problem if the money flowed equally to Democrats, Republicans, incumbents and challengers.

Because it doesn't "Common Cause believes the money can further distort the political system," the study said.

The vast majority of PAC money goes to incumbent legislators, hurting challengers, the group says.

Challenged incumbents, which made up 32 percent of the candidates in 1982, collected 56 percent of the PAC money. Challengers, meanwhile, made up 42 percent of the candidates yet received only 26 percent of the PAC donations.

Republicans also benefited greatly, the study says. Republicans received a total of 64 percent of the PAC money, while Democrats took the remaining 36 percent.

The average GOP candidate receives 25 percent of his campaign money from PACs, while the typical Democrat gets 14 percent of his total from PACs.

Republican incumbents received one out of every three dollars in donations from PACs, the study said.

Following are the top House PAC recipients and their PAC donations for 1982:

1. Marks, \$2,925; 2. Former Rep. Bobby Spilker, R-Helena, \$2,320; 3. Rep. Aubyn Curtiss, R-Fortine, \$2,075; 4. Former Rep. Jean McLane, R-Laurel, \$1,975; 5. Rep. Clyde Smith, R-Kalispell, \$1,900; 6. Former Rep. David O'Hara, R-Billings, \$1,850; 7. Former Rep. Bob Sivertsen, R-Havre, and Rep. John Harp, R-Kalispell, both \$1,800; 9. Former Rep. Jack Moore, R-Great Falls, \$1,775; 10. Former Rep. Gary Bennett, R-Co-

Six of the 10 PAC leaders in House races, Spilker, McLane, O'Hara, Sivertsen, Moore and Bennett, lost.

For Senate candidates, the top PAC money recipients were:

1. English, \$2,650; 2. Sen. Pat Goodover, R-Great Falls, \$2,475; 3. Former Sen. Mike Anderson, R-Belgrade, \$2,008; 4. Former Sen. Jesse O'Hara, R-Great Falls, \$2,000; 5. Senate President Stan Stephens, R-Havre, \$1,800; 6. Tom Meagher, R-Helena, \$1,750; 7. Boylan, \$1,700; 8. Sen. B.F. "Chris" Christiaens, D-Great Falls, and Sen. Mark Etchart, R-Glasgow, both \$1,675; 10. Sen. Elmer Severson, R-Stevensville, \$1,450.

Four of them, English, Anderson, O'Hara and Meagher, lost.

The Common Cause study also investigated the increasing cost of legislative campaigns, concluding that several races "blossomed into spending wars that far exceeded any inflationary causes."

There were three races in which candidates spent combined totals of more than \$20,000 for a position that pays less than \$9,000, including expenses.

Two Helena Democrats collected the most money.

Sen. Dave Fuller raised \$13,854, the most by any candidate.

Rep. Jan Brown reported donations of \$12,387, which was \$3,801 more than the runner-up.

The candidates spending the most money were most likely to win, Common Cause said.

In 1982, the legislative candidates with the richest war chest won 57 percent of the races, down from 70 percent in 1980.

Common Cause also compiled a list of those candidates who received at least \$1,000 in donations who relied heaviest on PACs.

Boylan easily led the Senate with 66 percent of his war chest coming from PACs.

In the House, Rep. Rex Manuel, D-Fairfield, was first with 74 percent, followed by ex-Rep. John Matsko, R-Great Falls, with 73 percent.

Common Cause supports these bills:

- House Bill 356, sponsored by House Majority Leader John Vincent, D-Bozeman, to limit Senate candidates to \$1,000 in PAC money and House candidates to \$500 in PAC donations. If these limits had been in effect in 1982, 85 House and 16 Senate candidates would have been affected, the study says.

- House Bill 263, sponsored by Rep. Cal Winslow, R-Billings, to prohibit any candidate from receiving more than 20 percent of his donations from PACs. It would have had the approximate impact of Vincent's bill in 1982, Common Cause said.

The group prefers Vincent's bill because Winslow's would allow for a constant adjustment upward to stay within the 20 percent as total donations rose.

Winslow's bill also would set expenditure limits for all statewide and most local races. These limits would be voluntary because of constitutional problems with mandatory limits.

- House Bill 387, sponsored by Vincent, to prohibit an individual from donating more than \$500 to a PAC in a year. At present, there is no limitation on how much someone can give to a PAC. Individuals currently are limited to no more than \$400 for Senate candidate and \$250 for a House candidate.

- House Bill 356, sponsored by Vincent, to require the names of PACs to accurately reflect the special interest or place of employment of major PAC donors.

- A yet to be introduced bill that Vincent will sponsor to forbid PAC contributions within six days before an election to ensure they will be fully reported.

- A measure to be introduced by Sen. Dorothy Eck, D-Bozeman, to establish spending limits for all statewide and many local offices. The bill also would establish a pool of public funds that would be available to support candidates who agree to accept spending limits.



P. O. BOX 1730

• HELENA, MONTANA 59624

• PHONE 442-2405

Testimony  
before the  
Senate State Administration Committee  
Pete Story, Chairman  
in opposition to  
HB 387  
by  
Janelle K. Fallan  
Public Affairs Manager  
Montana Chamber of Commerce

March 21, 1983

When the U. S. Supreme Court decided in the Belotti case that corporations have a first amendment right to contribute to ballot issues, it stated that an issue is inherently not subject to the potential for corruption that an individual is -- that a political debt cannot exist for an issue the way it can for an individual who is elected to office.

The same reasoning applies to contributions to PACs. If the concern is for corruption, what is there to corrupt? A contribution to a PAC can incur no political debt, because the PAC is not elected to office.

Large contributions to a PAC would enable it to become involved in more races -- which would be its goal. But under existing law, that PAC can give no more than \$600 to a Senate race and \$300 to a House race. If large contributions enable it to buy more advertising to increase its influence, that, as the U.S. Supreme Court said, would be its purpose.

Testimony  
HB 387  
Montana Chamber of Commerce  
March 21, 1983  
Page 2

Montana's campaign contribution limits are also among the most stringent in the nation. Many states do not limit contributions from unions, corporations or individuals at all, including California, Colorado, Illinois, Iowa, Nevada, New Mexico, Rhode Island, South Carolina, Utah, Virginia and Washington.

We respectfully request a "Be Not Concurred In" on HB 387.

/ssg

House Bill 387, Third Reading

Section 1, page 2, line 2

Following: "exceed"

Strike: "\$500"

Insert: " \$1,500"

Following: "in"

Strike: "any"

Following: " year"

Insert: "1984, and the same amount multiplied by the inflation  
factor, as defined in 15-30-1-1 (8), in any subsequent  
calendar year"

HOUSE BILL NO. 386      HOUSE BILL NO. 386      HOUSE BILL NO. 386

## FACT SHEET

### The Problem

PACs play major roles in individual and ballot issue campaigns and often appear on contribution lists printed by the news media. Yet, PACs such as a tavern owners' PAC called Responsible, Sensible Voting Parents use names that do not give useful information about the PACs special interest to the public.

### The Solution

House Bill 386 would require that PACs accurately name themselves in a manner that reflects the special economic interests or place of employment of the PACs contributors and affix that name as a label to any public advertisements made by the PAC.

### Questions?

#### 1. Are there PACs whose name does not reflect its special interests?

Yes. Attached to this memo is a copy of a news ad placed by a PAC (Responsible Sensible Voting Parents) whose name does not in any way reveal the special interest of the PAC. RSVP was active in a 1978 initiative effort. Also attached is a copy of news report of a candidate's campaign receipts which lists a PAC whose name does not reflect its special interest.



2. How many PACs would be affected by this bill?

Of the 100-plus PACs which were active in legislative and initiative efforts during the 1976-82 campaigns, it is our estimate that at least ten would have been required to change their names if House Bill 386 had been law. Attached to this memo is a list of selected PACs and the probable effect of House Bill 386 on those PACs.

3. How will this bill be enforced?

House Bill 386 specifies that the naming and labeling requirements would be enforced through Section 13-37-128, M.C.A.; the general enforcement provisions regarding election laws. This system makes use of the courts and the self-enforcement incentive due to the adversarial nature of election races and initiative efforts.

4. Why are accurate PAC names necessary?

H.G. 386 insures that the public would be able to identify the special interest of a PAC so that information can be used to judge the merits of any message promoted by the PAC. In addition, the public would be able to identify the interests of those PACs who contribute to candidates.

# '82 campaigns were costly

(This is the first of a series of reports detailing the amounts of money spent in this year's campaigns for Helena-area county and legislative offices.)

By BILL SKIDMORE  
IR Staff Writer

It was Lewis and Clark County's first race for a district court judgeship since the early 1950s, and it was big business. Helena lawyers Henry Loble and Marc Racicot, who vied for the position being vacated by Peter G. Meloy, filed post-election campaign reports showing they spent a total of \$27,410.02 in the contest.

Loble, the victor in the November election, spent \$14,523.45 on his race, while Racicot spent \$12,886.57.

Both candidates spent heavily throughout the political year, including their efforts to make the general-election ballot in June's four-candidate primary election.

Not surprisingly, most support came from practicing attorneys throughout the state.

Following is a listing of contributors of \$100 or more to each candidate's campaign:

## HENRY LOBLE

Contributors giving \$200 or more were: Paul Keller, Alma French, Mrs. A.T. Hubbard, R.E. Moffitt, Frank and Geraldine Murray, Peter Pouly, Wally Vachek, and Chadwick Smith.

Those giving \$100 or more but less than \$200 were: J.J. Burke, Jack E. Galt, Harold Harrison, Don Morrill, R.H. Robinson, A.A. Stenger, Ralph T. Anderson, John Roberts, Gary Davis, Phil Gunn,

Fred Johnson, E. Keith Keller, John R. Kline, Lester Loble II, Jim Moore, Michael Mulroney, C. Eugene Phillips, S. Clark Pyler, Quinn Rauer, D. Gordon Roghien, Urban L. Roth, John Strickler, Hubert White.

Calvin S. Robinson, Harold Mill, Mary Kay Bennett, Paul Caruso, Wade Dahood, Anucha Demaree, Louise Rankin Galt, Judith A. Kline, Miriam Kovach, Dan Langguth, W. Lawson List, Sharon Nickel, Gene Picotte, Joseph Rizza, Art Seaver, W.C. Shryock, and Dick Timmerman.

## MARC RACICOT

Contributors giving \$200 or more were: Ada J. Barber, Dennis Kind, James A. McCann, Greg Jackson, William A. Douglas, A. Clifford Edwards, William Spiga, Karen Clausen, Robert Johnson, David M. McLean, Bernard Everett, Diane Jordan, and Dean L. Morjean.

Those contributing \$100 or more but less than \$200 were: John Dubek, John Pratt, George C. Anderson, C. Ed Laws, Denzil Young, Dan Stardevant, Kent Baker, P.A. Williams.

Allen J. Ahmann, Roland J. Ahmann, John F. Sullivan, John R. Melmus, Karen Townsend, Joseph Mottile, Tom L. Lewis, James M. Hegner, Bob Bentzen, Rose McEwan, Edward G. Beaudette.

L. Noyd, Bortie Lou Camderian, John W. McMahon, Douglas Boatlhen, Don Runstrom, Dick Dziwi, and Francis McCavel.

**IN ANOTHER** heavily contested Helena area race, Democrat Jan Brown and incumbent Republican Bobby Spilker fought it out for House District 32.

Brown, the winner, spent \$12,279.28 on the race. Spilker spent \$7,517.67.

Here are lists of \$100-or-better contributors in that contest:

## JAN BROWN

In addition to fundraising events, Brown listed four individual contributions of \$200 or more: Gary Davis, Rick O'Rourke, the Painters and Allied Trades, and the AFL-CIO Special Legislative Fund.

Contributors of \$100 or more were: the Lewis and Clark Democratic Women's Club, Elizabeth J. Taylor, George Rickard, the Lewis and Clark Democratic Central Committee, the Montana Education Association PAC, Mark O. Keefe.

Larry Dayton, Douglas Egan, Elmer Feaver, Wayne Hadley, Nancy Murphy, Alan Nicholson, Thomas Richmond, and Jerry A. Nystre.

## BOBBY SPILKER

Contributors of \$200 or more were: Montana Resources PAC, Motor Transportation PAC, Mountain Bell Employees PAC, Northern Montana PAC, BPAC.

Those giving at least \$100 were: Citizens for Responsible Government PAC, Mary Larison, W.A. Shanahan, the Deer Wine Whiskey PAC, Roy Hudson, E.W. Johnson.

Lewis and Clark County Republican Women's Club, Don Erickson, McDePAC, Nursing Home PAC, Ron B. Jones, and J.A. Johnson.

Affected by H.B.  
386 ----

Montana Resources  
and Citizens for Re-  
sponsible Government

1982

Initiative

EFFORT

In the product

Record

VOTE YES



MEMO

TO: House State Administration Committee  
RE: Effect of House Bill 386

The following chart shows the effect the sponsor expects that H.B. 386 would have had on 25 of the 100-plus PACs that have been active in Montana Legislative and initiative efforts since 1976. It is the bill sponsor's estimate that 10-15 PACs of the 100-plus PACs would have had to rename themselves had H.B. 386 been in effect.

PRESENT NAME	SPECIAL ECONOMIC INTEREST	COMMON EMPLOYER	EFFECT OF H.B. 386
Banco PAC	banking	Northwest Banks	Northwest Bank PAC
BankPAC	banking	n/a	n/a
Billings Area Citizens PAC	n/a	n/a	n/a
Butte Teachers Union	Butte Teachers/Schools	n/a	n/a
Citizens for Responsible Government	Utilities	Montana Power Co.	Montana Power Co. PAC
Concerned Citizens Fund	Petroleum	ARCO	ARCO PAC
Concerned Citizens for Gambling	Bar and Tavern Owners for Gambling	n/a	Mt. Bar and Tavern Owners for Gambling
Contractors of Mt. PAC	Contracting/Building	n/a	n/a
Credit Union PAC	Loans/Investments	n/a	n/a
Farmers Union PAC	Loans/Farming	n/a	n/a
Legislative Campaign Committee	n/a	n/a	n/a
MontPAC	Life Insurance	n/a	Life Insurers of Mt. PAC
Montana Agricultural PAC	Farming and Ranching	n/a	Farmers and Ranchers PAC
Montana Committee for an Effective Legislature	n/a	n/a	n/a
Montana Committee of Automobile Retailers	Car Dealers	n/a	n/a
Montana Dental PAC	Medicine/Dentistry	n/a	n/a
Montana Education Accos.	Teachers/Schools	n/a	n/a
Montana Resources	Oil and Land	n/a	Montana Oil and Land Interests PAC
Motor Transportation PAC	Trucking	n/a	Trucking Companies of Montana PAC
Mountain Bell Employees	Phone Utilities	Mountain Bell	n/a
Political Action League	Bar, Restaurant and Tavern Owners	n/a	Bar Restaurant and Tavern Owners PAC
Professionals PAC	Engineers	n/a	Engineers PAC
Responsible, Sensible Voting Parents	Bar & Tavern Owners	n/a	Bar & Tavern Owners PAC
Solo n' Bubbles	Beer and Wine Wholesalers	n/a	Beer & Wine Wholesalers



League of Women Voters of Montana  
917 Harrison, Helena, Montana 59601  
Margaret S. Davis, president  
Senate State Administration Committee  
21 March 83

SUPPORT/AMEND

HB 386 - Requiring the naming and  
labeling of political committees.

The public is the consumer of political committee products. The public is bombarded with advertising in every media, and often times it is very difficult to distinguish just who is supporting or opposing what. It is only logical and fair that people be informed of what group is behind the salesmanship or the money-raising slogan.

Others will cite examples of artful deception and vagueness in baptizing political committees. This practice does little to foster public confidence in the system. HB 386 is a needed clarification of Montana's campaign disclosure laws and we ask that the Senate concur with this legislation.

Margaret S. Davis, president

Amendment:

Page 1, line 16 & 17. Strike: "AND PAID EMPLOYEES, IF ANY"

Page 1, line 16. Insert "AND" after "OFFICERS;"

Subsection (1) would then read as follows: (i) that best identifies the SHARED special economic, POLITICAL, SOCIAL, CULTURAL, OR OTHER interest of its contributors, OFFICERS, AND BOARD; and

Comments on the proposed amendment: It is redundant to include paid employees under subsection (i) because (ii) adequately covers them. It is not hard to imagine a situation where a paid employee would have no commonality of interest with those organizing and financially supporting a political committee. The statutes cannot presume that all paid employees share the political convictions of their employers.

As the House amendments to HB 386 become more specific and particular with each reading, I am not sure that they did anything at all to improve the bill.



EXHIBIT 19  
State Admin  
March 21, 1983

Box 1176, Helena, Montana

JAMES W. MURRY  
EXECUTIVE SECRETARY

ZIP CODE 59624  
406/442-1708

TESTIMONY OF DON JUDGE

MARCH 21, 1983

HOUSE BILL 386

SENATE STATE ADMINISTRATIVE COMMITTEE

I am Don Judge, representing the Montana State AFL-CIO. We support HB386 to require that political action committees be named in a way which allows the public to identify their special economic interest.

we realize that there may be some political action committees which represent more than one interest group, and this may create some problems for them. But for most PACs, from the Montana AFL-CIO to Montana Power employees (currently called Citizens for Responsible Government) a name is available which clearly identifies the economic interest of the PAC.

We see a value in having all of us declare what our special interest really is, in the name we use. We support HB 386.

Thank you.



## SUDS AND BUBBLES

Political Action Committee  
of the  
Montana Beer & Wine Wholesalers  
P.O. Box 124  
Helena, MT 59624



EXHIBIT 20  
State Admin  
March 21, 1983

March 21, 1983

### Statement Regarding HB386

Co-Chairmen  
Bob Koprivica  
Butte  
Earl Sherron  
Missoula  
Directors  
Pete Decker  
Billings  
Chuck Lee  
Kalispell  
Carl Lehrkind  
Bozeman  
Bert Osen  
Glasgow  
Ray Waters  
Great Falls  
Treasurer  
Roger Tippy  
Helena

1. The bill is unclear as to its intended effect upon a PAC with a two-line name: does it seek to regulate the manner in which a PAC files with the Commissioner and names itself, or does it seek to regulate the manner in which the press picks up reported contributions?

If the bill covers the manner of filing, is a PAC with a two-line name legal or not? If a two-line name is to be outlawed, and the name must be encapsulated within one line, are First Amendment rights involved?

In the alternative, if a two-line PAC name is permissible, with one line permitted for symbolic, acronymic, etc. names and the other for the literal description, then the PAC cannot control the manner in which recipients and/or the press may use just part of its name in reporting contributions.

An amendment to the bill could clarify this point. I would suggest the following as a subsection (3):

(3) This section applies to the manner in which a committee files its organizational statement and not to the manner in which a committee is described on a report filed by any other person.

2. Closely related to the question of whether a two-line name would be permissible under the bill is the use of the word "best" on page 1, line 14. Those who earn their living by the written word -- authors, copywriters, even journalists -- give me the impression that the effort to find the absolutely best combination of words to describe something is often extremely difficult. What is best remains subjective: Hemingway's best phrase might not satisfy Faulkner at all.

I would suggest that the bill be further amended by substituting the phrase "in some portion fairly" for the word "best", so that the operative language becomes:

"shall name and identify itself in its organizational statement using a name or phrase that in some portion fairly identifies the shared special economic" etc. interest.

(This sheet to be used by those testifying on a bill.)

NAME: Don Judge DATE: 3/21/88

ADDRESS: Helena

PHONE: 442-1708

REPRESENTING WHOM? MT STATE AFL-CIO

APPEARING ON WHICH PROPOSAL: HB 356 + HB 386

DO YOU: SUPPORT? X AMEND?        OPPOSE?       

COMMENT: Prepared Comments left with Committee

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

17



# STANDING COMMITTEE REPORT

100-1000-100  
ACTUAL DATE PASSED OUT  
of committee 3/21

March 15, 1983

MR. **PRESIDENT:**

We, your committee on **STATE ADMINISTRATION**

having had under consideration **HOUSE** Bill No. **329**

Rep. Shontz (Sen. Towe )

Respectfully report as follows: That **House** Bill No. **329**,  
third reading bill (blue copy), be amended as follows:

1. Title, line 6.  
Following: "CANDIDATE;"  
Strike: remainder of line 6
2. Title, line 7.  
Strike: "SECTIONS"  
Insert: "SECTION"  
Strike: AND 13-37-304"
3. Page 1, line 14.  
Following: "morality"  
Insert: "or to knowingly misrepresent the voting record or  
position on public issues of any candidate"
4. Page 1, line 15.  
Following: "statement"  
Insert: "or representation"

~~RE-PASS~~

(Continued)

4 C.

5. Page 1.  
Strike: line 18 through "(3)" on line 9, page 2  
Insert: "(2)"
6. Page 2, line 10.  
Strike: "and the fine provided in subsection (2)"
7. Page 2, line 14 through page 3, line 16.  
Strike: Section 2 in its entirety

And, as so amended,  
BE CONCURRED IN