

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

#### JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT & TRANSPORTATION

**Call to Order:** By **CHAIRMAN ED GRADY, CHAIRMAN** on January 4,  
1995, at 8:00 a.m.

#### ROLL CALL

**Members Present:**

Rep. Edward J. "Ed" Grady, Chairman (R)  
Rep. Gary Feland (R)  
Sen. Eve Franklin (D)  
Rep. Joe Quilici (D)

**Members Excused:** Sen. Thomas A. "Tom" Beck (R)

**Members Absent:** None

**Staff Present:** Skip Culver, Legislative Fiscal Analyst  
Lorene Thorson, Legislative Fiscal Analyst  
Terri Perrigo, Legislative Fiscal Analyst  
Shirley Benson, Office of Budget & Program  
Planning  
Dan Gengler, Office of Budget & Program Planning  
John Patrick, Office of Budget & Program Planning  
Rosa Fields, Committee Secretary

**Please Note:** These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing: Orientation  
Supplementals:  
- Secretary of State's Office  
- Commissioner of Political Practices  
- Clerk of the Supreme Court

Executive Action: None

{Tape: 1; Side: A; Approx. Counter: 000; Comments: n/a.}

#### ORIENTATION

**CHAIRMAN ED GRADY** introduced himself and asked the rest of the committee members to do the same. He described the committee schedule, as shown in **EXHIBIT 1** and asked the committee how they would prefer to take executive action. Their options were to go

through each program or agency-by-agency before taking executive action.

**REP. QUILICI** felt it would be best if they went agency by agency, because by the time they were done going through one department and it was time to take action, they would forget what the agency had said.

**CHAIRMAN GRADY** encouraged the agencies to attend executive action meetings in case the committee had some questions.

**Mrs. Terri Perrigo, Legislative Fiscal Analyst**, told the committee that Judiciary would be the first agency heard.

**Ms. Perrigo** said that an agency update would be provided to the committee and agency the day before the agency appears before the committee. **Ms. Perrigo** requested that if an agency had a specific request, they let her know as soon as possible.

She explained that the meetings would proceed as follows: the agency would present an overview of their various programs and the subcommittee would ask questions and allow for any public comments or testimony. The hearing would then be closed on that program. If there aren't any controversial issues, they would try to take executive action immediately following the program. If there were controversial issues, executive action would take place 2-3 days after the hearing on the program.

**CHAIRMAN GRADY** stated they would allow for any public comments before taking executive action.

**Ms. Perrigo** mentioned that one of the decisions that still had to be made was the starting point for the subcommittees. She thought there was still a decision being made as to whether or not the subcommittees would be starting with the base budget or the executive present law budget.

**CHAIRMAN GRADY** informed the committee that decision hadn't been made yet.

**REP. QUILICI** commented that whomever made that decision should make sure that all the subcommittees use the same procedure, so they all go in the same direction.

**CHAIRMAN GRADY** agreed, and said that's the reason they couldn't make that decision at this point.

**Ms. Perrigo** continued by saying that another decision that had to be made was how to deal with the executive personal services reduction, since in almost all agencies the executive has proposed a personal services reduction. **Ms. Perrigo** mentioned that one of the concerns is whether to accept the personal services reduction through a global motion, or to have each subcommittee look at the personal services reductions

individually. She believed that's another issue that will be decided when all the global decisions get made.

**CHAIRMAN GRADY** asked how that was handled in the past.

**REP. QUILICI** responded by saying that personal services should be looked at agency-by-agency in the subcommittee. **REP. QUILICI** thought that when they have to give it that level of scrutiny to make sure they're doing things right.

**Ms. Perrigo** mentioned that she thought the reason it was being elevated to a global decision, regarding the personal services reduction, was because the executive is proposing to use those savings to fund the pay plan. In response, **REP. QUILICI** mentioned that one of the things built in, from what he understood was vacancy savings, he thought should be determined also. He heard some people talking of 4% vacancy savings and some say 5% vacancy savings, he thought they better get together with Appropriations Committee **CHAIRMAN ZOOK** and make sure that all the subcommittees are using the same number, so nobody gets penalized.

**CHAIRMAN GRADY** mentioned that the only problem he thought there was if they wait too long and this happens, maybe as a global deal, then some of the smaller agencies get "whacked" harder. He continued by saying that a lot of the decisions really should be made in subcommittees, because they're really the ones who have a better understanding.

**REP. QUILICI** mentioned to **CHAIRMAN GRADY** that they had to make sure and we had that number.

**Ms. Perrigo** continued by saying that another issue that would be decided at a global level would be the fixed costs. The way the Legislative Fiscal Analyst Staff (LFA) would prefer that it happens is that the decision to accept the fixed costs as they stand in the executive budget would be made by the subcommittee. Any decision to change the fixed costs rates would be made by this subcommittee. That would eliminate the need to have all subcommittees decide whether or not to approve changes in the fixed costs. **Ms. Perrigo** explained that the subcommittee would be hearing about fixed costs the following day, and would be asked to approve or disapprove the fixed cost rates as they are in the Executive Budget.

**Ms. Perrigo** also mentioned that the decision to accept or reject the inflation and deflation factors would be made globally also.

**Ms. Perrigo** reminded the subcommittee that whenever they add or eliminate FTE it worked best if they not try to tie a dollar amount to what the addition or elimination would result in. Instead, if the subcommittee decides to add or eliminate FTE, the computer system should be allowed to calculate the dollar associated with the action.

**CHAIRMAN GRADY** asked **Ms. Perrigo** how soon they would have a dollar figure on that. **Ms. Perrigo** responded by saying that they would by the next day.

**Ms. Perrigo** gave the staff an overview of the LFA Budget Analysis, and explained the tabled and other information.

*{Tape: 1; Side: B; Approx. Counter: 740; Comments: n/a.}*

### HEARING ON SUPPLEMENTALS

**Ms. Terri Perrigo, Legislative Fiscal Analyst**, reviewed the supplemental requests from General Government agencies included in HB 3. Following her overview, the agencies discussed their requests in more detail. **EXHIBIT 2**

### SECRETARY OF STATE SUPPLEMENTAL REQUEST

**Mr. Doug Mitchell, Chief Deputy, Secretary of State's Office**, explained that the supplemental amount of \$92,000 is necessary to pay costs associated with the publication of information for Montanans about initiatives and constitutional amendments. Montana law requires that whenever an initiative and/or constitutional amendment is placed on the ballot, the information be given to the Montana public in two ways. By sending out a Montana voter pamphlet to every voter that includes the complete text of both the initiative and constitutional amendment(s), and by publishing the complete text three times in Montana newspapers. The office receives a budget amendment to fund the mailing of voter information pamphlets, and still spent a couple thousand more than authorized; so that \$2,000 is included in the supplemental. The item that is the substance of this supplemental is the newspaper advertising. The cost is not insubstantial when they buy these advertisements, which ran in 72 newspapers, three times a week. They spent about \$90,000 for the advertisements, of which approximately \$25,000 was included in their budget. **EXHIBIT 3**

Another item included in the supplemental is the cost of providing personnel to oversee election administration in certain counties. There is a section in state law that mandates that the Secretary of State provide support to election administrators upon their request. The office never had a request for such assistance before, but got three requests this year. **Mr. Mitchell** continued by saying that another cost included in the supplemental was related to printing of the constitution. Their budget does not provide funds to print the constitution: particularly, a number of signature gatherers for initiatives, particularly CI-66 and 67, requested that copies of the constitution be available to hand out to people as they sign the petitions. Because the office didn't have sufficient copies, they made them, resulting in additional printing costs of

approximately \$8,000. In closing, **Mr. Mitchell** told the subcommittee that even though their original request was for \$92,000, they felt now they could manage with \$88,000.

**CHAIRMAN ED GRADY** asked **Mr. Mitchell** if he could provide the subcommittee with a breakdown in writing of those figures.

**Mr. Mitchell** told **CHAIRMAN GRADY** that they had done so, in a memo to the Budget Office, but he would be glad to provide a copy to the subcommittee.

*{Tape: 1; Side: A; Approx. Counter: 995; Comments: n/a.}*

**SEN. EVE FRANKLIN** asked **Mr. Mitchell** what criteria he used to decide how many ads to place, if he has some criteria or is it a discretionary item in deciding which papers to place the ads in.

In response, **Mr. Mitchell** said that they tried to get as wide a circulation as they can. State law says that they have to advertise in a newspaper in general circulation in every county in the state.

**REP. QUILICI** asked **Mr. Mitchell** if there was any criteria to determine who got a copy of the constitution. **Mr. Mitchell** answered that they have a statutory responsibility to publish it, and they do so as they think is appropriate--which amounts to approximately 4,000 to 5,000 copies. This year, with the interest in constitutional issues, they went fast. They find it very hard to restrict a Montanan's access to a copy of the constitution. So, when somebody makes a request, they try to meet it.

*{Tape: 1; Side: B; Approx. Counter: 1123; Comments: n/a.}*

#### COMMISSIONER OF POLITICAL PRACTICES SUPPLEMENTAL REQUEST

**Ed Argenbright, Commissioner of Political Practices**, presented an overview of the supplemental request for Initiative 118 (I-118), Revising Campaign Finance Laws; Impact on Workload of Office, **EXHIBITS 4 and 5** The initial request was for \$98,329, which includes \$7,000 to remodel their office. He said their request is appropriate and should be funded.

*{Tape: 1; Side: A; Approx. Counter: 1340; Comments: n/a.}*

#### Questions from the Subcommittee Members and Responses:

**REP. QUILICI** asked if there were still 3.25 FTE assigned to the office in the Executive Budget, and wondered how, with the implementation of I-118, the office can function with just 3.25 FTE. **Mr. Argenbright** responded that they would need to have an additional 4.0 FTE in order to keep track of all the aggregate

amounts from political parties. This simply would not be possible with the current staffing level.

*{Tape: 1; Side: B; Approx. Counter: 670; Comments: This side of the tape is blank until counter #670. It appears that the meeting was not tape-recorded for approximately 30 minutes.}*

**CLERK OF SUPREME COURT**  
**SUPPLEMENTAL REQUEST**

**Mr. Ed Smith, Clerk of Court**, presented his request for \$11,000 to fund a personal services snapshot "mix-up" and early retirement costs. **CHAIRMAN GRADY** asked why there was a mix-up in the snapshot, and whether or not **Mr. Smith** attempted to find other funds within the Judiciary to pay the early retirement costs instead of requesting a supplemental.

**Ms. Perrigo** clarified that the snapshot for the upcoming biennium is correct; but that the \$2,500, if approved in the supplemental for 1995, would not need to be added to the 1997 biennium.

**CHAIRMAN GRADY** stated that if the clerk was able to "get by" in 1994 and this far through 1995 without the \$2,500, he didn't see why the Legislature should have to add it in now. He then asked if the Judiciary reverted any money in fiscal 1994. **Pat Chenovick, Administrator of the Supreme Court**, stated the Judiciary reverted approximately \$31,000 in fiscal 1994.

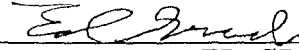
**CHAIRMAN GRADY** asked why that money was reverted instead of being used to pay \$8,500 worth of early retirement costs. **Mr. Smith** replied that those reverted funds were not from his budget, so in order for him to use them they would have had to be transferred into his program--which just doesn't happen at the Judiciary as every program must live within its own budget. **CHAIRMAN GRADY** stated it was confusing to him why the funds weren't transferred instead of being reverted, and are now being requested in a supplemental. He said that's why the Legislature allows the transfer of money within an agency--to avoid situations like this.

He then said before the committee takes any action on this request, it needs to know if there are other funds within the Judiciary that could fund the early retirement costs.

*{Tape: 1; Side: B; Approx. Counter: 946; Comments: The meeting adjourned.}*

ADJOURNMENT

Adjournment: 9:30 a.m.



ED GRADY, Chairman



for ROSA FIELDS, Secretary

Note: Terri Perrigo, LFA, extensively edited and proofread these minutes.

EG/rf

# EXHIBIT 1 TE 1-4-95 54th LEGISLATIVE SESSION - 1995

## GENERAL GOVERNMENT APPROPRIATIONS SUBCOMMITTEE

Tentative Schedule  
Chairman: Ed Grady

Meeting Room 405      Secretary: Rosa Fields (4872)  
8:00 AM - 12:00 Noon      LFA Staff: Terri Perrigo (5834)  
Lorene Thorson (5392)  
Skip Culver (5391)

### ♦ Executive Action Following Each Agency ♦

Legislative Day	Weekday	Date	Topic/Agency	Analyst
3	Wednesday	1-4-95	Orientation	Terri Perrigo
			Supplementals	
4	Thursday	1-5-95	Fixed Costs	LFA and OBPP
5	Friday	1-6-95	Fixed Costs	LFA and OBPP
7	Monday	1-9-95	Judiciary	Terri Perrigo
8	Tuesday	1-10-95	Judiciary	Terri Perrigo
			Comm. Pol. Pract	Lorene Thorson
9	Wednesday	1-11-95	Revenue	Terri Perrigo
10	Thursday	1-12-95	Revenue	Terri Perrigo
11	Friday	1-13-95	Revenue	Terri Perrigo
13	Monday	1-16-95	Revenue	Terri Perrigo
14	Tuesday	1-17-95	Revenue	Terri Perrigo
15	Wednesday	1-18-95	Overflow	All
16	Thursday	1-19-95	PERS/TRS	Terri Perrigo
17	Friday	1-20-95	Administration	Terri Perrigo
19	Monday	1-23-95	Administration	Terri Perrigo
20	Tuesday	1-24-95	Administration	Terri Perrigo
21	Wednesday	1-25-95	Administration	Terri Perrigo
22	Thursday	1-26-95	Administration	Terri Perrigo
23	Friday	1-27-95	Administration	Terri Perrigo
25	Monday	1-30-95	State Fund	Terri Perrigo
26	Tuesday	1-31-95	Sec. of State	Terri Perrigo
27	Wednesday	2-1-95	Sec. of State	Terri Perrigo
28	Thursday	2-2-95	Governor's Ofc	Lorene Thorson
29	Friday	2-3-95	Governor's Ofc	Lorene Thorson
31	Monday	2-6-95	State Auditor	Lorene Thorson
32	Tuesday	2-7-95	State Auditor	Lorene Thorson
33	Wednesday	2-8-95	Transportation	Skip Culver
34	Thursday	2-9-95	Transportation	Skip Culver
35	Friday	2-10-95	Transportation	Skip Culver
37	Monday	2-13-95	Transportation	Skip Culver
38	Tuesday	2-14-95	Leg. Agencies	Lorene Thorson
39	Wednesday	2-15-95	Leg. Agencies	Lorene Thorson
40	Thursday	2-16-95	Overflow	All
41	Friday	2-17-95	Overflow	All
43	Monday	2-20-95	Wrap-Up	All
44	Tuesday	2-21-95	Wrap-up	All
45	Wednesday	2-22-95	Wrap-up	All

NOTES: - Saturday left open for catch-up  
Transmittal break traditionally occurs after the 45th day



SUPPLEMENTALS – FISCAL 1995  
HOUSE BILL 3  
GENERAL GOVERNMENT AND TRANSPORTATION

EXHIBIT 2  
DATE 1/4/95  
HB \_\_\_\_\_

<u>Agency/Supplemental</u>	<u>Funding</u>	<u>HB 3 Amount</u>	<u>Requested Amendments</u>	<u>Total</u>	<u>S/C Action</u>
<u>SECRETARY OF STATE</u>					
Business & Govt. Services	Proprietary	\$92,000		\$92,000	_____
<u>COMMISSIONER OF POLITICAL PRACTICES</u>					
Initiative No. 118	Gen Fund	98,329	7,016	\$105,345	_____
Legal Expenses	Gen Fund	18,000		\$18,000	_____
<u>DEPARTMENT OF TRANSPORTATION</u>					
McCarty Farms Litigation	Gen Fund	586,375	441,000	1,027,375	_____
<u>CLERK OF COURT</u>					
Early Retirement Costs	Gen Fund		8,500	8,500	_____
Personal Svcs Snapshot Anomaly	Gen Fund		2,500	2,500	_____
General Fund		702,704	459,016	1,161,720	
Other Funds		92,000	0	92,000	
Total		<u>\$794,704</u>	<u>\$459,016</u>	<u>\$1,253,720</u>	

3201 00 00000 <b>SECRETARY OF STATES OFFICE</b> Agency Summary								
BIENNIUM BUDGET COMPARISON								
Budget Item	Present Law Budget Fiscal 1996	New Proposals Fiscal 1996	Total Exec. Budget Fiscal 1996	Present Law Budget Fiscal 1997	New Proposals Fiscal 1997	Total Exec. Budget Fiscal 1997	Total Biennium Fiscal 94-95	Total Exec. Budget Fiscal 96-97
FTE	37.30	7.50	44.80	37.30	7.50	44.80	39.63	44.80
Personal Services	977,105	154,787	1,131,892	981,336	155,155	1,136,491	1,941,171	2,268,383
Operating Expenses	811,955	69,542	881,497	758,506	71,986	830,492	1,225,964	1,711,989
Equipment	34,655	30,500	65,155	35,155	50,000	85,155	108,474	150,310
Total Costs	\$1,823,715	\$254,829	\$2,078,544	\$1,774,997	\$277,141	\$2,052,138	\$3,275,609	\$4,130,682
<u>Fund Sources</u>								
General Fund	37,119	0	37,119	37,490	0	37,490	186,281	74,609
Proprietary	1,786,596	254,829	2,041,425	1,737,507	277,141	2,014,648	3,089,328	4,056,073
Total Funds	\$1,823,715	\$254,829	\$2,078,544	\$1,774,997	\$277,141	\$2,052,138	\$3,275,609	\$4,130,682

## Agency Description

The Office of the Secretary of State is established by Article VI, Section 1 of the Montana Constitution, and its duties are set forth in sections 2-6-203 and 2-15-401, MCA. The office: 1) files, maintains, stores, and distributes corporate documents, agricultural lien information, official records of the executive branch, and acts of the legislature; 2) publishes the Administrative Rules of Montana and the Montana Administrative Register; and 3) administers the state agency records management function, including operation of a central microfilm unit and the state records center. In addition, due to the Secretary of State's role as chief election officer of the state, the office is also responsible for the application, operation, and interpretation of election laws, except those pertaining to campaign finance.

## Supplemental Requests

The executive is recommending a proprietary fund supplemental appropriation of \$92,000 for the Secretary of State for costs incurred preparing and publishing for the 1994 general election. This amount is in addition to approximately \$25,000 of election expenses charged to the fiscal 1995 appropriation, including printing of the VIP and motor voter forms.

3201 00 00000 SECRETARY OF STATES OFFICE								
Agency Summary								
Budget Item	Base Budget Fiscal 1994	PL Base Adjustment Fiscal 1996	New Proposals Fiscal 1996	Total Exec. Budget Fiscal 1996	PL Base Adjustment Fiscal 1997	New Proposals Fiscal 1997	Total Exec. Budget Fiscal 1997	Total Exec. Budget Fiscal 96-97
FTE	37.30	0.00	7.50	44.80	0.00	7.50	44.80	44.80
Personal Services	964,664	12,441	154,787	1,131,892	16,672	155,155	1,136,491	2,268,383
Operating Expenses	617,062	194,893	69,542	881,497	141,444	71,986	830,492	1,711,989
Equipment	76,062	(41,407)	30,500	65,155	(40,907)	50,000	85,155	150,310
Total Costs	\$1,657,788	\$165,927	\$254,829	\$2,078,544	\$117,209	\$277,141	\$2,052,138	\$4,130,682
Fund Sources								
General Fund	40,309	(3,190)	0	37,119	(2,819)	0	37,490	74,609
Proprietary	1,617,479	169,117	254,829	2,041,425	120,028	277,141	2,014,648	4,056,073
Total Funds	\$1,657,788	\$165,927	\$254,829	\$2,078,544	\$117,209	\$277,141	\$2,052,138	\$4,130,682

## Funding

The Office of the Secretary of State is funded with general and proprietary funds. General fund supports administration of election laws within the business and government services function. The general fund decreases from the base budget level because the election administrator position was vacated in fiscal 1995 and is budgeted at a lower salary level in the 1997 biennium. Proprietary funds support the administrative code, state records management, and the remainder of the business and government services functions. These funds increase from the base budget level because of the present law adjustments discussed in the following "Executive Present Law" section.

The 1995 biennium is the first biennium in which all agency operations except administration of elections have been funded with proprietary funds. The 1993 legislature enacted HB 549, which directed that beginning in fiscal 1994: 1) all fees for services provided by the agency be deposited in a proprietary fund to support agency operations; and 2) within 120 days after the end of each fiscal year any revenue collected in the proprietary account during the previous fiscal year in excess of the current year's appropriation be transferred to the general fund.

The agency implemented the change in fiscal 1994 and estimated that sufficient fee revenue would be deposited to the proprietary account to support agency operations and transfer approximately \$350,000 to the general fund in both fiscal 1995 and 1996.

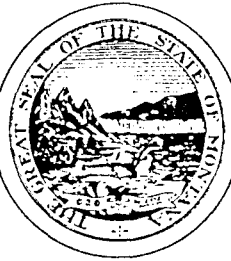
Table 1 shows the amount of proprietary funds projected to be transferred to the general fund in fiscal 1995 through fiscal 1997. As shown in the table, support of the new proposals contained in the Executive Budget will reduce general fund revenues from agency operations to significantly less than \$350,000 in fiscal 1996 and 1997.

COMMISSIONER OF  
POLITICAL PRACTICES

EXHIBIT 4

DATE 1-4-95

HB \_\_\_\_\_



STATE OF MONTANA

ED ARGENERIGHT, Ed.D.  
COMMISSIONER  
TELEPHONE (406) 444-2942  
FAX (406) 444-1643

1205 EIGHTH AVENUE  
P.O. BOX 202401  
HELENA, MONTANA 59620-2401

January 4, 1995

RE: Initiative 118--Revising Campaign Finance Laws;  
Impact on Workload of Office of Commissioner  
of Political Practices

Initiative 118 will have a significant impact on the workload of the office of the Commissioner of Political Practices. The following are major changes dictated by the passage of I-118.

(1) Change in time periods for aggregate limits on contributions:

The initiative changes the time period for limits on aggregate contributions to candidates from the entire election cycle to two "election" periods--one for the primary election and another for the general election. This means that the office will have to "open" and "close" individual files of all candidates for two election periods rather than one, since limitations on contributions to candidates will not "run" through the full election cycle as currently specified by statute. This will, in essence, double the workload.

(2) New limitation combines all political party contributions in a single aggregate limit:

I-118 establishes a new and more demanding method of monitoring a single aggregate limit for all political party committees to each individual candidate. In the past each political party committee had a set limit on how much it could contribute to a specific type of candidate. Aggregate limits were monitored by the Commissioner's office in the same manner as political action committees (PACs).

I-118 sets an aggregate limit on contributions from all political parties and creates a complicated task for monitoring their contributions. For example, a state central committee, each county central committee, and each county women's club would be limited to one aggregate amount that they could contribute to any particular candidate. In addition, the allowable contribution is different for each type of candidate. The initiative includes all candidates, not only statewide and state district candidates but county and city candidates as well--all candidates running for office in the State of Montana. The task of monitoring all these political party committees for a single aggregate limit for each candidate boggles the mind. Current staff with current computer capabilities cannot do this.

**(3) Carryover of surplus campaign funds of candidates prohibited; supplements to closing reports will be required within 120 days after each closing report is filed:**

Closing reports currently have no specific due date but are filed when all campaign debts are paid. Since the deadline for filing closing reports is a "floating" date, closing reports for campaigns of candidates do not have to be filed on a specific date. Monitoring these reports for a supplemental report 120 days from a "floating" due date will require additional individual monitoring of each candidate's closing report to follow-up 120 days from many different closing report dates. Again, current office staff and computer capabilities are not equipped to handle this.

**Conclusion:**

I-118 will require extensive changes in the Administrative Rules of Montana (ARM) related to campaign finance reporting; hearings will be necessary. Statutes and rules must be revised and published; brochures and accounting manuals for candidates, committees and their treasurers must be revised, printed and distributed.

The office will be required to process two additional reporting periods. Current law requires one closing report at the end of the complete election cycle. I-118 requires: (1) closing reports for all candidates and political committees for the primary election, (2) closing reports for all candidates and political committees for the general election, and (3) an additional supplemental closing report for all candidates on a "floating" due date 120 days after each closing report is filed.

An additional requirement of I-118 is that political party committees are limited to one aggregate amount for each candidate, a new limitation that requires a new program with a separate function that must be designed and implemented.

The author of the initiative has stated that the "personal benefits" limitation on surplus campaign funds must be determined by the Commissioner on a case-by-case review. This will create an additional burden for the office.

Current staff--two administrative assistants--with two computers cannot absorb these additional tasks. Current workload under present statutes has already increased dramatically; the number of candidates throughout the state who filed for office in the 1994 election cycle increased by over 30 percent. New computer programs will have to be developed to implement tracking systems for the new aggregate limitations and reporting requirements.

## **INITIATIVE 118 SUPPLEMENTAL BREAK-DOWN**

1. PERSONAL SERVICES = \$59,484
2. ISD COMPUTER FEES = \$480 (\$40/MONTH/PC)
3. PRINTING = \$4,500
4. COMMUNICATIONS = \$4,250
5. RENT = \$1,665
6. OFFICE EQUIPMENT = \$15,300
7. REMODELING = \$17,166
8. COMPUTER TRAINING/SOFTWARE = \$2,500

### **TOTAL SUPPLEMENTAL**

FY 95        =        \$105,345

# The Complete Text of Initiative 118

as it enacted by the People of the State of Montana:

SECTION 1. Section 13-37-216, MCA, is amended to read: "13-37-216. Limitations on contributions. (1)(a) Aggregate contributions for all ~~elections~~ each election in a campaign by a political committee or by an individual, other than the candidate, to a candidate ~~and political committees organized on his behalf~~ are limited as follows: (i) for candidates filed jointly for the office of governor and lieutenant governor, not to exceed ~~\$1500~~ \$400; (ii) for a candidate to be elected for state office in a statewide election, other than the candidates for governor and lieutenant governor, not to exceed ~~\$750~~ \$200; ~~(iii) for a candidate for public service commissioner, district court judge, or state senator, not to exceed \$400; and (iv) for a candidate for any other public office, not to exceed \$250~~ \$100. (b) A contribution to a candidate includes contributions made to the candidate's committee and to any political committee organized on the candidate's behalf.

(2) (a) A political committee that is not independent of the candidate is considered to be organized on the candidate's behalf. For the purposes of this subsection, an independent committee means a committee which is not specifically organized on behalf of a particular candidate or which is not controlled either directly or indirectly by a candidate or candidate's committee and which does not act jointly with a candidate or candidate's committee in conjunction with the making of expenditures or accepting contributions. (b) A leadership political committee maintained by a political officeholder is considered to be organized on the political officeholder's behalf.

(3) All political committees except those of political party organizations are subject to the provisions of subsections (1) and (2). For the purpose of subsection (1)(a), "political party organization" means any political organization that was represented on the official ballot at the most recent gubernatorial election. ~~Aggregate contributions by an independent committee to a candidate and political committee organized on his behalf for all elections in a campaign are limited as follows: (a) for candidates filed jointly for the offices of governor and lieutenant governor, not to exceed \$8,000~~ \$15,000; (b) for a candidate to be elected for state office in a statewide election, other than the candidates for governor and lieutenant governor, not to exceed ~~\$2,000~~ \$5,000; (c) for a candidate for public service commissioner, not to exceed ~~\$1,000~~ \$2,000; (d) for a candidate for the state senate, not to exceed ~~\$600~~ \$800; (e) for a candidate for any other public office, not to exceed ~~\$300~~ \$500.

~~(3)(4) The limitations imposed by this section do not apply to public funds contributed to a candidate under part 3 of this chapter. A candidate may not accept any contributions in excess of the limits in this section.~~

(5) For purposes of this section, "election" means the general election or a primary election that involves two or more candidates for the same nomination. If there is not a contested primary, there is only one election

to which the contribution limits apply. If there is a contested primary, then there are two elections to which the contribution limits apply.

Section 2. Section 13-37-218, MCA, is amended to read: "13-37-218. Limitations on receipts from political committees.

(1) A candidate for the state senate may receive no more than \$1,000 in total combined monetary contributions from all political committees contributing to the campaign, and a candidate for the state house of representatives may receive no more than \$600 in total combined monetary contributions from all political committees contributing to the campaign. The foregoing limitations must be multiplied by the inflation factor as defined in subsection (2) for the year in which general elections are held, and the resulting figure must be rounded off to the nearest \$50 increment. The commissioner of political practices shall publish the revised limitations as a rule. In-kind contributions ~~may not~~ must be included in computing these limitation totals. The limitation provided in this section does not apply to contributions made by a political party eligible for a primary election under 13-10-601. (2) "Inflation factor" means a number determined for each year by dividing the consumer price index for June of the year by the consumer price index for June 1980. The consumer price index to be used in determining the inflation factor is the consumer price index, United States city average, for all items, using the 1967 base of 100 as published by the bureau of labor statistics of the U.S. department of labor.

NEW SECTION. Section 3. Surplus campaign funds. (1) A candidate shall dispose of any surplus funds from the candidate's campaign within 120 days after the time of filing the closing campaign report pursuant to 13-37-228. In disposing of the surplus funds, a candidate may not contribute the funds to another campaign, including the candidate's own future campaign, or use the funds for personal benefit. The candidate shall provide a supplement to the closing campaign report to the commissioner showing the disposition of any surplus campaign funds.

(2) For purposes of this section, "personal benefit" means a use that will provide a direct or indirect benefit of any kind to the candidate or any member of the candidate's immediate family.

NEW SECTION. Section 4. Severability. If a part of this act is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this act is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. Section 5. Codification instruction. Section 4 is intended to be codified as an integral part of Title 13, chapter 37, part 2, and the provisions of Title 13, chapter 37, part 2, apply to section 3.

NEW SECTION. Section 6. Effective date. If approved by the electorate, this act is effective January 1, 1995.