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2 INTRODUCED BY WENT Harper Palmer
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A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR GEBERAL POLITICAL REFORM IN HATTERS CONCERNING CAMPAIGN EXPENDITURE LIMITS, LOBBYING, COMPLICTS OF INTEREST OF ELECTED AND EMPLOYED GOVERNMENT PERSONNEL, AND AUDITING OF CAMPAIGN REPORTS AND RELATED NATTERS; PROVIDING PENALTIES; PROVIDING FOR EMPORCEMENT; AMENDING SECTIONS 43-802, 43-803, AND 43-805, R.C.M. 1947; AND REPEALING SECTIONS 23-4727, 23-4728, AND 43-806, R.C.M. 1947.*

BE IT EBACTED BY THE LEGISLATURE OF THE STATE OF MORTABA:

Section 1. Definitions. As used in this act:

- means multiplying the amount by a multiplier determined at the beginning of each year by the director of revenue to reflect changes in the price level, based on the change during the previous calendar year in the consumer price index published by the United States bureau of labor statistics and on such other readily available sources of information as the director of revenue may deem appropriate.
- (2) "Administrative action" means the proposal, drafting, development, consideration, amendment, enactment or defeat by any state agency of any rule, regulation or

other action in any rate-making proceeding or any quasi-legislative proceeding, which shall include any proceeding governed by chapter 4.5 of division 3 of Title 2

- of the Government Code (beginning with section 11371).
- 5 (3) "Agency" means any state agency or local 6 government agency.
 - (4) "Agency official" means any member, officer, employee or consultant of any state agency who as part of his official responsibilities participates in any administrative action in other than a purely clerical, secretarial or ministerial capacity.

(5) "Candidate" means an individual who is listed on

- the ballot or who has qualified to have write-in votes on his behalf counted by election officials, for nomination for or election to any elective office, or who receives a contribution or makes an expenditure or gives his consent for any other person to receive a contribution or make an expenditure with a view to bringing about his nomination or election to any elective office, whether or not the specific elective office for which he will seek nomination or election is known at the time the contribution is received or the expenditure is made and whether or not he has
- announced his candidacy or filed a declaration of candidacy
- 24 at such time. "Candidate" also includes any officel lear
- 25 who is the subject of a recall election. "Candidated loes

not include any person within the meaning of section 301 (b) of the Federal Election Campaign Act of 1971.

(6) "City" means a chartered city.

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- (7) "Clerk" refers to the city or county clerk.
- (8) *Committee* means any person or combination of persons who directly or indirectly receives contributions or makes expenditures or contributions for the purpose of influencing or attempting to influence the action of the voters for or against the nomination or election of one or more candidates, or the passage or defeat of any measure, including any committee or subcommittee of a political party, whether national, state or local, if:
 - (a) contributions received total five hundred dollars(\$500) or more in a calendar year;
 - (b) expenditures and contributions made, other than contributions described in subsection (c), total five hundred dollars (\$500) or more in a calendar year; or
 - (c) contributions of cash, checks and other cash equivalents paid directly to candidates and committees total five thousand dollars (\$5,000) or more in a calendar year.
- (9) "Conflict of interest code" means a set of rules and regulations adopted by an agency pursuant to chapter 7 of this title.
- 24 (10) "Contribution" means a payment, a forgiveness of 25 a loan, a payment of a loan by a third party, or an

- 1 enforceable promise to make a payment except to the extent
- 2 that full and adequate consideration is received unless it
- 3 is clear from the surrounding circumstances that it is not
- # made for political purposes. An expenditure made at the
- 5 behest of a candidate, committee or elected officer is a
- 6 contribution to the candidate, committee or elected officer
- 7 unless full and adequate consideration is received for
- s making the expenditure.
- 9 (a) The term "contribution" includes the purchase of
 10 tickets for events such as dinners, luncheons, rallies and
 11 similar fund raising events; the candidate's own money or
 12 property used on behalf of his candidacy; the granting of
 13 discounts or rebates not extended to the public generally or
 14 the granting of discounts or rebates by television and radio
- 15 stations and newspapers not extended on an equal basis to
- 16 all candidates for the same office; the payment of 17 compensation by any person for the personal services or
- 17 compensation by any person for the personal services or 18 expenses of any other person if such services are rendered
- 19 or expenses incurred on behalf of a candidate or committee
- 20 without payment of full and adequate consideration.
- 21 (b) The term "contribution" further includes any
- 22 transfer of anything of value received by a committee from
- 23 another committee.
- 24 (c) The term "contribution" does not include amounts
- 25 received pursuant to an enforceable promise to the extent

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such amounts have been previously reported as a contribution. However, the fact that such amounts have been received shall be indicated in the appropriate campaign statement.

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- (d) Notwithstanding the foregoing definition of "contribution", the term does not include volunteer personal services or payments made by any individual for his own travel expenses if such payments are made voluntarily without any understanding or agreement that they shall be, directly or indirectly, repaid to him.
- (11) "Controlled committee" means a committee which is controlled directly or indirectly by a candidate or which acts jointly with a candidate or controlled committee in connection with the making of expenditures. A candidate controls a committee if he, his agent or any other committee he controls has a significant influence on the actions or decisions of the committee.
- (12) "Elected officer" means any person who holds an elective office or has been elected to an elective office but has not yet taken office. A person who is appointed to fill a vacant elective office is an elected officer.
- 22 (13) "Elected state officer" means any person who
 23 holds an elective state office or has been elected to an
 24 elective state office but has not yet taken office. A
 25 person who is appointed to fill a vacant elective state

- 1 office is an elected state officer.
- 2 (14) "Election" means any primary, general, special or 3 recall election held in this state. The primary and general 4 or special elections are separate elections for purposes of 5 this title.
- 6 (15) "Elective office" means any state, regional,
 7 county, municipal, district or judicial office which is
 8 filled at an election. "Elective office" also includes
 9 membership on a county central committee of a qualified
 10 political party.
- 11 (16) "Elective state office" means the office of 12 governor, lieutenant governor, attorney general, controller, 13 secretary of state, treasurer, superintendent of public 14 instruction, member of the legislature and member of the 15 state board of equalization.
- 16 (17) "Expenditure" means a payment, a forgiveness of a
 17 loan, a payment of a loan by a third party, or an
 18 enforceable promise to make a payment, unless it is clear
 19 from the surrounding circumstances that it is not made for
 20 political purposes. An expenditure is made on the date the
 21 payment is made or on the date consideration, if any, is
 22 received, whichever is earlier.
- 23 (18) "Filer" means the person filing or required to 24 file any statement or report under this title.
- 25 (19) "Filing officer" means the office or officer 4ith

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when any statement or report is required to be filed under
this title. If copies of a statement or report are required
to be filed with more than one office or officer, the one
first maked is the filing officer, and the copy filed with
him shall be signed in the original and shall be deemed the
original copy.

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(20) "Gift" means any payment to the extent that consideration of equal or greater value is not received. Any person, other than a defendant in criminal action, who claims that a payment is not a gift by reason of receipt of consideration has the burden of proving that the consideration received is of equal or greater value. The term "gift" does not include informational material such as books, reports, pamphlets, calendars or periodicals. Bo payment for travel or reimbursement for any expenses shall be deemed "informational material".

(21) "Independent committee" means a committee which is not controlled either directly or indirectly by a candidate or controlled committee, and which does not act jointly with a candidate or controlled committee in connection with the making of expenditures. A committee may be controlled with respect to one or more candidates and independent with respect to other candidates.

24 (22) "Influencing legislative or administrative 25 action" means promoting, supporting, influencing, modifying, opposing or delaying any legislative or administrative
action by any means, including but not limited to the
provision or use of information, statistics, studies or
analyses.

10 (23) "Interest in real property" includes any beasehold, beneficial or ownership interest or an option to acquire such an interest in real property located in the jurisdiction if the fair market value of the interest is greater than one thousand dollars (\$1,000). Interests in real property of an individual includes a pro rata share of interests in real property of any business entity or trust in which the individual or spouse owns, directly, indirectly or beaseficially, a tempercent interest or greater.

(24) "Investment" means any financial interest in or 14 15 security issued by a business entity, including but not limited to common stock, preferred stock, rights, warrants, 16 17 options, debt instruments and any partnership or other 18 ownership interest, if the business entity or any parent, subsidiary or othervise related business entity has an 19 20 interest in real property in the jurisdiction, or does 21 business or plans to do business in the jurisdiction, or has 22 done business within the jurisdiction at any time during the 23 two years prior to the time any statement or other action is required under this title. Bo asset shall be deemed an 24 investment unless its fair market value exceeds one thousand

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1 dollars (\$1,000). The term "investment" does not include a 2 time or demand deposit in a financial institution, shares in a credit union, an insurance policy, or any bond or other debt instrument issued by any government or government agency. Investments of an individual include a pro rata share of investments of any business entity or trust in 6 7 which the individual or spouse owns, directly, indirectly or 8 beneficially, a ten percent (10%) interest or greater. The 9 term "parent, subsidiary or otherwise related business 10 entity" shall be specifically defined by regulations of the 11 secretary of state.

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- (25) "Jurisdiction" means the state with respect to a state agency and, with respect to a local government agency, the region, county, city, district or other geographical area in which it has jurisdiction. Real property shall be deemed to be "within the jurisdiction" with respect to a local government agency if the property or any part of it is located within or not more than two (2) miles outside the boundaries of the jurisdiction or within two (2) miles of any land owned or used by the local government agency.
- 21 (26) "Legislative action" means the drafting,
 22 introduction, consideration, modification, enactment or
 23 defeat of any bill, resolution, amendment, report,
 24 nomination or other matter by the legislature or by either
 25 house or any committee, subcommittee, joint or select

- 1 committee thereof, or by a member or employee of the
- 2 legislature acting in his official capacity. "Legislative
- 3 action also means the action of the governor in approving
- or vetoing any bill.
- 5 (27) "Legislative official" means any employee or
- 6 consultant of the legislature whose duties are not solely
- 7 secretarial, clerical or manual.
- (28) "Person" means an individual, proprietorship,
- firm, partnership, joint venture, syndicate, business trust,
- 10 company, corporation, association, committee, and any other
- 11 organization or group of persons acting in concert.
- 12 (29) "Public official" means every member, officer.
- 13 employee or consultant of a state or local government
- 14 agency.
- 15 (30) "State agency" means every state office,
- 16 department, division, bureau, board and commission, and the
- 7 legislature, but does not include the courts or any agency
- 16 in the judicial branch of government.
- 19 (31) "State candidate" means a candidate who seeks
- 20 nomination or election to any elective state office.
- 21 (32) *State measure* means any measure which is
- 22 submitted or is intended to be submitted to the voters of
- 23 the state.
- 24 (33) "Statewide candidate" means a candidate who seeks
- 25 election to any statewide elective office.

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(34) "Statewide election" means an election for statewide elective office.

- 3 (35) "Statewide elective office" means the office of
 4 governor, lieutenant governor, attorney general, controller,
 5 secretary of state, treasurer and superintendent of public
 6 instruction.
- (36) "Statewide petition" means a petition to qualify a proposed state measure.
 - (37) "Voting age population" means the population of the state aged eighteen years or over as determined by the United States secretary of commerce pursuant to section 104 (a) (5) of the Federal Election Campaign Act of 1971. If for any reason no such determination is made, the commission shall from time to time determine the voting age population from the best readily available sources of information.
 - Section 2. Expenditure limits for statewide candidates. (1) Aggregate expenditures by a statewide candidate, his agents and controlled committees during the five months prior to an election shall not exceed the following amounts, adjusted in all years after 1976 for cost of living changes:
- (a) for a primary election for governor, thirty cents (\$.30) multiplied by the voting age population;
- 24 (b) for an election for governor other than a primary 25 election, thirty cents (\$.30) multiplied by the voting age

population; and

- (c) for a primary or general election for any
 statewide elective office other than governor, fifteen cents
 (\$.15) multiplied by the voting age population.
 - (2) The amounts set forth in subsection (1) shall be reduced by ten percent (10%) for an incumbent who is seeking reelection to the same statewide elective office.
 - (3) The state central committee of a political party, and committees and subcommittees it controls, shall not make expenditures during the five (5) months prior to a statewide election aggregating more than one cent (\$.01) multiplied by the voting age population and adjusted for cost of living changes. For purposes of this section, a county central committee is not a committee or subcommittee controlled by a state central committee.
 - (4) Except as provided in subsections (3) and (5) of this section, no independent committee shall make expenditures aggregating more than ten thousand dollars (\$10,000) during the five (5) months preceding a statewide election in support of or in opposition to the candidate seeking a nomination or election to a single statewide elective office. Two (2) or more independent committees which act jointly in making expenditures shall be considered a single independent committee for purposes of this chapter.
 - (5) Not less than sixty (60) days prior to an election

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1 an independent committee may file with the secretary of 2 state a statement of intent to make expenditures exceeding ten thousand dollars (\$10,000) in support of a statewide 3 candidate. The secretary of state shall immediately notify 5 all candidates for the nomination or office in question of the statement of intent and shall require the candidate 6 7 being supported to file a verified statement of whether or not the committee is independent of him. The secretary of state shall approve the statement of intent not more than thirty-nine (39) days prior to the election if it finds that the filer is a bona fide independent committee, that it is 11 in good faith in supporting the candidate, and that it has 12 the intention and ability to incur the expenditures. If the 13 statement of intent is approved, the secretary of state 14 shall notify each candidate for the nomination or office in 15 question other than the candidate supported by the 16 17 independent committee that the limits contained in subsection (1) of this section may be increased by the 18 amount in the statement of intent filed by the independent 19 conmittee, except to the extent that statements of intent to 20 make expenditures in support of such other candidates are 21 also approved. The secretary of state shall not approve 22 statements of intent for support of a candidate aggregating 23 more than one cent (\$.01) multiplied by the voting age 24 population and adjusted for cost of living changes. If 25

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- 1 statements of intent exceeding this amount are submitted, 2 the secretary of state shall apportion the expenditures 3 among the independent committees which have filed statements of intent on the basis of a strictly arithmetic formula which shall be prescribed by regulation.
 - (6) Expenditures incurred by an independent committee for communication directed to its own members or employees shall not be included within the limitations contained in subsections (2) and (3) of this section.
 - (7) If an expenditure is incurred in support of more than one (1) candidate, the entire amount is charged to each candidate for purposes of subsection (1) of this section and a proportionate amount is charged to each candidate for purposes of subsections (2) and (3) of this section.
 - (8) For purposes of this act an expenditure is made during the five-month period before the election if either payment is made or the consideration is received during that period. However, if the consideration is received before the primary election and payment is made after the primary election, the expenditure shall be charged only to the primary election and not to the general election.
- 22 (9) Payments made for the purpose of registering 23 voters or for bringing voters to the polling place are not expenditures within the meaning of this chapter. This 24 section does not affect the duty to disclose such payments

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1 under this act.

- Section 3. Expenditure limitations related to statewide petitions. (1) No person shall incur any expenditure in furtherance of the circulation or qualification of a statewide petition without the express or implied authorization of the proponent. For purposes of this section "expenditure" does not include:
- (a) unreimbursed expenses incurred by a circulator incidental to his circulation of the petition; or
- (b) expenditures for advertising or speech regarding the measure unless the advertising or speech is directly incidental to circulation of the petition.
- (2) Not more than twenty-five cents (\$.25) aultiplied by the number of signatures required for qualification, adjusted for cost of living changes, shall be spent in furtherance of the circulation or qualification of a statewide petition.
- (3) In addition to other remedies and penalties, a court shall order the secretary of state not to submit to the voters any measure which it is shown by clear and convincing evidence would not have qualified but for a violation of this section. The proponent of the measure shall be a party or real party in interest to any action brought under this section. Actions under this section may be initiated by the secretary of state or any voter. No

- judgment shall be issued under this section later than the
 day prior to the election. If a judgment against the
 proponent under this section is reversed after the election
 or after it is too late to submit the measure to the voters
 on the scheduled day of the election, the proposed measure
 will be deemed to have qualified on the day of the reversal
 of the judgment.
- (4) "Expenditures" as used in this section means expenditures to influence the action of the voters for or against the adoption of any state measure which has qualified to be placed on the ballot.
- (5) No committee may make expenditures with respect to any state measure in excess of ten thousand dollars (\$40,000) without complying with the requirements of this section. For purposes of this section, two (2) or more committees that act jointly is making expenditures are considered a single committee.
- (6) Any committee which intends to make expenditures in excess of ten thousand dollars (\$10,000) with respect to any state measure shall, not later than twenty-eight (28) days prior to the election, file a statement of intent with the secretary of state, which shall identify the measure and state whether the committee intends to support or oppose the measure and the amount the committee intends to spend. The secretary of state shall approve the statement of intent,

- subject to the limitations set forth in this section, if it finds that the committee is in good faith and supporting or opposing the measure and that it has the intention and ability to incur the expenditures. Not less than twenty—one (21) days prior to the election the secretary of state shall notify each committee whose statement of intent has been approved of the limitation on expenditures that is applicable to the committee.
- Section 4. Expenditure limitations in regard to statewide measures. (1) Aggregate expenditures in support of or in opposition to a state measure shall not exceed the lower of the amounts set forth in subsection (a) or (b) of this subsection:
 - (a) eight cents (\$.08) aultiplied by the voting age population, adjusted for cost of living changes;

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- (b) five hundred thousand dollars (\$500,000) plus the aggregate amount set forth in the approved statements of intent filed by committees on the opposite side of the issue.
- 20 (2) If the aggregate amounts set forth in the approved
 21 statements of intent filed in support of or in opposition to
 22 a state measure exceed the limitations contained in
 23 subsection (1) of this section, the secretary of state shall
 24 apportion the permissible expenditures among the committees
 25 which have filed statements of intent on the basis of a

- strictly arithmetic formula which shall be prescribed by regulation.
- 3 (3) Expenditures incurred by a committee for communication directed to its own members or employees shall not be included within the limitations imposed by this section.
- 7 Section 5. Section 43-802, R.C.H. 1947, is amended to 8 read as follows:
- 9 **43-802. Definitions. The following words and phrases 10 shall have the meaning respectively ascribed to them:
- 11 (1) Lobbying. The practice of promoting or opposing
 12 the introduction or enactment of legislation before the
 13 legislature or the members thereof or communicating with an
 14 elected state official, or state agency official to promote
 15 or oppose administrative action by any person other than a
 16 member of the legislature or a public official acting in his
 17 official capacity.
- 18 (2) Lobbyist. Any person who engages in the practice
 19 of lobbying for hire except in the manner authorized by
 20 section 43-807. Lobbying for hire shall include activities
 21 of any officers, agents, attorneys or employees of any
 22 principal who are paid a regular salary or retained by such
 23 principal and whose duties include lobbying communication
 24 directly or through other persons with any elected state
 25 official, agency official, or legislative official for the

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- purpose of influencing legislative or administrative action.
- When a person is only reimbursed for his personal living and
- 3 travel expenses, he shall not be considered to be lobbying
 - for hire. Bothing in this section shall be construed to
- 5 deprive any citizen not lobbying for hire of his
- 6 constitutional right to communicate with members of the
- 7 legislature.
- 8 (3) Lobbyist's account. A fund, account, or trust
- 9 controlled by a lobbyist in connection with his activities
- 10 as a lobbyist.
- 11 (3) (4) Unprofessional conduct. A violation of any of
- 12 the provisions of this act, or soliciting employment from
- 13 any principal, or instigating the introduction of
- 14 legislation for the purpose of obtaining employment in
- 15 opposition thereto, or attempting to influence the vote of
- 16 legislators on any measure pending or to be proposed by the
- 17 promise of support or opposition at any future election, or
- 18 by any other means than argument on the merits thereof, or
- 19 by making public any unsubstantiated charges of improper
- 20 conduct on the part of any other lobbyist or of any
- 21 legislator, or engaging in practices which reflect discredit
- 22 on the practice of lobbying or the legislature.
- 23 (4) (5) Principal. (a) Any person, corporation or
- 24 association which engages a lobbyist or other person in
- 25 connection with any legislation, pending before the

legislature or to be proposed, affecting the pecuniary

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- 2 interest of such person, corporation or association.
- 3 (b) Any board, department, commission or other agency

of the state, or any county or aunicipal corporation, which

- 5 engages a lobbyist or other person in connection with any
- 6 legislation pending or to be proposed affecting the
- 7 statutory powers, duties or appropriation of such agency,
- 8 county or aunicipal corporation.
- 9 (6) (6) Docket. The register of licensed lobbyists
- 10 maintained by the secretary of state pursuant to section
- 11 43-805.
- 12 (6) (7) Pecuniary interest. This term includes without
- 13 limitation any legislation which creates, alters or repeals
- 14 any statutory charge by way of tax, license fee,
- 15 registration fee or otherwise, or which creates, alters or
- 16 repeals any statutory privilege, power, restriction or
- 17 obligation of any principal, or which creates, alters or
- 18 repeals the powers or duties of any court or governmental
- 19 agency before which the principal does business.*
- 20 Section 6. Section 43-803, R.C.M. 1947, is amended to
- 21 read as follows:
- 22 **43-803. Licensing of lobbyists—fee—expiration,
- 23 suspension or revocation—reinstatement. (1)
- 24 Licenses—fees—eligibility. Any person of adult age and
- 25 good moral character who is a citizen of the United States

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and otherwise qualified under this act may be licensed as a 1 lobbyist as herein provided. The secretary of state shall provide for the form of application for license. Such 3 application may be obtained in the office of the secretary 5 state and filed therein. Upon approval of such 6 application and payment of the license fee of ten dollars 7 (\$10.00) to the secretary of state, a license shall be issued which shall entitle the licensee to practice lobbying 9 on behalf of any one or more principals. Bach license shall 10 expire on December 31 of each odd ausbored vear. No application shall be disapproved without affording the 11 12 applicant a hearing which shall be held and decision entered within ten (10) days, of the date of filing of the 13 14 application. The license fees collected by the secretary of 15 state under this act shall be deposited by him in the state 16 treasury.

(2) Suspension or revocation of license. Upon verified complaint in writing to the attorney general of the state of Montana charging the holder of a license with having been guilty of unprofessional conduct or with having procured his license by fraud or perjury or through error, the attorney general is hereby authorized to bring civil action in the district court for Lewis and Clark county, state of Montana, against the holder and in the name of the state as plaintiff to revoke the license. Bearing shall be held by the court

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unless the derendant-licensee demands a jury trial. The
trial shall be held as soon as possible and at least twenty
(20) days after the filing of the charges and shall take
precedence over all other matters pending before the court.
If the court finds for the plaintiff judgment shall be
rendered revoking the license, and the clerk of the court
shall file a certified copy of the judgment with the
secretary of state. The licensing authority may commence
any such action on his own motion.

who has been convicted of a violation of any provision of this act shall engage in any lobbying until he has been reinstated to the practice of lobbying and duly licensed."

Section 7. Lobbyists must be registered and licensed.

A person employed or retained as a lobbyist shall register with and be licensed by the secretary of state before doing anything to influence legislation or administrative action.

(3) Suspension of lobbying privileges. No lobbyist

whose license has been suspended or revoked and no person

Section 8. Information required upon registration.

Back lobbyist shall register by filing with the secretary of

state a recent three (3) inch by four (4) inch

black-and-white photograph of himself, a written

authorization to act as a lobbyist from each person by whom

he is employed or with whom he contracts, and a statement

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(a) his full name, business address, and telephone number:

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- (b) the name and business address of each person by whom he is employed or with whom he contracts for lobbying purposes (his principal(s)), and the term of his employment or contract if known; and
- 7 (c) a listing of each state agency whose 8 administrative actions he will attempt to influence as a 9 substantial or regular portion of his activities as a 10 lobbvist.
 - Section 9. License renewal. A licensed lobbyist may renew his registration by filing a new photograph, authorization, and registration statement prior to the opening of each regular session of the legislature.
 - Section 10. Amendments to registrations to be filed upon changes termination. If any change occurs in any of the information contained in a registration statement, an appropriate amendment shall be filed within twenty days after the change. Each registered lobbyist shall file a notice of termination within thirty days after he ceases the activity which required his registration. He shall remain subject to the prohibitions against lobbyist contributions and gifts provided by this act for six months after filing his notice of termination.
- 25 Section 11. Section 43-805, R.C.M. 1947, is amended to

- i read as follows:
- #43-805. Docket-contents-report to legislaturesubjects of legislation-written authorization. (1) The secretary of state shall prepare and keep a docket in which shall be entered the name and business address of each lobbyist and the name and business address of his principal, 7 and the subject or subjects of legislation or administrative action to which the employment relates or a statement that the employment relates to all matters in which the principal has an interest. Such docket shall be a public record and 11 open to the inspection of any citizen upon demand at any 12 time during the regular business hours of the office of the 13 secretary of state. Beginning with the first week following the beginning of any regular or special session of the 14 15 legislature and on every Tuesday thereafter for the duration 16 of such session, the secretary of state shall from his 17 records report to each house of the legislature the mames of 18 lobbyists registered under this act, not previously 19 reported, the names of the persons whom they represent as 20 such lobbvist, and subject of legislation in which they are 21 interested.
- 22 (2) Any principal employing any lobbyist shall when
 23 further subjects of legislation or administrative action are
 24 introduced or arise which such lobbyist is to promote or
 25 oppose, make or cause to be made additional entries in the

- docket stating such employment so that the docket will show
 at all times all subjects of legislation in relation to
 which the lobbyist is employed or the general statement
 provided above.
- 5 (3) Fithin ten (10) days after his registration is the docket, a lobbyist chall file with the secretary of state a written authorisation to not as such signed by his principal."

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- Section 12. Lobbyists to establish expense account.

 Every lobbyist who incurs expenses or expects to incur expenses in connection with his activities as a lobbyist shall establish one or more accounts, each of which shall be designated by a name. All payments received by a lobbyist for the purpose of paying expenses incurred by him in connection with his activities as a lobbyist shall be deposited without delay into his account. A lobbyist may deposit other funds, including his own personal funds, into his account.
- 19 Section 13. All expenses to be paid from account.
 20 (a) Except as provided in subsection (b) of this section,
 21 no person shall pay any expense incurred by a lobbyist in
 22 connection with his activities as a lobbyist unless such
 23 payment is made directly from the lobbyist's account. Any
 24 lobbyist who makes a gift to an elected state official, a
 25 legislative official or an agency official is deemed to be

- 1 acting in connection with his activities as a lobbyist.
- 2 (b) The secretary of state shall promulgate
- 3 regulations permitting the use of cash which has been
- 4 withdrawn from a lobbyist's account to defray petty cash
- 5 items.
- 6 Section 14. Periodic reports. Every lobbyist shall
- 7 file periodic reports containing:
- 8 (1) the monetary value of all payments, including but
- 9 not limited to salary, fees, and reimbursement of expenses.
- 10 received in consideration for or directly or indirectly in
- 11 support of or in connection with influencing legislative or
- 12 administrative action, and the full name and address of each
- 13 person from whom amounts or things of value have been
- 14 received and the total monetary value received from each
- 15 person:
- 16 (2) with respect to each account controlled by the
- 17 lobbyist at any time during the period covered by the
- 18 report:

- (a) the name of the account;
- 20 (b) the amount deposited in the account during the
- 21 period:
- 22 (c) the full name and address of each person who is
- 23 the source of any amounts deposited into the account,
- 24 together with the amount attributable to each source:
- 25 (d) the date and amount of each disbursement from the

- 1 account during the period, together with the full make and 2 address of the pavee, a specific description of the 3 consideration, if any, for which the disbursement was made and the full name and address or official position of the beneficiary if the beneficiary is other than the payee or the lobbyist. In the case of disbursements for gifts of 7 food and beverages the full name of the person and the official position, if any, who received the food and beverages, and the amount paid for each person shall be 10 stated. In the case of any disbursement which covers more 11 than one item, all information shall be shown that would be 12 required if a separate disbursement had been made for each 13 item. The commission may by regulation provide for the 14 reporting of overhead expenditures without detailed 15 itemization: and
- (e) the cash balance of the account at the beginning
 and end of the period covered by the report:

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- (3) with respect to expenses in furtherance of his activities as a lobbyist paid out through the petty cash fund, such information as the secretary of state may require:
- 22 (4) the name and official position of each elective 23 state official, legislative official and agency official, 24 the name of each state candidate, and the name of each 25 member of the immediate family of any such official or

- candidate with whom the lobbyist has engaged in an exchange
- 2 of money, goods, services or anything of value and the
 - nature and date of -ach such exchange and the monetary

(5) the mame and address of any business entity in

4 values exchanged;

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- 6 which the lobbyist knows or has reason to know that an 7 elective state official, legislative official, agency 8 official or state candidate is a proprietor, partner, 9 director, officer or manager, or has more than a fifty
- 11 engaged in an exchange of money, goods, services or anything

percent (50%) ownership interest, with whom the lobbyist has

- 12 of value and the nature and date of each exchange and the
- 13 mometary value exchanged, if the total value of such
 - exchanges is five hundred dollars (\$500) or more in a
- 15 calendar year;
- 16 (6) a specific description of legislative or 17 administrative action which the lobbyist has influenced or
- 18 attempted to influence, and the agencies involved, if any;
- 19 (7) any other information required by the secretary of
- 20 state consistent with the purposes and provisions of this
- 21 act.
- 22 Section 15. Principals shall file reports. Principals
- 23 shall file periodic reports containing:
- 24 (1) the name, business address and telephone number of
- 25 the person making the report:

1 (2) information sufficient to identify the nature and interests of the filer, including: 2

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- (a) if the filer is an individual, the name and address of his employer, if any, or his principal place of business if he is self-employed, and a description of the business activity in which he or his employer is engaged;
- (b) if the filer is a business entity, a description of the business activity in which it is engaged:
- (c) if the filer is an industry, trade or professional association, a description of the industry, trade or profession which it represents including a specific description of any portion or faction of the industry, trade, or profession which the association exclusively or primarily represents and, if the association has no more than fifty (50) members, the names of the members; and
- (d) if the filer is not an individual, business entity or industry, trade or professional association, a statement of the person's nature and purposes, including a description of any industry, trade, profession or other group with a common economic interest which the person principally represents or from which its membership or financial support is principally derived:
- 23 (The information required by this subsection (2) need be stated only in the first report filed during a calendar 24 25 year, except to reflect changes in the information

previously reported.)

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- (3) the total amount of payments to influence legislative and administrative action during the period, and the name and address of each person to whom such payments in an aggregate value of twenty-five dollars (\$25) or more have been made during the period by the filer, together with the date, amount, and a description of the consideration received for each such expenditure, and the name of the beneficiary of each expenditure if other than the filer or the payee:
- (4) the name and official position of each elective 11 12 state official, legislative official and agency official, 13 the name of each state candidate, and the name of each 14 member of the immediate family of any such official or 15 candidate with whom the filer has engaged in an exchange of 16 money, goods, services or anything of value and the nature 17 and date of each such exchange and the monetary values 18 exchanged, if the fair market value of either side of the 19 exchange exceeded one thousand dollars (\$1,000):
- (5) the name and address of any business entity in which the person making the report knows or has reason to 22 know that an elective state official, legislative official. 23 agency official or state candidate is a proprietor, partner. director, officer, manager, or has more than a fifty percent (50%) ownership interest, with whom the person making the 25

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- 1 report has engaged in an exchange or exchanges of money,
- 2 goods, services or anything of value and the nature and date
 - of each such exchange and the monetary value exchanged, if
- 4 the total value of such exchanges is one thousand dollars
- 5 (\$1,000) or more in a calendar year;
- 6 (6) the date and amount of each contribution made by
- 7 the filer and the name of the recipient of each
- contribution:

- 9 (7) a specific description of legislative or
- 10 administrative action which the person making the report has
- 11 attempted to influence;
- 12 (8) the name of each lobbyist employed or retained by
- 13 the person making the report, together with the total amount
- 14 paid to each lobbyist and the portion of that amount which
- 15 was paid for specific purposes, including salary, fees,
- 16 general expenses and any special expenses; and
- 17 (9) any other information required by the secretary of
- 18 state consistent with the purposes and provisions of this
- 19 act.
- 20 Section 16. When reports are required. The reports
- 21 required by sections 8 and 10 of this act shall be filed
- 22 during the month following each month during any part of
- 23 which the legislature was in session and during the month
- 24 following each calendar quarter. The period covered shall
- 25 be from the beginning of the calendar year through the last

- 1 day of the month prior to the month during which the report
- 2 is filed, except that the period covered shall not include
- 3 any months covered in previous reports filed by the same
- 4 person. When total amounts are required to be reported,
- 5 totals shall be stated both for the period covered by the
- 6 statement and for the entire calendar year to date.
- 7 Section 17. Report content to be published in the
- 8 journals. All information contained in reports filed
- 9 pursuant to this act shall be printed in a supplement to the
- 10 journals of the senate and house of representatives.
- 11 Section 18. Contributions and gifts by lobbyists
- 2 prohibited. (1) As used in this section:
- 13 (a) "Contribution" agains a contribution made to a
- 14 state candidate, a committee supporting a state candidate,
- .15 or an elected state officer.
- (b) "Gift" means a gift made directly or indirectly to
- 17 a state candidate, an elected state officer, a legislative
- 18 official, or an agency official.
- 19 (2) It is unlawful for a lobbyist to make a
- 20 contribution, or to act as an agent or intermediary in the
- 21 making of any contribution, or to arrange for the making of
- 22 any contribution by himself or by any other person.
- 23 (3) It is unlawful for a lobbyist to make gifts to one
- 24 (1) person aggregating more than ten dollars (\$10) in a
- 5 calendar month, or to act as an agent or intermediary in the

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making of any gift, or to arrange for the making of any gift
by any other person.

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- (4) It is unlawful for any person knowingly to receive any contribution or gift which is made unlawful by this act.
- 5 Section 19. Other prohibited acts. No lobbyist shall:
 - (1) do anything with the purpose of placing any elected state officer, legislative official, agency official, or state candidate under personal obligation to him or to his employer;
 - (2) deceive or attempt to deceive any elected state officer, legislative official, agency official, or state candidate with regard to any material fact pertinent to any pending or proposed legislative or administrative action:
 - (3) cause or influence the introduction of any bill or amendment thereto for the purpose of thereafter being employed to secure its passage or defeat;
 - (4) attempt to create a fictitious appearance of public favor or disfavor of any proposed legislative or administrative action or to cause any communication to be sent to any elected state officer, legislative official, agency official, or state candidate in the name of any fictitious person or in the name of any real person, except with the consent of that real person;
- (5) represent falsely either directly or indirectly,that he can control the official action of any elected state

- officer, legislative official, or agency official;
- 2 (6) accept or agree to accept any payment in any way
 3 contingent upon the defeat, enactment or outcome of any
 4 proposed legislative or administrative action.
- 5 Section 20. Conflict of interest prohibited. (1) No 6 public official at any level of state or local government 7 shall make, participate in making or in any way attempt to 8 use his official position to influence a governmental 9 decision in which he knows or has reason to know he has a 10 financial interest.
- 11 (2) Subsection (1) of this section does not prevent
 12 any public official from making or participating in the
 13 making of a governmental decision to the extent his
 14 participation is legally required for the action or decision
 15 to be made. The fact that an official's vote is needed to
 16 break a tie does not make his participation legally required
 17 for purposes of this section.
- 18 (3) The requirements of this section are in addition
 19 to the requirements for disclosure of investments and his
 20 interests in real property and the standards promulgated
 21 under the conflict of interest codes required under this
 22 act.
- 23 (4) An official has a financial interest in a decision 24 within the meaning of this section if it is reasonably 25 foreseeable that the decision will have a material financial

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- 1 effect, distinguishable from its effect on the public 2 generally, on:
- 3 (a) any business entity in which the public official 4 has a direct or indirect investment worth more than one 5 thousand dollars (\$1,000):

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- (b) any real property in which the public official has a direct or indirect interest worth more than one thousand dollars (\$1,000);
- (c) any source of income, other than loans by a commercial lending institution in the regular course of business, aggregating two hundred fifty dollars (\$250) or more in value received by or promised to the public official within twelve months prior to the time when the decision is made: or
- (d) any business entity in which the public official is a director, officer, partner, trustee, employee, or holds any position of management.
- or interest means any investment or interest owned by the spouse or dependent child of a public official, by an agent on behalf of a public official, by any business entity controlled by the public official or by a trust in which he has a substantial interest. A business entity is controlled by a public official if the public official, his agents, spouse and dependent children hold more than fifty percent

- 1 (50%) of the ownership interest in the entity. A public
- 2 official has a substantial interest in a trust when the
- 3 official, his spouse and dependent children have a present
- or future interest worth more than one thousand dollars
- 5 (\$1,000).
- Section 21. Disclosure of interests required—when—
 what. (1) This section is applicable to elected state
 officers, members of the board of county commissioners,
 mayors, city managers, chief administrative officers and
 members of city councils of cities, and to candidates for
 any of these offices at any election.
- 12 (2) Every candidate for an office specified in 13 subsection (1) of this section shall file with his 14 declaration of candidacy a statement disclosing his 15 investments and his interests in real property.
- 16 (3) Every person who is elected to an office specified 17 in subsection (1) of this section shall, within thirty days 18 after assuming such office, file a statement disclosing his 19 investments and his interests in real property. Every 20 person who is appointed to an office specified in subsection 21 (1) of this section shall file such a statement not less 22 than ten (10) days prior to assuming office. Persons who
- 23 hold an office mentioned in subsection (1) of this section
- 24 on the effective date of this act shall file such a
- 25 statement within thirty days after the effective date of

this act.

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- (4) Every person who holds an office specified in subsection (1) of this section shall, within thirty days after each anniversary of assuming office, file a statement disclosing his investments, his interests in real property and his income during the period since the previous statement filed under this section. The statement shall include any investments and interests in real property held at any time during the period covered by the statement, whether or not they are still held at the time of filing.
- (5) Every person who leaves an office specified in subsection (1) of this section shall, within thirty days after leaving the office, file a statement disclosing his investments, his interests in real property, and his income during the period since the previous statement filed under this section. The statement shall include any investments and interests in real property held at any time during the period covered by the statement, whether or not they are still held at the time of filing.
- (6) (a) For purposes of determining the anniversary of assuming an office, the date on which the term of office began is deemed the date of assuming office, whether or not the person holding the office actually assumed the office on that date.
- (b) A person who completes a term of an office

- 1 specified in this section and on the same day begins a term
- 2 of the same office or another such office of the same
- 3 jurisdiction is not deemed to assume office or leave office.
- 4 The day on which the new term begins shall be deemed an
- 5 anniversary of assuming the office.
- 6 (7) When an investment or an interest in real property
- is required to be disclosed under this article, the
- 8 statement shall contain:
- 9 (a) a statement of the nature of the investment or
- 10 interest:
- 11 (b) the name of the business entity in which each
- 12 investment is held, and a general description of the
- 13 business activity in which the business entity is engaged;
- 14 (c) the address or other precise location of the real
 - property:

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- 16 (d) a statement whether the fair market value of the
- 17 investment or interest in real property exceeds ten thousand
- 18 dollars (\$10,000), and whether it exceeds one hundred
- 19 thousand dollars (\$100,000). This information need not be

provided with respect to an interest in real property which

- 21 is used principally as the residence of the filer:
- 22 (e) in the case of an investment which constitutes
- 23 fifty percent (50%) or more of the ownership interest in a
- 24 business entity, disclosure of the investments and interests
- 25 in real property of the business entity;

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(f) if an investment or interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the date of acquisition or disposal.

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- 5 (8) (a) When income is required to be reported under 6 this section, the statement shall contain:
- 7 (i) the mame and address of each source of income aggregating two hundred fifty dollars (\$250) or more in value, or twenty-five dollars (\$25) or more in value if the income was a gift, and a general description of the business activity, if any, of each source:
 - (ii) a statement whether the aggregate value of income from each source was greater than one thousand dollars (\$1,000), and whether it was greater than ten thousand dollars (\$10,000);
- 16 (iii) a description of the consideration, if any, for 17 which the income was received:
- 18 (iv) in the case of a gift, the amount and the date on 19 which the gift was received.
- 20 (b) when income of a business entity, including income 21 of a sole proprietorship, is required to be reported under 22 this section, the statement shall contain:
- 23 (i) the name, address, and a general description of 24 the business activity of the business entity:
- (ii) in the case of a business entity which provides 25

legal or brokerage services, the name of every person who paid fees to the business entity if the filer's pro rata 2 share of fees from such person was equal to or greater than

one thousand dollars (\$1,000):

- (iii) in the case of a business entity not covered by subsection (8) (b) (ii) of this section, the name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars 10 (\$10,000) during a calendar year.
- 11 Section 22. Conflict of interest codes required. 12 (1) Every agency shall adopt and promulgate a conflict of 13 interest code pursuant to the provisions of this section. A conflict of interest code shall have the force of law and 14 15 any violation of a conflict of interest code by a designated 16 employee is a violation of this chapter.
- 17 (2) It is the policy of this act that conflict of interest codes shall be formulated at the most decentralized 18 19 level possible, but without precluding intra-departmental .20 review. Any question of the level of a department which should be deemed an *agency* for purposes of this section 21 22 shall be resolved by the code reviewing body.
- 23 (3) Each conflict of interest code shall contain the 24 following provisions:
- 25 (a) specific enumeration of the positions within the

agency which involve the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest:

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(b) requirements that each designated employee file annual statements disclosing reportable investment. interests in real property and income. The conflict of interest code shall set forth for each position or category of positions enumerated under subsection (a) of this section the specific types of investments, interests in real property and income which are reportable and the manner of reporting each item. An investment, interest in real property or income shall be made reportable by the conflict of interest code if the business entity in which the investment is held, the interest in real property, or the income or source of income may foreseeably be affected materially by any decision made or participated in by the designated employee by wirtue of his position. The manner of reporting reportable items shall be substantially equivalent to the requirements of section 2 of this act. The first statement filed under this section by a designated employee shall disclose any reportable investments and interests in real property. Statements shall be filed by each designated employee within thirty (30) days after the effective date of the conflict of interest code. Thereafter, new civil service designated employees shall

- file statements within thirty (30) days after assuming
- office. All other new designated employees shall file
- 3 statements not less than ten (10) days before assuming
 - office or, if subject to confirmation, ten (10) days before
- 5 being confirmed, unless an earlier assumption of office is
- 6 required by emergency circumstances. The provisions of the
- 7 conflict of interest code adopted under this subsection
- shall not be applicable to any designated employee who is

provisions

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forth

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9 covered by section 2 of this act.

(c) specific

- circumstances under which designated employees or categories
 of designated employees must disqualify themselves from
 making or participating in the making of any decision.
 Disqualification shall be required by the conflict of
 interest code when the designated employee has a financial
 interest as defined in subsection (4), which it is
 reasonably foreseeable may be affected materially by the
- 19 disqualify himself with respect to any matter which could

decision. No designated employee shall be required to

- 20 not legally be acted upon or decided without his
- 21 participation.

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- 22 (4) No conflict of interest code shall be effective
- 23 until it has been approved by the code reviewing body. Each
 - agency shall submit a proposed conflict of interest code to
- 25 the code reviewing body by the deadline established for the

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agency by the code reviewing body. The deadline for any agency in existence on April 1, 1975, shall not be earlier than April 1, 1976. The deadline for any agency not in existence on April 1, 1975, shall be six (6) months after it comes into existence. Within ninety (90) days after receiving the proposed code or receiving any proposed amendments or revisions, the code reviewing body shall:

(a) approve the proposed code as submitted:

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- 9 (b) revise the proposed code and approve it as 10 revised: or
 - (c) return the proposed code to the agency for revision and resubmission within sixty (60) days. The code reviewing body shall either approve the revised code or revise it and approve it. When a proposed conflict of interest code or amendment is approved by the code reviewing body, it shall be deemed adopted and shall be promulgated by the agency.
 - (5) If any agency fails to submit a proposed conflict of interest code or amendments within the time limits prescribed pursuant to subsection (4) or (7), the code reviewing body may issue any appropriate order directed to the agency or take any other appropriate action, including the adoption of a conflict of interest code for the agency.
- 24 (6) If after six (6) months following the deadline for 25 submission of the proposed conflict of interest code to the

- 1 code reviewing body no conflict of interest code has been
- 2 adopted and promulgated, the district court may, in an
 - action filed by the agency, the code reviewing body, any
- 4 officer, employee, member or consultant of the agency, or
- 5 any resident of the jurisdiction, prepare a conflict of
- interest code and order its adoption by the agency or grant
- 7 any other appropriate relief. The agency and the code
- 8 reviewing body shall be parties to any action filed pursuant
- 9 to this section.

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- 10 (7) Every agency shall amend its conflict of interest
- 11 code, subject to the provisions of subsection (4), when
- 12 change is necessitated by changed circumstances, including
- 13 the creation of new positions which must be designated
- 14 pursuant to subsection (3) (a) and relevant changes in the
- 15 duties assigned to existing positions. Proposals for
- 16 amendments or revisions shall be submitted to the code
- 17 reviewing body within ninety (90) days after the changed
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circumstances necessitating the amendments have become

- 19 apparent. If after nine (9) months following the occurrence
- 20 of such changes the conflict of interest code has not been
- 21 amended or revised, the superior court may issue any
- 22 appropriate order in an action brought under the procedures
- 23 set forth in subsection (6).
- 24 (8) An agency may at any time amend its conflict of
- 5 interest code, subject to the provisions of subsection (4),

- either upon its own initiative or in response to a petition submitted by an officer, employee, member or consultant of the agency, or a resident of the jurisdiction. If the agency fails to act upon such a petition within ninety (90) days, the petition shall be deemed denied. Within thirty (30) days after the denial of a petition, the petitioner may appeal to the code reviewing body. The code reviewing body shall either dismiss the appeal or issue an appropriate
- 10 (9) Judicial review of any action of a code reviewing
 11 body under this chapter may be sought by the agency, by an
 12 officer, employee, member or consultant of the agency, or by
 13 a resident of the jurisdiction.

order to the agency within ninety (90) days.

- 14 (10) No conflict of interest code or amendment shall 15 be approved by the code reviewing body or upheld by a court 16 if it:
- 17 (a) fails to provide reasonable assurance that all 18 foreseeable potential conflict of interest situations will 19 be disclosed or prevented:
- 20 (b) fails to provide to each affected person a clear
 21 and specific statement of his duties under the code; or
- 22 (c) fails to adequately differentiate between
 23 designated employees with different powers and
 24 responsibilities.
- 25 (11) If the duties of a designated employee are so

- 1 broad or indefinable that the requirements of subsection
- 2 (10) cannot be complied with, the conflict of interest code
- 3 shall require the designated employee to comply with the
- 4 requirements of section 2 of this act.
- 5 (12) The review of proposed conflict of interest codes
- by the secretary of state and by the attorney general and
- 7 the preparation of proposed conflict of interest codes by
- 8 state agencies shall be subject to the Montana
- 9 Administrative Procedure Act. The review and preparation of
- 10 conflict of interest codes by local government agencies
- 11 shall be carried out under procedures which guarantee to
- 12 officers, employees, members, and consultants of the agency
- 13 and to residents of the jurisdiction adequate notice and a
- 14 fair opportunity to present their views.
- 15 (13) The secretary shall, upon request, provide
- 16 technical assistance to agencies in the preparation of
- 17 conflict of interest codes. Such assistance may include the
- 18 preparation of model provisions for various types of
- 19 agencies. Nothing in this section shall relieve each agency
- 20 of the responsibility for adopting a conflict of interest
- 21 code appropriate to its individual circumstances.
- 22 (14) As used in this section, the term "code reviewing
- 23 body means:
- 24 (a) the attorney general with respect to the conflict
- 25 of interest code of a state agency, a board of county

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commissioners, a city council or commission;

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- (b) the governor with respect to the department ofjustice;
- 4 (c) the board of county commissioners with respect to
 5 the conflict of interest code of any county agency within
 6 the county; and
- (d) the city council with respect to the conflict of
 interest codes of city agencies.
- 9 Section 23. Report auditing. (1) Except as provided 10 in subsection (6) of this section, the department of revenue 11 shall make audits and field investigations with respect to 12 reports and statements filed with the secretary of state 13 under Title 23, R.C.H. 1947.
 - (2) Audits and investigations shall be made pursuant to this section with respect to the reports and statements of:
 - (a) each candidate who has received more than fifteen percent of the total vote cast for the office for which he was running in either a general or special election;
 - (b) each candidate running in a primary, general, or special election for whom the department of revenue determines more than twenty—five thousand dollars (\$25,000) of expenditures have been made, whether by the candidate or by a committee or committees supporting his candidacy;
- 25 (c) each committee, other than a committee defined in

- section 1 (8) (c), supporting one or more such candidates,
- insofar as its reports and statements relate to the support
- 3 of such candidates;
- 4 (d) each committee, other than a committee defined in
- 5 section 1 (8) (c), which is required to register or file
- 6 reports or statements with the secretary of state, and which
 - the department of revenue determines has spent more than ten

committee in connection with a report or statement required

- 8 thousand dollars (\$10,000) during any calendar year.
- 9 (3) (a) No audit or investigation of any candidate or
- -
- 11 by Title 23, R.C.M. 1947, may begin until after the last
- 12 date for filing the first report or statement following the
- 13 general or special election for the office for which the
- 14 candidate ran, or following the election at which the
- 15 measure was adopted or defeated. When the campaign
- 16 statements of a candidate or a committee supporting a
- 17 candidate are audited and investigated, the audit and
- 18 investigation shall cover all campaign statements filed in
- 19 connection with the primary and general or special elections
- 20 and any previous campaign statement filed pursuant to law
- 21 since the last campaign statement filed in connection with
- 22 an election.
- 23 (b) The department of revenue shall determine from its
- 24 audit and investigation if there is probable cause to
- 25 believe that any candidate, committee or proponent of a

state measure has exceeded the limitations provisions of this act. Any such finding shall be reported to the secretary of state and the attorney general.

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- (4) In addition to the audits and investigations required by this section, the department of revenue and the secretary of state may make investigations and audits with respect to any reports or statements required by Title 23, R.C.H. 1947.
- (5) The department of revenue shall periodically prepare reports which shall be sent to the secretary of state and the attorney general. The reports of the department of revenue shall be public documents and shall contain in detail the department's findings with respect to the accuracy and completeness of each report and statement reviewed and its findings with respect to any report or statement that should have been but was not filed.
- (6) No member, employee or agent of the department of revenue may divulge or make known in any manner any particulars of any record, documents, or information that he receives by virtue of this act, except in furtherance of the work of the department or in connection with any court proceeding or any lawful investigation of any agency.
- (7) Audits and field investigations of candidates for governor and of committees supporting such candidates shall be made by the secretary of state instead of the department

of revenue.

2 Section 24. Penalties. (1) Any person who knowingly 3 or willfully violates any provision of this act is quilty of a misdemeanor.

- 5 (2) In addition to other penalties provided by law, a fine of up to the greater of ten thousand dollars (\$10,000) or three (3) times the amount the person failed to report properly or unlawfully contributed, expended, gave or received may be imposed upon conviction for each violation.
- 10 (3) Prosecution for violation of this title must be 11 commenced within two (2) years after the date on which the 12 violation occurred.
- 13 Section 25. Responsibilities for prosecutions. 14 (1) The attorney general is responsible for enforcing the 15 criminal provisions of this act with respect to state 16 agencies and state elections. The city and county attorneys 17 of any city or county in which a wiolation occurs have concurrent powers and responsibilities with the attorney 18 19 ceneral.
- 20 (2) The civil prosecutor is primarily responsible for 21 enforcement of the civil penalties and remedies of this title. The civil prosecutor is the secretary of state with 23
- respect to the state or any state agency, the city attorney with respect to a city or city agency, and the county 24
- attorney with respect to any other agency. The civil

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prosecutor may bring any civil action under this title which could be brought by a voter or resident of the jurisdiction.

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Section 26. Risdemeanant not to be candidate. No person convicted of a misdemeanor under this act shall be a candidate for any elective office or act as a lobbyist for a period of four (4) years following the date of the conviction unless the court at the time of sentencing specifically determines that this provision shall not be applicable. A plea of nolo contenders shall be deemed a conviction for purposes of this section. Any person violating this section is guilty of a felony.

Section 27. Resident suits to enjoin violations.

(1) May person residing in the jurisdiction may sue for injunctive relief to enjoin violations or to compel compliance with the provisions of this act. The court may in its discretion require the plaintiff to file a complaint with the secretary of state prior to seeking injunctive relief. The court may award to a plaintiff or defendant who prevails his costs of litigation, including reasonable attorney's fees.

(2) Upon a preliminary showing in an action brought by a person residing in the jurisdiction that a violation of this act or of a disqualification provision of a conflict of interest code has occurred, the court may restrain the execution of any official action in relation to which such a

ultimately determined that a violation has occurred and that
the official action might not otherwise have been taken or
approved, the court may set the official action aside as
void. The official actions covered by this subsection
include but are not limited to orders, permits, resolutions
and contracts, but do not include the enactment of any state
legislation. In considering the granting of preliminary or
permanent relief under this subsection, the court shall

violation occurred, pending final adjudication. If it is

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Section 28. Agency discipline for conflict of interest violations. Any person who violates a provision relating to the conflict of interest codes is subject to discipline by his agency, including dismissal, consistent with any applicable personnel laws, regulations, and procedures.

innocent persons relying on the official action.

accord due weight to any injury that may be suffered by

Section 29. Civil liability for reporting violations.

18 Any person who intentionally or negligently violates any of 19 the reporting requirements of this act shall be liable in a 20 civil action brought by the civil prosecutor or by a person

22 the amount or walue not properly reported.

23 Section 30. Other civil liability. (1) Any person who
24 makes or receives a contribution, gift or expenditure in

25 violation of this act, or makes an expenditure in violation

residing within the jurisdiction for an amount not more than

of this act is liable in a civil action brought by the civil
prosecutor or by a person residing within the jurisdiction
for an amount up to five hundred dollars (\$500) or three
times the amount of the unlawful contribution, gift or
expenditure, whichever is greater.

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(2) Any designated employee who realizes an economic benefit as a result of a violation of a disqualification provision of a conflict of interest code is liable in a civil action brought by the civil prosecutor or by a person residing within the jurisdiction for an amount up to three times the value of the benefit.

Section 31. Joint liability. If two or more persons are responsible for any violation, they shall be jointly and severally liable.

Section 32. Requests for action to be filed. Any person, before filing a civil action pursuant to this act, must first file with the civil prosecutor a written request for the civil prosecutor to commence the action. The request shall include a statement of the grounds for believing a cause of action exists. The civil prosecutor shall respond within forty (40) days after receipt of the request, indicating whether he intends to file a civil action. If the civil prosecutor indicates in the affirmative, and files suit within forty (40) days thereafter, no other action may be brought unless the action

throught by the civil prosecutor is dismissed without prejudice as provided for in this act.

3 Section 33. Advancement on docket-dismissal without prejudice. Not more than one judgment on the merits with respect to any violation may be obtained under this act. Actions brought for the same violation or violations shall have precedence for purposes of trial in order of the time Such actions shall be dismissed once judgment has filed. been entered or a settlement approved by the court in a 10 previously filed action. The court may dismiss a pending 11 action without prejudice to any other action for failure of the plaintiff to proceed diligently and in good faith. The 12 action may be so dismissed on motion of the civil prosecutor 13 or any plaintiff in an action based on the same violation. 14

under this act, the court may take into account the seriousness of the violation and the degree of culpability of the defendant. If a judgment is entered against the defendant or defendants in an action brought under this act, the plaintiff shall receive fifty percent (50%) of the amount recovered. The remaining fifty percent (50%) shall

Section 34. Amount of liability-disposition

recovered amounts. In determining the amount of liability

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23 be deposited in the general fund of the state. In an action

24 brought by the civil prosecutor, the entire amount recovered

5 shall be paid to the general and or treasury of the

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- 1 jurisdiction.
- Section 35. Civil prosecution requests made after
- 3 audit. No request to the civil prosecutor pursuant to this
- 4 act shall be made or filed in connection with a required
- 5 report or statement until the time when an audit and
- investigation could be begun.
- 7 Section 36. Limitation on actions. No action shall be
- 8 filed under this act more than two years after the first day
- on which a request to the civil prosecutor could be filed.
- 10 Section 37. Costs of litigation may be awarded. The
- 11 court may award to a plaintiff or defendant other than an
- 12 agency, who prevails in any action authorized by this act
- 13 his costs of litigation, including reasonable attorney's
- 14 fees. On motion of any party, a court shall require a
- 15 private plaintiff to post a bond in a reasonable amount at
- 16 any stage of the litigation to quarantee payment of costs.
- 17 Section 38. Liability to filing offices. If any person
- 16 files a statement or report, or a copy of a statement or
- 19 report, after any deadline imposed by this act, he shall, in
- 20 addition to any other penalties or remedies established by
- 21 this act, be liable to the filing officer or other officer
- 22 with whom the copy is required to be filed for the amount of
- 23 tem dollars (\$10) per day after the deadline until the
- 24 statement or report is filed. The officer shall deposit any
- 25 funds received under this section into the general fund of

- 1 the jurisdiction of which he is an officer. No liability
- 2 under this section shall exceed the cumulative amount stated
- 3 in the late statement or report, or one hundred dollars
- 4 (\$100), whichever is greater.
- 5 Section 39. Act not to release liability under other
- 6 law. Nothing in this chapter shall exempt any person from
- 7 applicable provisions of any other laws of this state.
- 8 Section 40. Repealer. Sections 23-4727, 23-4728, and
- 9 43-806, R.C.M. 1947, are repealed.

-End-

Approved by Committee on Judiciary

1	HOUSE BILL NO. 670
2	INTRODUCED BY VINCENT, HARPER, PALMER
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4	A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR GENERAL
5	POLITICALREPORM-IN-MATTERS-CONCERNING CAMPAIGN EXPENDITURE
6	Limits7-1000041N67conplicacopinterestop8100480and
7	employedgovernmentpersonneltandaudifingof-campaign
8	REPORTS-AND-RELATED-MATTERS; PROVIDING PENALTIES; PROVIDING
9	PORBNPORGEMENT;AMENDINGSECTIONS43-882;43-883;AND
10	43-8857RTC:M:19477 AND REPEALING SECTIONS23-47277
11	23-4728, AND-43-8067 R.C.M. 1947, AND PROVIDING AN EFFECTIVE
12	DATE."
13	
14	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
15	REFER TO FIRST READING
16	(Strike everything after the enacting clause and insert:)
17	Section 1. Limitation on expenditures. Aggregate funds
18	expended and obligations incurred by a candidate and any
19	other person or organization, including a campaign
20	treasurer, deputy campaign treasurer, political committee,
21	or political party, on behalf of the nomination or election
22	of the candidate (with the knowledge and authorization of
23	the candidate or his campaign treasurer) for any of the
24	offices enumerated below, may not exceed the following
25	amounts:

1	(1)	For	candidates	filed	jointly	for	the	office	s of
2	governor	and	lieutenar	it gov	ernor,	the	maxim	um allo	wable
3	joint expe	endit	ure of fur	ads by	or on	beh	alf o	f any	such
4	candidates	s sha	all be the	follow	ing:				,

- 5 (a) For the primary election, an amount not to exceed 6 sixty thousand dollars (\$60,000);
- 7 (b) For the general election, an amount not to exceed 8 one hundred twenty thousand dollars (\$120,000).
- 9 (2) For candidates to be elected for office in a 10 statewide election, other than governor and lieutenant 11 governor, the maximum allowable expenditure of funds by or 12 on behalf of any candidate shall be the following:
- 13 (a) For the primary election, an amount not to exceed 14 fifteen thousand dollars (\$15,000);
- 15 (b) For the general election, an amount not to exceed 16 thirty thousand dollars (\$30,000).
- 17 (3) For candidates to be elected to the office of 18 public service commissioner, the maximum allowable 19 expenditure of funds by or on behalf of any candidate shall
- 21 (a) For the primary election, an amount not to exceed 22 five thousand dollars (\$5,000);

be the following:

- 23 (b) For the general election, an amount not to exceed 24 ten thousand dollars (\$10,000).
- 25 (4) For candidates to be elected to the office of

- district court judge, the maximum allowable expenditure of funds by or on behalf of any candidate shall be the following:
- 4 (a) For the primary election; an amount not to exceed 5 two thousand five hundred dollars (\$2,500);

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- 6 (b) For the general election, an amount not to exceed 7 five thousand dollars (\$5,000).
 - (5) For candidates to be elected to the office of state senator, the maximum allowable expenditure of funds by or on behalf of any candidate shall be the following:
- 11 (a) For the primary election, an amount not to exceed 12 seven hundred fifty dollars (\$750);
- 13 (b) For the general election, an amount not to exceed 14 one thousand five hundred dollars (\$1,500).
 - (b) For candidates to be elected to the state house of representatives, the maximum allowable expenditure of funds by or on behalf of any candidate shall be the following:
- 18 (a) For the primary election, an amount not to exceed 19 five hundred dollars (\$500);
- 20 (b) For the general election, an amount not to exceed 21 one thousand dollars (\$1,000).
- 22 (7) Expenditures for a candidates' travel, food, and 23 lodging are exempted from the expenditure limitation for 24 candidates covered by subsections (3), (4), (5), and (6) of 25 this section.

- 1 (8) Expenditures may be made directly by any political
 2 committee for obtaining time, space, or services in or by
 3 any communications medium for the purpose of jointly
 4 endorsing more than one (1) candidate, political committee,
 5 or issue. Such expenditures shall be considered
 6 expenditures on behalf of the several candidates, political
 7 committees, or issues equally divided among them.
 - (9) Payments made for the purpose of 'registering voters or for bringing voters to the polling place are not expenditures within the meaning of this act. This section does not affect the duty to disclose such payments under other requirements in law.

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- 12 (10) Expenditures incurred by an independent committee 13 14 for communication directed to its own members are not included within the limitations of this act. For purposes 15 of this section, an independent committee means a committee 16 which is not controlled either directly or indirectly by a 17 candidate or a candidate's committee, and which does not act 18 jointly with a candidate or a candidate's committee in 19 20 conjunction with the making of expenditures.
- Section 2. Aggregate expenditures in support of or in opposition to a statewide ballot issue shall not exceed the amounts set forth in section 1, subsection (2)(b) of this act.
- 25 Section 3. Penalty. (1) A person who violates any

- provision of this act is guilty of a misdemeanor, shall be prosecuted under section 23-4761, and upon conviction is subject to the penalties provided in section 23-4769.
- 4 (2) In addition, a person convicted of a misdemeanor
 5 under this act may not be a candidate for any elective
 6 office for four (4) years following conviction, unless the
 7 court at the time of sentencing specifically determines that
 8 the forfeiture provision is not applicable. A plea of no
 9 contest shall be considered a conviction for purposes of
 10 this section.
- 11 (3) A person violating subsection (2) of this section 12 is quilty of a felony.
- 13 Section 4. Section 23-4728, R.C.M. 1947, is repealed.
- 14 Section 5. Effective date. This act shall become
- 15 effective on January 1, 1976, and the limitations imposed by
- 16 this act shall apply to all elections held after that date.

-End-

2	INTRODUCED BY VINCENT, HARPER, PALMER
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR GENERAL
5	POLITICALREPORM-IN-MATTERS-CONCERNING CAMPAIGN EXPENDITURE
6	LIMITS7-LOB3YING7CONFLICTSOPINTERESTOFELECTEDAND
7	employedgovernmentpersonnel7andauditingof-campaign
8	REPORTS-AND-RELATED-MATTERS; PROVIDING PENALTIES; PROVIDING
9	FORENFORCEMENT;AMENDINGGECTIONS43-002;43-003;AND
LO	43-8057-Rtd.m:-1947; AND REPEALING SECTION 23-4727;
11	23-4728, AND-48-6867 R.C.M. 1947, AND PROVIDING AN EFFECTIVE
L2	DATE. *
13	
14	3E IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
15	REFER TO FIRST READING
16	(Strike everything after the enacting clause and insert:)
17	Section 1. Limitation on expenditures. Aggregate funds
18	expended and obligations incurred by a candidate and any
19	other person or organization, including a campaign
20	treasurer, deputy campaign treasurer, political committee,
21	or political party, on behalf of the nomination or election
22	of the candidate (with the knowledge and authorization of
23	the candidate or his campaign treasurer) for any of the
24	offices enumerated below, may not exceed the following
25	amounts:

HOUSE BILL NO. 670

1	(1) For candidates filed jointly for the offices of
2	governor and lieutenant governor, the maximum allowable
3	joint expenditure of funds by or on behalf of any such
4	candidates shall be the following:
5	(a) For the primary election, an amount not to exceed
6	sixty thousand dollars (\$60,000);
7	(b) For the general election, an amount not to exceed
8	one hundred twenty thousand dollars (\$120,000).
9 ,	(2) For candidates to be elected for office in a
10	statewide election, other than governor and lieutenant
11	governor, the maximum allowable expenditure of funds by or
12	on behalf of any candidate shall be the following:
13	(a) For the primary election, an amount not to exceed
14	fifteen thousand dollars (\$15,000);
15	(b) For the general election, an amount not to exceed
16	thirty thousand dollars (\$30.000).

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20 be the following: (a) For the primary election, an amount not to exceed 21 22 five thousand dollars (\$5,000);

(3) For candidates to be elected to the office of

public service commissioner, the maximum allowable

expenditure of funds by or on behalf of any candidate shall

- 23 (b) For the general election, an amount not to exceed 24 ten thousand dollars (\$10,000).
- 25 (4) For candidates to be elected to the office of - 2-

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- district court judge, the maximum allowable expenditure of funds by or on behalf of any candidate shall be the following:
- 4 (a) For the primary election, an amount not to exceed two thousand five hundred dollars (\$2,500);
- (b) For the general election, an amount not to exceed five thousand dollars (\$5,000).
- (5) For candidates to be elected to the office of state senator, the maximum allowable expenditure of funds by or on behalf of any candidate shall be the following:

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- (a) For the primary election, an amount not to exceed seven hundred fifty dollars (\$750);
- 13 (b) For the general election, an amount not to exceed 14 one thousand five hundred dollars (\$1,500).
 - (6) For candidates to be elected to the state house of representatives, the maximum allowable expenditure of funds by or on behalf of any candidate shall be the following:
- 18 (a) For the primary election, an amount not to exceed
 19 five hundred dollars (\$500);
 - (b) For the general election, an amount not to exceed one thousand dollars (\$1,000).
- 22 (7) Expenditures for a candidates' travel, food, and 23 lodging are exempted from the expenditure limitation for 24 candidates covered by subsections (3), (4), (5), and (6) of 25 this section.

-3-

- (8) Expenditures may be made directly by any political committee for obtaining time, space, or services in or by any communications medium for the purpose of jointly endorsing more than one (1) candidate, political committee, or issue. Such expenditures shall be considered expenditures on behalf of the several candidates, political committees, or issues equally divided among them.
 - (9) Payments made for the purpose of registering voters or for bringing voters to the polling place are not expenditures within the meaning of this act. This section does not affect the duty to disclose such payments under other requirements in law.
- 13 (10) Expenditures incurred by an independent committee 14 for communication directed to its own members are not 15 included within the limitations of this act. For purposes of this section, an independent committee means a committee 16 17 which is not controlled either directly or indirectly by a 18 candidate or a candidate's committee, and which does not act 19 jointly with a candidate or a candidate's committee in 20 conjunction with the making of expenditures.
- Section 2. Aggregate expenditures in support of or in opposition to a statewide ballot issue shall not exceed the amounts set forth in section 1, subsection (2)(b) of this act.
- 25 Section 3. Penalty. (1) A person who violates any
 -4- HB 670

provision of this act is guilty of a misdemeanor, shall be prosecuted under section 23-4761, and upon conviction is subject to the penalties provided in section 23-4769.

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(2) In addition, a person convicted of a misdemeanor under this act may not be a candidate for any elective office for four (4) years following conviction, unless the court at the time of sentencing specifically determines that the forfeiture provision is not applicable. A plea of no contest shall be considered a conviction for purposes of this section.

11 (3)--A-person-violating-subsection-(2)-of-this--section
12 is-guilty-of-a-felony-

Section 4. Section 23-4728, R.C.M. 1947, is repealed.

Section 5. Effective date. This act shall become effective on January 1, 1976, and the limitations imposed by this act shall apply to all elections held after that date.

-End-

March 25, 1975

SENATE COMMITTEE ON JUDICIARY

AMENDMENTS TO HOUSE BILL NO. 670

That House Bill No. 670, third reading, be amended as follows:

1. Amend title, line 8.
 Following: "MATTERS"
 Strike: "; PROVIDING PENALTIES;"

2. Amend title, line 10.
 Following: "1947;"
 Strike: "AND REPEALING"

3. Amend title, line 10.
Following: "SECTION"
Strike: "SECTION"

4. Amend title, line 11. Following: line 10 Strike: "23-4728,"

5. Amend title, line 11.
Following: "43-806,"
Strike: "R.C.M. 1947"

6. Amend page 3, section 1, line 22.
Following: "(7)"
Strike: "Expenditures"
Insert: "Payments made"

7. Amend page 3, section 1, lines 23 through 25.
Following: "expenditure"
Strike: lines 23 through 25 in their entirety
Insert: "limitations, except travel for candidates in subsection (1) of this section."

8. Amend page 4, section 1, lines 8 through 12.
Following: line 7
Strike: lines 8 through 12 in their entirety
Renumber: Subsequent subsection

9. Amend page 4, section 2, lines 21 through line 13 on page 5. Following: line 20
Strike: Sections 2 through Section 4 in their entirety Renumber: Subsequent section