

SB BILL NO. **384**

INTRODUCED BY

Mood Wells

BENNET Sprague

Holland Hester et al

A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING CONTRIBUTIONS FROM LABOR UNIONS FROM BEING USED TO SUPPORT OR OPPOSE CANDIDATES, BALLOT MEASURES, OR POLITICAL COMMITTEES IN THE SAME MANNER AND TO THE SAME EXTENT AS CONTRIBUTIONS FROM CORPORATIONS ARE PROHIBITED FROM BEING USED FOR THOSE PURPOSES; AND AMENDING SECTION 13-35-227, MCA."

WHEREAS, section 13-35-227, MCA, has for some time prohibited corporations from making contributions to candidates and to political committees; and

WHEREAS, Initiative Measure No. 125 was proposed to prevent corporations from contributing to the approval or defeat of ballot measures and was approved by the voters in the 1996 general election; and

WHEREAS, labor unions are somewhat similar to corporations in that they may contribute large sums of money to a campaign to support or oppose a candidate, ballot measure, or political committee that each member of the union, like each stockholder of a corporation, does not necessarily support or oppose; and

WHEREAS, despite their similarity to corporations, labor unions are able to contribute to political committees and to the approval or defeat of candidates or ballot measures; and

WHEREAS, contributions by labor unions to political committees and to the approval or defeat of candidates or ballot measures should be limited in the same way and for the same reasons that contributions by corporations are now limited.

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

Section 1. Section 13-35-227, MCA, is amended to read:

"13-35-227. **Prohibited contributions from corporations and labor unions.** (1) (a) Except as provided in subsection (4), a corporation or a labor union may not make a contribution or an expenditure in connection with a candidate, a ballot issue, or a political committee ~~which~~ that supports or opposes a candidate, a ballot issue, or a political party.

(b) For purposes of this section, "corporation" refers to for-profit and nonprofit corporations.

1 (2) A person, candidate, or political committee may not accept or receive a corporate contribution
2 or a contribution from a labor union described in subsection (1).

3 (3) This section does not prohibit the establishment or administration of a separate, segregated
4 fund to be used for making political contributions or expenditures if the fund consists only of voluntary
5 contributions solicited from an individual who is a shareholder, an employee, or a member of the corporation
6 or labor union.

7 (4) The provisions of subsection (1) prohibiting corporate contributions to or expenditures in
8 connection with a ballot issue do not apply to a nonprofit corporation formed for the purpose, among
9 others, of promoting political ideas and that:

10 (a) does not engage in business activities;

11 (b) has no shareholders or other affiliated persons who have a private claim on the corporation's
12 assets or earnings;

13 (c) does not accept foreign or domestic for-profit corporations as members; and

14 (d) does not accept in the aggregate more than 5% annually of its total revenue from foreign or
15 domestic for-profit corporations.

16 (5) A person who violates this section is subject to the civil penalty provisions of 13-37-128."

17

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0384, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

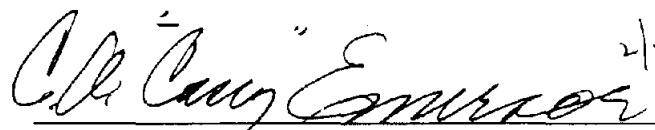
An act prohibiting contributions from labor unions from being used to support or oppose candidates, ballot measures, or political committees in the same manner and to the same extent as contributions from corporations are prohibited from being used for those purposes.

FISCAL IMPACT:

There is no fiscal impact to the state.

 2-19-97

DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 2/20/97

C.A. "CASEY" EMERSON, PRIMARY SPONSOR DATE

Fiscal Note for SB0384, as introduced

SB 384

1 SENATE BILL NO. 384

2 INTRODUCED BY EMERSON, BENEDICT, SPRAGUE, MOOD, WELLS, HOLLAND, HERTEL, TOEWS,

3 JABS

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING CONTRIBUTIONS FROM LABOR UNIONS FROM
6 BEING USED TO SUPPORT OR OPPOSE CANDIDATES, BALLOT MEASURES, OR POLITICAL COMMITTEES
7 IN THE SAME MANNER AND TO THE SAME EXTENT AS CONTRIBUTIONS FROM CORPORATIONS ARE
8 PROHIBITED FROM BEING USED FOR THOSE PURPOSES; AND AMENDING SECTION 13-35-227, MCA."9
10 WHEREAS, section 13-35-227, MCA, has for some time prohibited corporations from making
11 contributions to candidates and to political committees; and12 WHEREAS, Initiative Measure No. 125 was proposed to prevent corporations from contributing to
13 the approval or defeat of ballot measures and was approved by the voters in the 1996 general election; and14 WHEREAS, labor unions are somewhat similar to corporations in that they may contribute large
15 sums of money to a campaign to support or oppose a candidate, ballot measure, or political committee that
16 each member of the union, like each stockholder of a corporation, does not necessarily support or oppose;
17 and18 WHEREAS, despite their similarity to corporations, labor unions are able to contribute to political
19 committees and to the approval or defeat of candidates or ballot measures; and20 WHEREAS, contributions by labor unions to political committees and to the approval or defeat of
21 candidates or ballot measures should be limited in the same way and for the same reasons that
22 contributions by corporations are now limited.23
24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:25
26 **Section 1.** Section 13-35-227, MCA, is amended to read:27 **"13-35-227. Prohibited contributions from corporations and labor unions.** (1) (a) Except as
28 provided in subsection (4), a corporation or a labor union may not make a contribution or an expenditure
29 in connection with a candidate, a ballot issue, or a political committee ~~which~~ that supports or opposes a
30 candidate, a ballot issue, or a political party.

- 1 (b) For purposes of this section, "corporation" refers to for-profit and nonprofit corporations.
- 2 (2) A person, candidate, or political committee may not accept or receive a corporate contribution
3 or a contribution from a labor union described in subsection (1).
- 4 (3) This section does not prohibit the establishment or administration of a separate, segregated
5 fund to be used for making political contributions or expenditures if the fund consists only of voluntary
6 contributions solicited from an individual who is a shareholder, an employee, or a member of the corporation
7 or labor union.
- 8 (4) The provisions of subsection (1) prohibiting corporate contributions to or expenditures in
9 connection with a ballot issue do not apply to a nonprofit corporation formed for the purpose, among
10 others, of promoting political ideas and that:
- 11 (a) does not engage in business activities;
- 12 (b) has no shareholders or other affiliated persons who have a private claim on the corporation's
13 assets or earnings;
- 14 (c) does not accept foreign or domestic for-profit corporations as members; and
- 15 (d) does not accept in the aggregate more than 5% annually of its total revenue from foreign or
16 domestic for-profit corporations.
- 17 (5) A person who violates this section is subject to the civil penalty provisions of 13-37-128."

18

19 NEW SECTION. SECTION 2. SEVERABILITY. IF A PART OF [THIS ACT] IS INVALID, ALL VALID
20 PARTS THAT ARE SEVERABLE FROM THE INVALID PART REMAIN IN EFFECT. IF A PART OF [THIS ACT]
21 IS INVALID IN ONE OR MORE OF ITS APPLICATIONS, THE PART REMAINS IN EFFECT IN ALL VALID
22 APPLICATIONS THAT ARE SEVERABLE FROM THE INVALID APPLICATIONS.

23 -END-