

1 HOUSE BILL NO. 116

2 INTRODUCED BY B. BENNETT

3 BY REQUEST OF THE COMMISSIONER OF POLITICAL PRACTICES

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING REPORTING AND DISCLOSURE OF IN-KIND
6 CONTRIBUTIONS AND SERVICES BY POLITICAL PARTY ORGANIZATIONS TO CANDIDATES; EXEMPTING
7 IN-KIND PERSONAL SERVICES FROM POLITICAL PARTY ORGANIZATIONS TO CANDIDATES FROM
8 CONTRIBUTION LIMITS; REVISING THE DEFINITION OF "CONTRIBUTION" TO INCLUDE PAYMENTS FROM
9 CANDIDATES OR POLITICAL COMMITTEES FOR COMPENSATION OF PERSONAL SERVICES; AND
10 AMENDING SECTIONS 13-1-101 AND 13-37-216, MCA."

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

- 13
14 **Section 1.** Section 13-1-101, MCA, is amended to read:
- 15 **"13-1-101. Definitions.** As used in this title, unless the context clearly indicates otherwise, the following
16 definitions apply:
- 17 (1) "Active elector" means an elector whose name has not been placed on the inactive list due to failure
18 to respond to confirmation notices pursuant to 13-2-220 or 13-19-313.
- 19 (2) "Active list" means a list of active electors maintained pursuant to 13-2-220.
- 20 (3) "Anything of value" means any goods that have a certain utility to the recipient that is real and that
21 is ordinarily not given away free but is purchased.
- 22 (4) "Application for voter registration" means a voter registration form prescribed by the secretary of state
23 that is completed and signed by an elector, submitted to the election administrator, and contains voter registration
24 information subject to verification as provided by law.
- 25 (5) "Ballot" means a paper ballot counted manually or a paper ballot counted by a machine, such as an
26 optical scan system or other technology that automatically tabulates votes cast by processing the paper ballots.
- 27 (6) "Candidate" means:
- 28 (a) an individual who has filed a declaration or petition for nomination, acceptance of nomination, or
29 appointment as a candidate for public office as required by law;
- 30 (b) for the purposes of chapter 35, 36, or 37, an individual who has solicited or received and retained

1 contributions, made expenditures, or given consent to an individual, organization, political party, or committee
2 to solicit or receive and retain contributions or make expenditures on the individual's behalf to secure nomination
3 or election to any office at any time, whether or not the office for which the individual will seek nomination or
4 election is known when the:

5 (i) solicitation is made;

6 (ii) contribution is received and retained; or

7 (iii) expenditure is made; or

8 (c) an officeholder who is the subject of a recall election.

9 (7) (a) "Contribution" means:

10 (i) an advance, gift, loan, conveyance, deposit, payment, or distribution of money or anything of value
11 to influence an election;

12 (ii) a transfer of funds between political committees;

13 (iii) the payment by a person ~~other than a candidate or political committee~~ of compensation for the
14 personal services of another person that are rendered to a candidate or political committee.

15 (b) "Contribution" does not mean:

16 (i) services provided without compensation by individuals volunteering a portion or all of their time on
17 behalf of a candidate or political committee or meals and lodging provided by individuals in their private
18 residences for a candidate or other individual;

19 (ii) the cost of any bona fide news story, commentary, or editorial distributed through the facilities of any
20 broadcasting station, newspaper, magazine, or other periodical publication of general circulation;

21 (iii) the cost of any communication by any membership organization or corporation to its members or
22 stockholders or employees; or

23 (iv) filing fees paid by the candidate.

24 (8) "Election" means a general, regular, special, or primary election held pursuant to the requirements
25 of state law, regardless of the time or purpose.

26 (9) "Election administrator" means the county clerk and recorder or the individual designated by a county
27 governing body to be responsible for all election administration duties, except that with regard to school elections
28 not administered by the county, the term means the school district clerk.

29 (10) "Elector" means an individual qualified to vote under state law.

30 (11) (a) "Expenditure" means a purchase, payment, distribution, loan, advance, promise, pledge, or gift

1 of money or anything of value made for the purpose of influencing the results of an election.

2 (b) "Expenditure" does not mean:

3 (i) services, food, or lodging provided in a manner that they are not contributions under subsection (7);

4 (ii) payments by a candidate for a filing fee or for personal travel expenses, food, clothing, lodging, or
5 personal necessities for the candidate and the candidate's family;

6 (iii) the cost of any bona fide news story, commentary, or editorial distributed through the facilities of any
7 broadcasting station, newspaper, magazine, or other periodical publication of general circulation; or

8 (iv) the cost of any communication by any membership organization or corporation to its members or
9 stockholders or employees.

10 (12) "Federal election" means a general or primary election in which an elector may vote for individuals
11 for the office of president of the United States or for the United States congress.

12 (13) "General election" or "regular election" means an election held for the election of public officers
13 throughout the state at times specified by law, including elections for officers of political subdivisions when the
14 time of the election is set on the same date for all similar political subdivisions in the state. For ballot issues
15 required by Article III, section 6, or Article XIV, section 8, of the Montana constitution to be submitted by the
16 legislature to the electors at a general election, "general election" means an election held at the time provided
17 in 13-1-104(1). For ballot issues required by Article XIV, section 9, of the Montana constitution to be submitted
18 as a constitutional initiative at a regular election, regular election means an election held at the time provided in
19 13-1-104(1).

20 (14) "Inactive elector" means an individual who failed to respond to confirmation notices and whose name
21 was placed on the inactive list pursuant to 13-2-220 or 13-19-313.

22 (15) "Inactive list" means a list of inactive electors maintained pursuant to 13-2-220 or 13-19-313.

23 (16) "Individual" means a human being.

24 (17) (a) "Issue" or "ballot issue" means a proposal submitted to the people at an election for their approval
25 or rejection, including but not limited to initiatives, referenda, proposed constitutional amendments, recall
26 questions, school levy questions, bond issue questions, or a ballot question.

27 (b) For the purposes of chapters 35 and 37, an issue becomes a "ballot issue" upon certification by the
28 proper official that the legal procedure necessary for its qualification and placement upon the ballot has been
29 completed, except that a statewide issue becomes a "ballot issue" upon preparation and transmission by the
30 secretary of state of the form of the petition or referral to the person who submitted the proposed issue.

1 (18) "Legally registered elector" means an individual whose application for voter registration was
2 accepted, processed, and verified as provided by law.

3 (19) "Mail ballot election" means any election that is conducted under Title 13, chapter 19, by mailing
4 ballots to all active electors.

5 (20) "Person" means an individual, corporation, association, firm, partnership, cooperative, committee,
6 club, union, or other organization or group of individuals or a candidate as defined in subsection (6).

7 (21) "Place of deposit" means a location designated by the election administrator pursuant to 13-19-307
8 for a mail ballot election conducted under Title 13, chapter 19.

9 (22) "Political committee" means a combination of two or more individuals or a person other than an
10 individual who makes a contribution or expenditure:

11 (a) to support or oppose a candidate or a committee organized to support or oppose a candidate or a
12 petition for nomination; or

13 (b) to support or oppose a ballot issue or a committee organized to support or oppose a ballot issue; or

14 (c) as an earmarked contribution.

15 (23) "Political subdivision" means a county, consolidated municipal-county government, municipality,
16 special district, or any other unit of government, except school districts, having authority to hold an election for
17 officers or on a ballot issue.

18 (24) "Polling place election" means an election primarily conducted at polling places rather than by mail
19 under the provisions of Title 13, chapter 19.

20 (25) "Primary" or "primary election" means an election held throughout the state to nominate candidates
21 for public office at times specified by law, including nominations of candidates for offices of political subdivisions
22 when the time for nominations is set on the same date for all similar subdivisions in the state.

23 (26) "Provisional ballot" means a ballot cast by an elector whose identity or eligibility to vote has not been
24 verified as provided by law.

25 (27) "Provisionally registered elector" means an individual whose application for voter registration was
26 accepted but whose identity or eligibility has not yet been verified as provided by law.

27 (28) "Public office" means a state, county, municipal, school, or other district office that is filled by the
28 people at an election.

29 (29) "Random-sample audit" means an audit involving a manual count of ballots from designated races
30 and ballot issues in precincts selected through a random process as provided in 13-17-503.

1 (30) "Registrar" means the county election administrator and any regularly appointed deputy or assistant
2 election administrator.

3 (31) "School election" has the meaning provided in 20-20-101.

4 (32) "School election filing officer" means the filing officer with whom the declarations for nomination for
5 school district office were filed or with whom the school ballot issue was filed.

6 (33) "School recount board" means the board authorized pursuant to 20-20-420 to perform recount duties
7 in school elections.

8 (34) "Signature envelope" means an envelope that contains a secrecy envelope and ballot and that is
9 designed to:

10 (a) allow election officials, upon examination of the outside of the envelope, to determine that the ballot
11 is being submitted by someone who is in fact a qualified elector and who has not already voted; and

12 (b) allow it to be used in the United States mail.

13 (35) "Special election" means an election other than a statutorily scheduled primary or general election
14 held at any time for any purpose provided by law. It may be held in conjunction with a statutorily scheduled
15 election.

16 (36) "Statewide voter registration list" means the voter registration list established and maintained
17 pursuant to 13-2-107 and 13-2-108.

18 (37) "Transfer form" means a form prescribed by the secretary of state that may be filled out by an elector
19 to transfer the elector's registration when the elector's residence address has changed within the county.

20 (38) "Valid vote" means a vote that has been counted as valid or determined to be valid as provided in
21 13-15-206.

22 (39) "Voted ballot" means a ballot that is:

23 (a) deposited in the ballot box at a polling place;

24 (b) received at the election administrator's office; or

25 (c) returned to a place of deposit.

26 (40) "Voting system" or "system" means any machine, device, technology, or equipment used to
27 automatically record, tabulate, or process the vote of an elector cast on a paper ballot."
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29 **Section 2.** Section 13-37-216, MCA, is amended to read:

30 **"13-37-216. Limitations on contributions -- adjustment.** (1) (a) Subject to adjustment as provided for

1 in subsection (4) and subject to 13-37-219, aggregate contributions for each election in a campaign by a political
2 committee or by an individual, other than the candidate, to a candidate are limited as follows:

3 (i) for candidates filed jointly for the office of governor and lieutenant governor, not to exceed \$500;

4 (ii) for a candidate to be elected for state office in a statewide election, other than the candidates for
5 governor and lieutenant governor, not to exceed \$250;

6 (iii) for a candidate for any other public office, not to exceed \$130.

7 (b) A contribution to a candidate includes contributions made to the candidate's committee and to any
8 political committee organized on the candidate's behalf.

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

14 (b) A leadership political committee maintained by a political officeholder is considered to be organized
15 on the political officeholder's behalf.

16 (3) (a) All political committees except those of political party organizations are subject to the provisions
17 of subsections (1) and (2).

18 (b) For purposes of this subsection (3), "political party organization" means any political organization that
19 was represented on the official ballot at the most recent gubernatorial election.

20 (c) Political party organizations may form political committees that are subject to the following aggregate
21 limitations except as provided in subsection (3)(d), adjusted as provided for in subsection (4) and subject to
22 13-37-219, from all political party committees:

23 ~~(a)~~(i) for candidates filed jointly for the offices of governor and lieutenant governor, not to exceed
24 \$18,000;

25 ~~(b)~~(ii) for a candidate to be elected for state office in a statewide election, other than the candidates for
26 governor and lieutenant governor, not to exceed \$6,500;

27 ~~(c)~~(iii) for a candidate for public service commissioner, not to exceed \$2,600;

28 ~~(d)~~(iv) for a candidate for the state senate, not to exceed \$1,050;

29 ~~(e)~~(v) for a candidate for any other public office, not to exceed \$650.

30 (d) In-kind personal services provided by a political party organization to a candidate are not included

1 in the limits set by subsection (3)(c). However, the value of these in-kind personal services is subject to reporting
2 and disclosure by the candidate, as provided in subsection (5), and by the political party organization.

3 (4) (a) The commissioner shall adjust the limitations in subsections (1) and (3) by multiplying each limit
4 by an inflation factor, which is determined by dividing the consumer price index for June of the year prior to the
5 year in which a general election is held by the consumer price index for June 2002.

6 (b) The resulting figure must be rounded up or down to the nearest:

7 (i) \$10 increment for the limits established in subsection (1); and

8 (ii) \$50 increment for the limits established in subsection (3).

9 (c) The commissioner shall publish the revised limitations as a rule.

10 (5) ~~A~~ Except as provided in subsection (3)(d), a candidate may not accept any contributions, including
11 in-kind contributions, in excess of the limits in this section. However, the value of in-kind personal services
12 provided by a political party organization to a candidate is subject to reporting and disclosure by the political party
13 organization, as provided by subsection (3)(d), and by the candidate.

14 (6) For purposes of this section, "election" means the general election or a primary election that involves
15 two or more candidates for the same nomination. If there is not a contested primary, there is only one election
16 to which the contribution limits apply. If there is a contested primary, then there are two elections to which the
17 contribution limits apply."

18 - END -