

COMMISSIONER OF
POLITICAL PRACTICES

EXHIBIT 4
DATE 2/13/15
HB 409



STATE OF MONTANA

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February 13, 2015

Honorable Jeff Essmann
Chairperson
House State Administration Committee
Bill Harris – Vice Chair
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Re: House Bill 409
Hearing Date: Friday, February 13,
2015 at 9:00 AM
Sponsor: Representative Bryce
Bennett

Dear Chairperson Essmann and members of the Committee:

The Office of the Commissioner of Political Practices supports House Bill 409 and respectfully offers the following information to the members of the House State Administration Committee.

As Committee members likely know, Title 13 of the Montana Code provides for equitable consequences (that is, something other than a fine) to a candidate for Montana public office who has not complied with Montana's campaign practice laws. Thus, a Montana Candidate for public office can be removed from the ballot if he/she "...fails to file any statement or report...", as required

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by Montana's campaign practice laws. §13-37-126(1) MCA. Further, a certificate of election to a Montana candidate can be withheld for failure to file campaign finance "reports and statements". §13-37-127 MCA. Finally, a Montana elected official can be removed from "nomination or office" if adjudicated to have violated any provision of Title 13. §13-35-106 MCA.

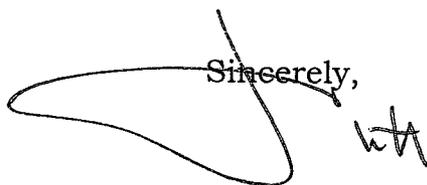
In contrast a corporate entity that engages in improper election activity in Montana faces only a monetary fine. Such a fine may be an ineffective remedy as a corporate entity can play a major role in a Montana candidate campaign and then shut down and leave the state when its campaign practice activity is challenged. This is precisely what happened when Western (American) Tradition Partnership and its non-profit and for-profit corporate allies campaigned in 2008, 2010 and 2012 Montana candidate elections and then left the state when their improper campaign activity was exposed and challenged.

HB 409 adds a corporate directed equitable remedy for adjudicated improper Montana electoral activity by corporate entities. It does this by providing an election based procedure for revocation of the corporate charter of a Montana domestic corporation or the certificate of authority for a foreign corporation. It further provides for reinstatement of the corporate charter or certificate upon the corporation's payment of any fine imposed for the improper election activity.

Citizens United provided expanded election activity rights for corporations involved in Montana's elections. HB 409 adjusts corporate responsibilities commensurate with that expansion of rights.

Thank you for this opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Motl', is written over the word 'Sincerely,'.

Jonathan R. Motl
Commissioner of Political Practices