

HOUSE BILL NO. 106

INTRODUCED BY S. GUNDERSON

BY REQUEST OF THE LEGISLATIVE COUNCIL

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5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE CONSTITUENT SERVICES ACCOUNT;
6 PROVIDING ENFORCEMENT BY THE ETHICS COMMITTEES; REVISING THE NAME OF THE PROGRAM;
7 REVISING THE METHODS BY WHICH LEGISLATORS RECEIVE THE ALLOWANCE OR REIMBURSEMENT;
8 DEFINING TERMS; SPECIFYING ACTIVITIES FOR WHICH THE ALLOWANCE OR REIMBURSEMENT ARE
9 PROHIBITED; ALLOWING A SEPARATE ACCOUNT FOR FUNDS; AMENDING SECTIONS 2-2-111, 5-2-204,
10 5-2-205, AND 13-37-402, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

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14 **Section 1.** Section 2-2-111, MCA, is amended to read:

15 **"2-2-111. Rules of conduct for legislators.** Proof of commission of any act enumerated in this section
16 is proof that the legislator committing the act has breached the legislator's public duty. A legislator may not:

17 (1) accept a fee, contingent fee, or any other compensation, except the official compensation provided
18 by statute, for promoting or opposing the passage of legislation;

19 (2) seek other employment for the legislator or solicit a contract for the legislator's services by the use
20 of the office; ~~or~~

21 (3) accept a fee or other compensation, except as provided for in 5-2-302, from a Montana state agency
22 or a political subdivision of the state of Montana for speaking to the agency or political subdivision; or

23 (4) use the funds provided for in 5-2-204 for any activity that is prohibited or does not follow the
24 requirements for submitting claims."

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26 **Section 2.** Section 5-2-204, MCA, is amended to read:

27 **"5-2-204. Constituent Legislator services stipend allowance and reimbursement.** (1) Each legislator
28 is entitled to ~~a stipend~~ an amount of \$3,000 in a biennium for ~~providing constituent services, which include but~~
29 ~~are not limited to unreimbursed expenses for mileage, per diem, or lodging as well as communication and~~
30 ~~information technology, such as expenses for telecommunications or internet, computer hardware and software,~~



1 ~~postage, and education-related expenses to represent constituents~~ authorized activities related to serving in the
2 legislature. The amount may be used as follows:

3 (a) \$2,500 will be made available for a legislator to use for the following nontaxable, otherwise
4 unreimbursed items:

5 (i) mileage and lodging at rates provided for in 2-18-501 and 2-18-503 for authorized activities;

6 (ii) meals at rates provided for in 2-18-501 and 2-18-502 when a legislator is in a travel status for
7 authorized activities that require an overnight stay; and

8 (iii) education-related expenses related to attending meetings for interstate and intrastate organizations
9 that provide opportunities for legislators to participate in in-state or out-of-state policy and civic educational
10 activities. Education-related expenses under this subsection (1)(a)(iii) include transportation, meals, and lodging
11 at rates provided for in this subsection (1)(a) and for registration costs.

12 (b) up to \$500 reimbursement to be used for taxable, otherwise unreimbursed communication and
13 information technology expenses, including internet charges, computer hardware and software, and postage for
14 authorized activities or for items allowed under subsection (1)(a) that are determined to be subject to income tax
15 withholding.

16 (2) Subject to subsections (4) and (5), legislators are allowed reimbursement of up to the amount
17 provided for in subsection (3) in a biennium for otherwise unreimbursed expenses related to the legislator's
18 expenses for mileage, meals, or lodging at rates provided for in 2-18-501 through 2-18-503 incurred for ~~providing~~
19 ~~constituent services~~ authorized activities or for items allowed under subsection (1)(a) that are determined to be
20 subject to income tax withholding.

21 (3) The amount authorized under subsection (2) is:

22 (a) \$1,000 if the legislator's district is at least 100 square miles but less than 1,000 square miles;

23 (b) \$2,000 if the legislator's district is at least 1,000 square miles but less than 5,000 square miles;

24 (c) \$3,000 if the legislator's district is at least 5,000 square miles but less than 7,500 square miles; or

25 (d) \$4,000 if the legislator's district is 7,500 square miles or more.

26 (4) (a) For expenses authorized under subsection (1)(a), a claim must be submitted to the legislative
27 services division within 60 days of incurring the expense or the amount of time provided by federal law, whichever
28 is less. If a complete claim and any relevant receipts are not received for an expenditure under subsection (1)(a)
29 within the allowed time frame, income taxes will be withheld at the appropriate rate for the amount of the expense,
30 and the amount of the withholding will be deducted from any amounts available in subsections (1)(b) or (2).

1 **(b)** For expenses authorized under ~~subsection~~ subsections (1)(b) and (2), a legislator shall apply for
2 reimbursement to the legislative services division by submitting written documentation that satisfies applicable
3 requirements of Title 2, chapter 18, part 5. A submission for reimbursement under this section is an assertion by
4 a legislator that each reimbursement request listed on the submission complies with the provisions of this section.
5 Any item for which reimbursement is sought may be subject to income tax withholding.

6 (5) Legislators may not be reimbursed for expenses paid from a constituent services account provided
7 for in 13-37-402.

8 **(6)** An expenditure from the amount in subsection (1)(a) requires submission of a receipt and
9 recordkeeping. If a legislator resigns during a legislator's term, any amount unexpended must remain with the
10 legislative services division. A legislator appointed to fill a vacancy during a term may receive an amount prorated
11 over the 24-month term.

12 **(7) (a)** Except as provided in subsection (7)(b), "authorized activities" include activities and services
13 related to the role of a legislator and for serving constituents, including participation as a legislator in community,
14 educational, and legislative activities and communications with constituents and other legislators.

15 **(b)** The following activities are prohibited:

16 **(i)** expenses related to election communications or electioneering communications, as those terms are
17 defined in 13-1-101;

18 **(ii)** contributions, expenditures, or other expenses related to participation in a political committee, as the
19 terms "contribution", "expenditure", and "political committee" are defined in 13-1-101;

20 **(iii)** costs for all or any portion of an event, meeting, fundraiser, or gathering at which contributions, as
21 defined in 13-1-101, will be solicited or received by any person, and any direct or indirect travel, lodging, meals,
22 entertainment, or other expenses related to the sponsorship of, attendance at, or participation in an event,
23 meeting, fundraiser, or gathering at which contributions will be solicited or received by any person, and any direct
24 or indirect expenditure to support or oppose a candidate or ballot issue;

25 **(iv)** costs for the participation in a political caucus or events organized by a particular political caucus;

26 **(v)** costs for membership or related to membership in an organization that has a purpose to advocate
27 for or against particular issues. This does not prohibit expenses related to membership organizations of which
28 the legislature or a legislator is a member in an interstate or intrastate organization for legislators. Furthermore,
29 this does not prohibit a legislator from using funds to attend educational events organized by a membership
30 organization other than a political caucus and from speaking to membership organizations in the legislator's

1 capacity solely as a legislator; and

2 (vi) entertainment.

3 (8) Any violation of this section is subject to the provisions in 2-2-135 and is subject to enforcement by
4 the ethics committee in the appropriate chamber."

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6 **Section 3.** Section 5-2-205, MCA, is amended to read:

7 **"5-2-205. Authority for standing committees to meet during interim.** (1) Except as provided in
8 5-2-202 and ~~subsection~~ subsections (2) and (3) of this section, a standing committee of the legislature, as
9 provided for in legislative rules, may not meet during the interim between regular legislative sessions.

10 (2) Upon approval of the president of the senate or the speaker of the house of representatives, a
11 standing committee may meet before a special session, as provided in 5-3-101, or during a special session.

12 (3) The ethics committee provided for in 2-2-135 may meet at any time during the session or the interim
13 to enforce the rules of conduct or legislative rule."

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15 **Section 4.** Section 13-37-402, MCA, is amended to read:

16 **"13-37-402. Constituent accounts -- reports.** (1) A constituent services account may be established
17 to pay for constituent services by a successful candidate required to report under 13-37-229. A constituent
18 services account may be established by filing an appropriate form with the commissioner.

19 (2) (a) A successful candidate may deposit only surplus campaign funds in a constituent services
20 account.

21 (b) The money in the account may be used only for constituent services. The money in the account may
22 not be used for personal benefit. Expenditures from a constituent services account may not be made when the
23 holder of the constituent services account also has an open campaign account.

24 (3) ~~A~~ Except for an account established solely to administer a legislator services allowance provided for
25 in 5-2-204, a person described in subsection (1) may not establish any account related to the public official's office
26 other than a constituent services account. This subsection does not prohibit a person from establishing a
27 campaign account.

28 (4) The holder of a constituent services account shall file a quarterly report with the commissioner, by
29 a date established by the commissioner by rule. The report must disclose the source of all money deposited in
30 the account and enumerate expenditures from the account. The report must include the same information as

1 required for a candidate required to report under 13-37-229. The report must be certified as provided in
2 13-37-231.

3 (5) The holder of a constituent services account shall close the account within 120 days after the account
4 holder leaves public office."

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6 NEW SECTION. **Section 5. Effective date.** [This act] is effective July 1, 2019.

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