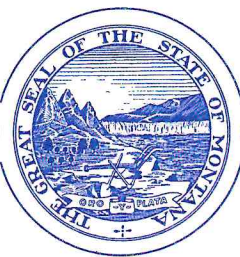


COMMISSIONER OF
POLITICAL PRACTICES



STATE OF MONTANA

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August 30, 2024

Honorable Julie Dooling, Chairperson
Interim Committee Members
Montana State Administration and Veteran Affairs
Montana Legislature
State Capitol
Helena, Montana 59620

c/o Mr. Jerry Howe (LSD Executive Director) and Rebecca Power (SAVA
Research Analyst), Montana Legislative Services Division

**Subject: Montana Commissioner of Political Practices Biennial (13-
37-120 and 5-11-210, MCA)**

Report Title: *MT COPP Biennial Report*

Dear Representative Dooling, Executive Director Howe and SAVA Committee
Members:

This letter includes my biennial report required pursuant to 13-37-120, MCA, and is
in compliance with the requirements of 5-11-120, MCA. This report is provided in
hard copy to the SAVA Interim Committee and LSD Executive Director Howe, and
it is electronically available at politicalpractices@mt.gov. Montana COPP prepares
this report as part of our regular ongoing statutorily imposed duties so there is no
additional cost to report. I estimate the total agency staff time to prepare this report
is four hours or less, as COPP regularly maintains this information in performance
of our regular duties.

When appointed, I made a commitment to ensure the office would be led in an
efficient and productive manner; to be responsive to the needs of candidates,
committees, and parties while ensuring ensure fairness and transparency; and
finally, to be open and approachable.

The COPP maintains, through ITSD and associated vendors, network, application, and database services that include: CERS, the online campaign finance reporting system; our lobbyist & principal registration and reporting portal; online hard copy repositories for campaign finance and lobbyist reports.

Summary

The Montana Political Practices Office was created by act of the 1975 Montana Legislative Assembly (SB 96 (1975)). Though originally created as the Commissioner of Campaign and Finance Practices to oversee the Corrupt Practices Act (MCA Title 13, chapter 35) and newly created campaign disclosure laws (MCA Title 13, chapter 37), the regulatory sphere of COPP enforcement authority has been expanded by the Montana Legislature to include lobbying (MCA Title 5, chapter 7) and ethics (MCA Title 2, chapter 1, MCA 2-2-136, more specifically).

Budget and Staff

COPP receives its operating funds through HB 2. Currently our budget reflects an appropriation of approximately \$1.6 million, and an increase to \$1.7 million in the next biennium is anticipated. COPP generates modest revenue for the state general fund through fines imposed if laws we oversee are violated. COPP does not keep any part of the fines it might impose. The legislative appropriation funds the agency and its seven (7) FTEs. All positions are currently filled, though one fulltime position is used to fund only a parttime hire. All 7 employees are involved in compliance matters to assist candidates, committees, and others accurately and timely file required reports. Four of the seven positions perform compliance duties almost exclusively. COPP has one investigator that also performs a multitude of other tasks. COPP has one in-house attorney, and the current commissioner is also an attorney. Please see the attached Agency Budget Summary and Comparison for greater details regarding our current and proposed budget.

Campaign Related Activity and Compliance Generally:

Currently there are reporting records for 780 statewide, state district, county, school district candidates and 436 political committees. In 2023, the number of candidates was 1,089 because municipal elections were included. In 2023, the COPP handled the registration of 374 lobbyist and 514 principals. 2024 shows four additional lobbyists and three additional principals. There were 16 late lobbying finance reports, resulting in late filing fines of \$1,050 that went into the general budget in 2023. No lobbying fines have been assessed in 2024.

Since July 1, 2023, through August 30, 2024, the COPP accepted, investigated and decided 61 campaign finance complaints. COPP also issued 12 orders of noncompliance in 2024, under 13-37-121, MCA. The law relating to orders of noncompliance allows COPP to notify candidates and committees of noncompliance

and act on violations even when a formal complaint has not been filed. In 2023 and 2024 COPP received 18 ethics complaints. None of the ethics complaints required a contested case hearing and all ethics complaints were either returned or dismissed.

Committees

Political Party	102 total 5 out of compliance
Incidental	179 total 3 out of compliance
Independent	119 total with 5 out of compliance
Ballot Issue	36 total (3 statewide) with 0 out of compliance

School Candidates

2023	104 total (16 C Box - 7 out of compliance)
2024	81 total

City

2023	379 total (75 C Box – report due today 37 submitted)
2024	13 total

2024 Statewide, State District and County Candidates

Statewide	31 total 4 out of compliance (all lost in the primary)
State District	364 total 17 out of compliance
County	246 total with 4 out of compliance

Other Campaign Finance Related Duties Performed by COPP 2023/2024 Candidate and Committee Training

The number of complaints filed and accepted has declined over the years. I believe this to be a result of COPP’s continuing efforts to focus on communication and education outreach across Montana, to ensure candidates, committees, lobbyist & principals are informed on how to use our systems, find the information they are looking for and are aware of any changes in the laws that affect the COPP.

With that in mind, COPP conducted candidate and political committee training throughout the state. In 2023 we conducted candidate training at the invitation of the Billings Area Chamber of Commerce. In 2024, we will conduct one more statewide Zoom training on September 19, 2024. The previously conducted 2024 training includes the following:

- 03/22/24 Lolo 16 attendees
- 03/23/24 Missoula 36 attendees
- 04/04/24 Bozeman 12 attendees
- 04/08/24 Great Falls 8 attendees
- 04/18/24 Whitefish 15 attendees
- 04/19/24 Kalispell 16 attendees
- 04/23/24 Butte 14 attendees
- 05/06/24 Billings 28 attendees
- 05/07/24 Sidney 40 attendees
- 05/08/24 Glasgow 9 attendees
- 05/08/24 Havre 10 attendees
- 05/09/24 Conrad 5 attendees
- 05/16/24 Helena (zoom and in person) 50 attendees

Report on Active Litigation:

COPP prevailed in *Convention of States Political Fund v. Mangan* (6:22-cv-00063-DWM) in 2022. Therefore, this matter was reopened, settled, and subsequently closed.

The Commissioner is currently a named defendant in two active cases which are in the discovery phase. *Montana's League of Women Voters (MLWV) v. Knudsen, Jacobsen and Gallus*, and *Montana Public Interest Research Group et.al. (MontPIRG) v. Knudsen, Jacobsen and Gallus*. MLWV is filed in Gallatin County District Court (DV-23-1073) and *MontPIRG* is filed in Federal District Court, D. Mont., (cv-23-70-H-BMM-KLD).

These cases both address the constitutionality of House Bill 892 which provides criminal penalties for persons registering to vote without cancelling their registration in another state. The Secretary of State's Office and the Office of the Attorney General are more actively involved in this litigation than is COPP. There are injunctions in place that prohibit enforcement of these matters, so if COPP receives a complaint pursuant to 13-37-111, MCA, those complaints will be returned.

Proposed or Anticipated Legislation for 2025

COPP has no agency sponsored legislation to propose. We are commenting on artificial intelligence related political advertisements measure currently under SAVA's consideration. We are currently enforcing matters under 13-37-121, MCA by issuing orders of noncompliance so we continue to evaluate that process, but the statutory process does appear overly cumbersome at the moment. If we cannot address these issues internally and we have substantive resolutions to solve specific problems we may request individual legislators consider sponsoring that measure. In addition, there appears to be a fundamental unfairness with regard to timely compliance where some candidates regularly submit reports on time, but their opponents do not. Resolving issues within 13-37-121, MCA relating to noncompliance or separate legislation could resolve this issue. If we have substantive measures to address through legislation or amendments we will, of course, propose those.

Conclusion

For a variety of reasons (public interest, media reports, social media, etc.) I believe ethics will continue to be an area of greater interest than it has in the past. As you already know, ethics and disclosure have been the subject of media reports and inquiries. Should this committee look at this area in the coming interim and next legislative session, we are more than prepared to offer any assistance we can to the committee. Whether in the areas of campaign finance, lobbying, ethics laws we remain available to answer any question and address any issues you or the public may have.

Respectfully submitted,



Chris J. Gallus, Commissioner