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Notice Concerning

Citizens United v. Federal Election Commission

On January 21, 2010, the United States Supreme Court invalidated a federal law which prohibited corporations and unions from using corporate funds to make independent expenditures advocating the election or defeat of a federal candidate.

The Court upheld disclosure and disclaimer requirements for independent expenditures.

The case did not address the prohibition on corporate contributions to federal candidates, campaign committees, or political parties.

Montana law (§ 13-35-227, MCA) prohibits corporate campaign contributions and independent expenditures from corporate funds in state campaigns. Montana law allows contributions and expenditures from segregated funds (or PACs) consisting of voluntary contributions from corporate shareholders, employees, and members.

Montana's law is currently being challenged, and a state court has decided that the prohibition on corporate campaign expenditures is unconstitutional. That decision is on appeal to the Montana Supreme Court and may be reversed. It is important to note that in Judge Sherlock's order, he states "It should here be noted that this ruling has no effect on direct corporate contributions to candidates or to any existing or future disclosure laws that might be enacted." (*Western Tradition Partnership v. Attorney General*, No. BDV-2010-238, Order at 12 (Mont. 1st Dist. Oct. 18, 2010))

In the meantime, the prohibition on direct corporate contributions to candidate campaigns, and the reporting requirements for campaign expenditures and contributions regardless of their source, remain in effect. All campaign contributions and expenditures, whether monetary or in kind, must be reported to this office.