

OFFICE OF THE COMMISSIONER OF POLITICAL PRACTICES

NOTICE OF PROPOSED RULEMAKING

MAR NOTICE NO. 2025-414.1

Summary

The Office of the Commissioner of Political Practices (COPP) proposes to amend ARM 44.10.621, 44.11.202, 44.11.203, 44.11.204, and 44.11.305 pertaining to business disclosure, political committee definitions and classifications, and federally filing and nonresident political committee reports.

No Hearing Scheduled

If the agency receives requests for a public hearing on the proposed rulemaking from either 10 percent or 25, whichever is less, of the persons directly affected by the proposed rulemaking; from the appropriate administrative rule review committee of the Legislature; from a governmental subdivision or agency; or from an association having not less than 25 members who will be directly affected, a hearing will be held at a later date. Notice of the hearing will be published in the Montana Administrative Register.

The estimated number of persons directly affected by the proposed rulemaking is 500.

Comments

Comments may be submitted via email at cppcompliance@mt.gov or via fax at (406) 444-1643. Comments must be received by Friday, December 19, 2025, at 5:00 p.m.

Accommodations

The agency will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. Requests must be made by Thursday, December 11, 2025, at 5:00 p.m.

Contact

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General Reasonable Necessity Statement

COPP proposes amending ARM 44.10.621 to clarify the information that is required to be disclosed on the D-1 Business Disclosure Statement and otherwise conform the rule to the 2025 Montana Legislature's passage and approval of Senate Bill 492.

COPP proposes amending ARM 44.11.202, 44.11.203, and 44.11.204 to remove redundancies, clarify exceptions as to what does not constitute a political committee, and otherwise conform these rules to the 2025 Montana Legislature's passage and approval of House Bill 917.

COPP proposes amending ARM 44.11.305 to allow federally filing and nonresident political committees flexibility to allow an individual who is not a Montana resident to certify and submit their reports. Incidental political committees required to file reports in Montana were provided such flexibility via the 2025 Montana Legislature's passage and approval of House Bill 917.

Rulemaking Actions

AMEND

The rules proposed to be amended are as follows, stricken matter interlined, new matter underlined:

44.10.621 BUSINESS DISCLOSURE

- (1) ~~For purposes of this rule, "individual" means elected officials, candidates for statewide or state district offices (excluding judiciary); department directors, or anyone appointed to fill any of these offices.~~

- ~~(2)~~(1) For purposes of 2-2-106, MCA form D-1 Business Disclosure Statement, the term "other business interests" means any interest in any business, firm, corporation, partnership, or other business or professional entity or trust owned by an individual, the current fair market value of which is \$1000 or more. Ownership of any security, equity, or evidence of indebtedness in any business corporation or other entity is a "business interest.":
- (a) any interest of 10% or greater, the current fair market value of which is \$1000 or more, in any business, firm, corporation, partnership, or other business or professional entity or trust; or
 - (b) a greater than 1% interest, the current fair market value of which is \$1000 or more, in any publicly traded company.
- ~~(3)~~(2) Not included within the meaning of "other business interests" and therefore not reportable under 2-2-106, MCA, are interests of the following nature:
- (a) ownership of any personal property held in an individual's name and not held for use or sale in a trade or business or for investment purposes, such as personal vehicles or household furnishings;
 - (b) cash surrender value of any insurance policy or annuity;
 - (c) bank deposits, including checking or savings accounts or certificates of deposit, if they are not held for use in a trade or business;
 - (d) securities issued by any government or political subdivision; or
 - (e) mutual funds.
- ~~(4)~~(3) An ownership interest in real property includes a fee, life estate, joint or common tenancy, leasehold, beneficial interest (through a trust), option to purchase, or mineral or royalty interest, if the current fair market value of the interest is \$1000 or more.
- (a) It is not necessary to disclose ownership of a personal residence, but each individual is entitled to exclude only one residence.
 - (b) While valuation of property is not required (it need only be disclosed if its current fair market value exceeds \$1000), a description of both the property and the nature of the interest must be included. This may be a general description sufficient to identify the property without recourse to oral testimony. A street address is sufficient unless it is a rural route. The nature of the property must be described; for example, farm, ranch, vacation home, commercial or residential property, raw land held for investment, etc.
- ~~(5)~~(4) Any individual described in (1) of this rule, is required to file a business disclosure form according to the filing schedules prescribed in 2-2-106, MCA. The form D-1

Business ~~d~~Disclosure Statement forms are is provided by the Commissioner of Political Practices, PO Box 202401, Helena, MT 59620-2401.

Authorizing statute(s): 5-7-111, MCA

Implementing statute(s): 5-7-102~~(12)~~, MCA

44.11.202 POLITICAL COMMITTEE, DEFINITION AND EXCEPTIONS AND TYPES

- (1) A political committee has the meaning as defined in 13-1-101, MCA. ~~A political committee exists under Title 13, chapters 35 and 37, MCA, and these rules by virtue of its receipt of one or more contributions or through making one or more expenditures. A political committee must register with the commissioner at the time and in the manner set out in 13-37-201, MCA, and these rules, see ARM 44.11.201 and 44.11.302.~~
- ~~(2) There are four types of political committees:~~
 - ~~(a) a ballot issue committee as defined in 13-1-101, MCA;~~
 - ~~(b) a political party committee as defined in 13-1-101, MCA;~~
 - ~~(c) an incidental committee as defined in 13-1-101, MCA; and~~
 - ~~(d) an independent committee as defined in 13-1-101, MCA.~~
- (2) Subunits of a main political committee, such as county committees or other divisions, that have authority to receive contributions and make expenditures independent of a parent political committee are separate political committees. Subunits within those entities defined under "person" in these rules that have authority to receive contributions and make expenditures independent of the corporation or other entity are also separate political committees.
- (3) A political committee is not formed by the following:
 - ~~(a) by an individual who makes an independent expenditure solely with his or her own funds and by his or her own actions;~~
 - ~~(b) by a \$250 or less expenditure as defined by "political committee" in 13-1-101, MCA;~~
 - ~~(c)(a) by a de minimis activity, as defined in these rules;~~
 - ~~(d)(b) by an individual who is married making a contribution through his or her joint checking account; or~~

- (c) individual members of an LLC or partnership making a contribution through their joint checking account; or
- ~~(e)~~(d) by a candidate and his or her campaign treasurer(s) making an expenditure from or accepting a contribution in to the candidate's campaign.
- (4) ~~A ballot issue committee is a political committee specifically organized to support or oppose a ballot issue. A "ballot issue" is defined by 13-1-101, MCA.~~
- (5) ~~A political party committee is a political committee formed by a political party organization. A political party organization is defined by 13-1-101, MCA. A political party committee includes a county central committee, city central committee, clubs, and any other political committee that was formed by a political party organization.~~
- (6) ~~An incidental committee is a political committee that does not have the primary purpose of supporting or opposing candidates or ballot issues. Incidental committee reportable election activity may consist of:~~
 - ~~(a) making one or more expenditures;~~
 - ~~(b) accepting one or more designated contributions; or~~
 - ~~(c) accepting one or more contributions in response to an appeal.~~
- (7) ~~An independent committee is a political committee that has the primary purpose of supporting or opposing candidates or ballot issues but is neither a ballot issue nor a political party political committee. Independent committee reportable election activity may consist of:~~
 - ~~(a) making one or more expenditures;~~
 - ~~(b) accepting one or more contributions.~~
- (8) ~~Provided its reportable election activity is all within a single reporting period, a political committee may file a single report of its election expenditures or contributions, identifying the report as an opening and closing report.~~
- (9) ~~The primary purpose standard is defined in ARM 44.11.203.~~
- (10) ~~The commissioner may classify each political committee in the manner defined in these rules, see ARM 44.11.204.~~
 - ~~(a) Subunits of a main political committee, such as county committees or other divisions, that have authority to receive contributions and make expenditures independent of a parent political committee are a separate political committee.~~
 - ~~(b) Subunits within those entities defined under "person" in these rules that have authority to receive contributions and make expenditures independent of the corporation or other entity are a separate political committee.~~

The December 2015 poll of the Montana Legislature on proposed amendment of 44.10.327 (ARM 44.11.202) POLITICAL COMMITTEE, DEFINITION AND TYPES in MAR Notice No. 44-2-207 was as follows: 26 Senators voted the proposed rule is consistent with legislative intent; 20 Senators voted the proposed rule is contrary to legislative intent; 49 Representatives voted the proposed rule is consistent with legislative intent; and 36 Representatives voted the proposed rule is contrary to legislative intent.

Authorizing statute(s): 13-37-114, MCA

Implementing statute(s): 13-1-101, 13-37-225, 13-37-226, 13-37-229, 13-37-231, 13-37-232, MCA

44.11.203 PRIMARY PURPOSE

- (1) The term "primary purpose" refers to the major, principal, or important goal, function, or reason for existence of a political committee.
- (2) The commissioner may determine that the primary purpose of a political committee is to support or oppose candidates or ballot issues based upon any one or more of the following criteria:
 - (a) allocation and source of budget;
 - (b) allocation of staff or members' activity, ~~both during an election and otherwise; or~~
 - (c) the statement of purpose, articles of incorporation, bylaws, or goals articles of organization, articles of incorporation, or other official documentation filed with the State of Montana or the committee's home state;
 - (d) reportable election activity;
 - (e) receipt of contributions in response to an appeal or that are designated for a specified candidate, ballot issue, or petition;
 - (f) coordination with any candidates or political committees;
 - (g) ordinary business actually conducted; or
 - (h) the committee's bylaws.
- (3) The commissioner, in determining the primary purpose of a political committee, may also consider any one or more of the following criteria:
 - (a) reportable election activity;

- (b) the history of the political committee and the number of elections in which it has participated or registered;
 - (c) receipt of contributions in response to an appeal or that are designated for a specified candidate, ballot issue, petition, or reportable election activity;
 - (d) the number and cost of reportable election expenditures made;
 - (e) coordination with any candidates or other political committees;
 - (f) ordinary business actually conducted;
 - (g) if a corporation, whether it was created and maintained as provided by law; or
 - (h) the date of founding, incorporation, or organization.
- (4) If the commissioner finds, pursuant to ARM 44.11.204 and based on his or her analysis of the information provided on the political committee's statement of organization (Form C-2), or any other information known or provided to the commissioner's office, that an organization's primary purpose is to support or oppose a candidate or ballot issue, then that organization shall file and report as an independent committee, ballot issue committee, or political party committee, pursuant to these rules, and not as an incidental committee.
- (5)(3) The COPP's determination of the primary purpose of a political committee shall be based upon a preponderance of the evidence.
- (6) Once notified of its classification by the COPP, a political committee may submit additional information and request to be reclassified pursuant to ARM 44.11.204.

The December 2015 poll of the Montana Legislature on proposed NEW RULE I (ARM 44.11.203) PRIMARY PURPOSE in MAR Notice No. 44-2-207 was as follows: 26 Senators voted the proposed rule is consistent with legislative intent; 20 Senators voted the proposed rule is contrary to legislative intent; 52 Representatives voted the proposed rule is consistent with legislative intent; and 33 Representatives voted the proposed rule is contrary to legislative intent.

Authorizing statute(s): 13-37-114, MCA

Implementing statute(s): 13-1-101, 13-37-114, 13-37-226, 13-37-232, MCA

44.11.204 POLITICAL COMMITTEE, CLASSIFICATION

- (1) ~~The commissioner shall classify a political committee upon the basis of information including the statement of organization as defined in these rules. The commissioner shall notify a political committee of its classification.~~
- (2)(1) ~~The A~~ political committee shall be classified as a ballot issue committee, incidental committee, independent committee, or political party committee as defined in 13-1-101, MCA ~~one of the types of political committee specified in ARM 44.11.202.~~
- (3) The commissioner may review a political committee's classification and may reclassify a political committee upon the basis of the statement of organization as defined in these rules. The commissioner shall notify a political committee of any reclassification ~~reclassify a political committee if the status of that committee should change.~~
- (4) If the commissioner, based upon the information provided on the statement of organization, is unable to ~~classify a political committee~~ determine a political committee's classification, ~~additional information may be requested by the commissioner~~ may request additional information regarding the political committee's primary purpose pursuant to ARM 44.11.203. If additional information is requested, a political committee shall provide the requested information within 10 business days after receipt of the request.
- (5) A political committee, ~~after it has received notice of its classification that is~~ reclassified, may supply additional information and request ~~to be reclassified~~ reconsideration by the commissioner.

~~The December 2015 poll of the Montana Legislature on proposed amendment of 44.10.329 (ARM 44.11.204) POLITICAL COMMITTEE, CLASSIFICATION in MAR Notice No. 44-2-207 was as follows: 26 Senators voted the proposed rule is consistent with legislative intent; 20 Senators voted the proposed rule is contrary to legislative intent; 49 Representatives voted the proposed rule is consistent with legislative intent; and 36 Representatives voted the proposed rule is contrary to legislative intent.~~

Authorizing statute(s): 13-37-114, MCA

Implementing statute(s): 13-37-226, MCA

44.11.305 NONRESIDENT AND FEDERALLY FILING COMMITTEES, REPORTS

- (1) As used in this rule, "federally filing committee" means any committee that files reports with the federal election commission on a monthly or quarterly basis pursuant to the Federal Election Campaign Act of 1971, as amended.
 - (a) If a federally filing committee's reports filed with the federal election commission fully disclose the source and disposition of all contributions and expenditures used in elections in Montana, the commissioner shall accept copies of such reports in lieu of the periodic reports prescribed by the Campaign Finances and Practices Act. Such reports need to be filed with the commissioner only for periods in which a federally filing committee receives contributions from Montana sources or makes expenditures in elections in Montana. A copy of a statement of organization (FEC Form 1) shall accompany the first report, and copies of any amendments thereto shall be filed with the commissioner.
 - (b) This rule does not affect the duty of any such committee under 52 USCS Sec. 30113 to file copies of reports with the Montana Secretary of State.
 - (c) If a federally filing committee cannot satisfy the requirements set forth in these rules, it shall file reports on the COPP's forms for the periods in which the committee makes expenditures and contributions in elections in Montana. Such reports shall contain the information required by 13-37-229 through 13-37-232, MCA, and these rules.
 - (d) The individual certifying a report filed in Montana by a federally filing committee need not be a Montana resident.
- (2) Committees headquartered outside the state of Montana that are not federally filing committees and that make expenditures and contributions in elections in Montana may satisfy the requirements of the Montana Campaign Practices Act in one of two ways:
 - (a) if the committee files reports with a state officer in its home state, the commissioner may accept copies of such reports in satisfaction of the requirements of the Montana Campaign Finances and Practices Act if: ~~those reports fully disclose the source and disposition of all expenditures and contributions used in elections in Montana. Such reports need to be filed only for periods in which the committee makes expenditures and contributions in elections in Montana. A copy of a statement of organization or equivalent statement shall accompany the first such report, and copies of any amendments thereto shall be filed with the commissioner as they occur.~~
 - (i) the reports fully disclose the source and disposition of all contributions and expenditures used in elections in Montana;

- (ii) contribution and expenditure activity relating to Montana elections is not the majority purpose of the committee; and
 - (iii) all Montana contribution and expenditure activity is reported prior to the election in which the activity pertains.
- (b) If a nonresident committee cannot satisfy the requirements set forth in (a), it shall file reports on Montana forms for the periods in which the committee makes expenditures and contributions in elections in Montana. Such reports shall contain the information required by 13-37-229 through 13-37-232, MCA, and these rules.
- (3) Nonresident reports need to be filed only for periods in which the nonresident committee makes expenditures and contributions in elections in Montana. A copy of a statement of organization or equivalent statement shall accompany the first such report, and copies of any amendments shall be filed with the commissioner as they occur.
- (4) The individual certifying a report filed in Montana by a nonresident committee need not be a Montana resident.

Authorizing statute(s): 13-37-114, MCA

Implementing statute(s): 13-37-227, MCA

Small Business Impact

The proposed rule changes will impact candidates seeking election to public office and political committees and political committees participating in those elections. COPP has determined that there will not be a direct probable significant impact to small businesses.

Bill Sponsor Notification

COPP contacted SB 492 sponsor Sen. Greg Hertz and HB 917 sponsor Representative Eric Tilleman via email prior to submission of this proposal. Both sponsors were provided a timeline for submittal and the opportunity to comment.

Interested Persons

COPP maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a

written request that includes the name and e-mail address of the person wishing to receive notices and specifies for which program the person wishes to receive notices. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be sent to COPP via email.

Rule Reviewer

Scott Cook

Approval

Chris J. Gallus, Commissioner of Political Practices