

Commissioner of Political Practices 1209 Eighth Avenue Post Office Box 202401 Helena, MT 59620-2401 Phone: 406-444-2942 Fax : 406-444-1643 www.politicalpractices.mt.gov

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FOR OFFICE USE ONLY Political Practices 2023 JUL 17 PM0209 RECEIVED HAND DELIVERED [] SIGNED/NOTARIZED []

Campaign Finance and Practices

Complaint Form (08/17)

Type or print in ink all information on this form except for verification signature

Person bringing complaint (Complainant):

Complete Name: Derek Goldman Complete Mailing Address: 2636 Park St Missoula, MT 59801 Phone Numbers: Work Home

Person or organization against whom complaint is brought (Respondent):

Complete Name: Missoula Mayor (Incidental Committee) Complete Mailing Address: 2814 Brooks St, Box 203 Missoula, MT 59801 Phone Numbers: Work Home

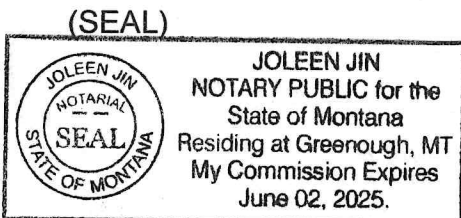
Please complete the second page of this form and describe in detail the facts of the alledged violation.

Verification by oath or affirmation

State of Montana, County of Missoula

I, Derek Goldman, being duly sworn, state that the information in this Complaint is complete, true, and correct, to the best of my knowledge and belief.

Signature of Complainant



Subscribed and sworn to before me this 12 day of July, 2023.

Notary Public

My Commission Expires:

Statement of facts:

Describe in detail the alleged violation(s) and cite the statute or statutes you believe have been violated. Please attach copies of documentary evidence to support the facts alleged in your statement.

If the space provided below is insufficient, you may attach additional pages as necessary.

The two violations below apply to a political committee named "Missoula Mayor":

1. The Committee has incorrectly filed as a incidental committee, when it clearly exists for no other purpose than to influence the Missoula 2023 mayoral election. In fact, its own C2 states that it is an "Independent Expenditure Committee to Support the next Mayor for City of Missoula." As such, Missoula Mayor should have filed as an independent committee, as its election activity is not incidental to its existence--it is the purpose of its existence. This is a violation of MCA 13-1-101.
2. The Statement of Organization (C2) for this committee is misleading by omission, as it fails to state the NAME of the candidate who is being supported by the Committee, in violation of ARM 44.11.203. Although the C2 form instructions and state regulations clearly state that the Committee purpose must include the name of the candidate it is supporting or opposing, Missoula Mayor fails to disclose the name of the candidate for which it is spending money in support. A search of this committee's expenses, and public statements by officers (attached) however, clearly indicate that it is spending money in support of mayoral candidate Mike Nugent. As seasoned political operatives, the officers should know better.

All of Missoula Mayor's contributions appear to come from two sources--more than 90 percent of which from an out-of-state lobbying group--the National Association of Realtors. Furthermore, the amount raised by Missoula Mayor this period equates to more than has been raised by all Missoula mayoral candidates combined, making this the largest campaign committee in the history of Missoula municipal elections (and likely any municipal elections in state history.) Finally, the creation of an independent committee funded solely by two real estate industry groups that already exist as incidental committees is superfluous and unnecessary--except to hide from Missoula voters the fact that the national real estate industry is seeking to heavily influence local elections in Missoula County.

For all of these reasons, this complaint is in the public interest, and should be addressed as soon as possible by the Commissioner.

Complaints must be:

- signed
- notarized
- delivered in person or by mail.

Government & Politics

National Association of Realtors pushing funds into Missoula race

By: Keila Szpaller - July 11, 2023 6:40 pm



Photo illustration by Getty Images.

The National Association of Realtors, which bills itself as “America’s largest trade association,” is pumping at least \$125,000 into the Missoula mayoral race, a significant infusion for a local election in Montana.

The expenditure, to support Realtor and Councilor Mike Nugent’s bid for mayor, was listed in the most recent campaign finance report filed by a committee titled “Missoula Mayor.”

The committee is separate from Nugent’s own mayoral campaign. However, it is supporting the Missoula native and first-

term councilor in the five-way race, according to deputy treasurer Jim Bachand.

Bachand said the local group — not the national association — is in control of its campaign. And he and Nugent both said the respective campaigns are not coordinating; Nugent said he learned about the contribution to the committee from his treasurer after it was made.

But such involvement in a city race in Montana by a national group appears to be new, said Jessi Bennion, with Montana State University: “I don’t see a ton of examples of national groups playing in local races.”

However, she said if the committee is persuasive, the national group could jump into more local races in Montana. She said the group’s participation on the municipal front also indicates politics is becoming even more “a money game” at the local level than it has been.

Legally and ethically, she said the national group is well within its rights to make a donation in the local race.

“But it does say something about the direction of local politics, and what we’re seeing as a trend is all politics are getting nationalized,” Bennion said.

Other candidates said the amount was surprising.

“Holy crap,” said candidate Shawn Knopp, who previously worked in property management maintenance, upon hearing the amount.

Said incumbent Mayor Jordan Hess: “It completely dwarfs the voices of everyday Missoulians.”

Said Andrea Davis, also a housing professional: “I actually find this to be troubling, to see six figures coming from a national trade organization to a local race.”

Candidate Brandi Atanasoff urged voters to pay attention because the mayor will influence development in Missoula.

“If the right candidate is not watching out for how it affects our own, many people may end up needing to move,” Atanasoff said.

Housing affordability is a pressing issue in Montana, and the mayor’s race in Missoula was bound to include hard-fought campaigns and housing as a key topic.

Former Mayor John Engen, the city’s longest-serving mayor, died last August of pancreatic cancer at 57 after serving in the job since 2006.

In a tense meeting last September, councilors selected then-Councilor Hess to step into the interim role as mayor. At the time, Nugent acquiesced to back Hess, his opponent, after a series of deadlocked votes.

Now that it’s time for Missoula voters to elect a mayor, the field is crowded with Democrats Davis, Hess and Nugent, and Independents Knopp and Atanasoff. And the amount of money contributed by the Realtors is substantial.

In the last mayoral election in 2017, by comparison, both candidates together had raised \$65,000 by September, an amount then characterized as “unprecedented” in the Missoulian. (Popular incumbent Engen had raised the bulk of it, \$54,500, according to the Missoulian.)

Bachand, deputy treasurer for the committee receiving the \$125,000, said the national association has a defined process for any local requests, and the local committee made its case for the money it needed to support Nugent in an application.

He declined to release the application Friday.

Bachand is chief executive officer for the Missoula Organization of Realtors, which also endorsed Nugent and made a \$10,000 donation to the committee.

The National Association of Realtors has been involved in other local campaigns outside Montana, such as in Santa Fe,

and also in support of Realtors.

In an interview, Bachand said although the national association provides the money, the local committee determines the amount it will request. And he said the amount is high because the group's commitment to Nugent is strong.

"We have an amazing opportunity in this community to elect Mike Nugent, who is a lifelong Missoulian and has an amazing ability to talk to all people and understand one of the biggest crises we're in right now around housing," Bachand said. "And I think it's really important that if we believe he's the right person, that's the level of support we need to put behind it to ensure that he's elected."

Bachand said the committee hasn't outlined priorities it wants to see from Nugent if he wins; rather, it's focusing on electing a candidate with the right temperament, leadership experience, and "deep bench" in the housing industry.

At the federal level, a report of candidates the national association has backed shows the organization funds Democrats and Republicans alike, spends big money, and chooses winners. The report from 2021-2022 said the Realtors Political Action Committee spent \$7.2 million in direct contributions and counted a 97% success rate.

In Missoula, the \$125,000 contribution is "a lot for a local race," but the committee can only do so much with it, said Bennion, the MSU political analyst. For example, it can send out mailers or maybe do a commercial or two, but she said TV ads get pricey fast.

"They have to be strategic about that money or else that will go away really quickly," she said.

So far, the committee has used the money to put up two billboards for Nugent, and Bachand said "stay tuned" for how it will spend the rest. He also said the committee may submit a subsequent request for funds to the national association depending on the outcome of the primary.

Some candidates do seek party endorsements, but the race is nonpartisan on the ballot, and the top two vote-getters in the primary will advance to the general ballot, according to the Missoula County Elections Office.

Candidate and Councilor Mike Nugent discusses Realtors' involvement

In a phone call, candidate and Councilor Mike Nugent said candidates can't coordinate with outside groups, so he doesn't know anything beyond what is publicly reported.

However, he also said in his experience, when the national Realtors group gets involved in a local campaign, locals are still in control.

Roughly three years ago, he said the county commissioners solicited help from the Realtors for polling on a gas tax. Although it was a small amount of money, Nugent said the national association also spent money on Missoula City Council elections in 2021 to support both himself and incumbent Mayor Jordan Hess.

"This isn't the first local election that MOR has been involved in," Nugent said of the Missoula Organization of Realtors; the local Realtors solicit funds from the national association.

The significant infusion from outside Missoula could turn off some voters, although political analyst Jessi Bennion of Montana State University said the average voter may not pay close enough attention to notice. Regardless, Nugent said he will focus only on what he can control, and on that front, he's doing well.

"I think it's important and only fair to note that we're leading in traditional fundraising, and we're proud to have the support of all kinds of people across Missoula," said Nugent, who has pulled in roughly \$63,000.

By comparison, Hess estimated he has raised more than \$45,000; Andrea Davis has pulled in some \$25,000; Shawn Knopp has raised nearly \$3,000; and Brandi Atanasoff isn't raising money.

Nugent said he didn't have an opinion on the amount of outside money that will influence the local race because it's not

his decision to make, and he said outside money isn't new in local politics, pointing to Montana Conservation Voters as an example.

(Montana Conservation Voters said it has had a political action committee that has been involved with statewide and local elections, and it plans to make independent expenditures in 2023. However, a spokesperson said it is not supporting any candidates in the primary. The spokesperson did not state the maximum amount of money the group has contributed in a local election.)

Separately from any individual campaign, Nugent said the country needs to change the way money influences politics: "I believe it's clear that we need to reform campaign finance across the board."

He noted his support comes from a wide base, from progressives and people who back his LGBTQ+ positions and "fair housing for all" ideas. The involvement by the national group is another indication of interest, he said.

"There's a mayor's race, and there's a lot of people that are really interested in it," Nugent said.

Mayoral candidates comment

Shawn Knopp said Mike Nugent is already the top candidate for mayor, so even though the amount of money he's getting is large, he doesn't believe those dollars can tip the scales much more in favor of his opponent.

"He's already the frontrunner. He's going to be the one that I need to beat. But I'm still shocked," Knopp said.

Andrea Davis, executive director of Homeword, has worked in the housing sector for 22 years, but she said she wasn't approached by the independent committee about her work. Homeword has a mission to support affordable and sustainable housing in Montana.

Davis said she isn't surprised the national Realtors group supports one of its own, but she has a question about it, too.

"My question is what is in it for the National Association of Realtors, who want to influence the mayoral race? Because they wouldn't spend this money on a race if they didn't want to influence it, right?" Davis said.

She also said money can buy ads: "But this race will be won on the doors, and that's where I'll be."

Brandi Atanasoff said she believes it's a conflict of interest for the Missoula Organization of Realtors to be involved in the mayor's race given the city is trying to address affordable housing. (A political analyst said the involvement by the Realtors is an indication of the nationalization of politics but is also above board.)

Incumbent Mayor **Jordan Hess** said the money has a chilling effect on democracy at the local level, and "it sells out our local politics to national special interests." However, he said he'll focus on showing the public he can be a good mayor.

Hess also has worked on housing issues, including as chairperson of the land use and planning committee of the city council, supporting the adoption of the local affordable housing trust fund, and working with the late Mayor John Engen to initiate code reform.

He too has questions: "I think people should be asking what they will expect of someone if they bankroll a candidacy. What do they expect of that person if they're in office? That's an important thing to ask with dark money."