

**PUBLIC ACCESS TO
LOBBYING INFORMATION**
COMMISSIONER OF POLITICAL PRACTICES
NOVEMBER 2024
24P-02
Focused Evaluation



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§5-13-202(2), MCA

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PERFORMANCE AUDITS

Performance audits conducted by the Legislative Audit Division are designed to assess state government operations. From the audit work, a determination is made as to whether agencies and programs are accomplishing their purposes, and whether they can do so with greater efficiency and economy.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Members of the performance audit staff hold degrees in disciplines appropriate to the audit process.

Performance audits are conducted at the request of the Legislative Audit Committee, which is a bicameral and bipartisan standing committee of the Montana Legislature. The committee consists of six members of the Senate and six members of the House of Representatives.

This report is distributed as required under §5-13-304 (3), MCA, to members of the Legislative Audit Committee and other interested parties. This report contains a written response from the Commissioner of Political Practices and we wish to express our appreciation to agency staff for their cooperation and assistance during our audit.

Respectfully submitted,

/s/ Angus Maciver

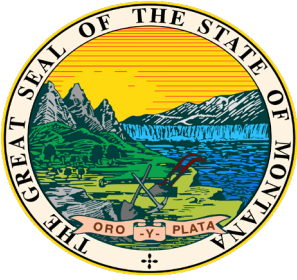
Angus Maciver, Legislative Auditor

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Reports can be found in electronic format at:
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MONTANA LEGISLATIVE AUDIT DIVISION

FOCUSED EVALUATION

A report to the Montana Legislature
Angus Maciver, Legislative Auditor

Background

The Commissioner of Political Practices ensures the integrity and transparency of campaigns, politics, and government in Montana. A key part of this role is overseeing lobbying activity in the state. This includes administering the two-year registration of lobbyists and principals and enforcing the lobbying reporting laws. Principals are companies or organizations that hire lobbyists to represent their interests before the legislature. About 450 registered principals are required to report their subjects of interest and lobbying expenses to the COPP. The COPP allows reports to be filed electronically or on paper and stores reports in two separate databases. The public's access to the reported information is provided by the COPP. It is key for transparency that disclosed lobbying information be made promptly available to the public through a user-friendly interface on the COPP's reporting platform.

Public Access to Lobbying Information

Montanans lack easy access to comprehensive, timely information about lobbying activities influencing the state's legislature. To address this, we identified several improvements, including the need to more thoroughly enforce compliance with statutory reporting requirements and changes to the manner and frequency of reporting.

What We Did

To determine whether the Commissioner of Political Practices (COPP) makes complete and timely lobbying information available to the public in a user-friendly way, we reviewed state law and rules governing the lobbying program and assessed whether a random sample of 50 principals' reports filed in 2021/2022 met those requirements. We further evaluated whether those principals' reports were filed timely, and conducted two onsite visits to observe COPP staff's report processing steps. We also determined whether principals reported lobbying activity on a sample of 10 bills introduced during the 2023 legislative session to the COPP. We learned about best practices in public access to lobbying disclosure and evaluated the user-friendliness of the COPP's two reporting databases. We interviewed an expert from a national, nonpartisan, independent nonprofit organization focused on tracking money in American politics and talked to the agencies overseeing the lobbying disclosure programs in five other states.

What We Found

Contrary to industry best practices, Montana does not require electronic filing of lobbying reports. This means the COPP stores reports filed electronically and on paper in two separate databases, accessible via two different websites. Consequently, the public, legislators, and the media have to search in two separate places to learn about a principal's lobbying activity. Reported activities may include a principal's payments to their lobbyist, the principal's position on certain subjects and bills, or expenses to entertain legislators. We found neither of the two COPP databases meets best practices for user-friendly access to the reported information or provides data in download formats that allow Montanans to easily conduct their own lobbying activity analysis.

Not only is accessing the disclosed lobbying data challenging, but we also found that the COPP is insufficiently enforcing statutory reporting requirements, meaning data available in the two databases is incomplete. Finally, statute does not provide for lobbying information to be available to the public in a timely manner. Montana’s lack of regular required report filings paired with a reporting threshold of \$5,000 per month in lobbying expenses means Montanans may learn only after a legislative session has ended which companies or organizations supported or opposed bills or issue areas.

Montanans Depend on the COPP for Access to Lobbying Information

Montana law outlines not only what lobbying information principals have to report and when to report it but also that the COPP must make the information publicly available. Aside from observing bill hearings, the public can access information on lobbying activity in the state only through the COPP. To determine whether the information reported to the COPP and available to the public meets statutory requirements, we reviewed 209 lobbying reports filed by a random sample of 50 principals in the 2021/2022 registration and reporting period. The sample included both in-state and out-of-state principals, principals with 0 to 4 lobbyists, as well as those who file reports electronically and those who file on paper. The 209 reports were comprised of 5 different types of reports: 49 mandatory initial reports, 48 mandatory post-session reports, 38 mandatory session year-end reports, 62 monthly reports, and 12 nonsession year-end reports. Figure 1 to the right outlines the statutory lobbying reporting requirements that include lobbyist’s and principal’s contact information, lobbying topics and expenses, and due dates for the mentioned report types.

Figure 1



Statutory Lobbying Reporting Requirements

Contact Information

- Lobbyist’s name and business address
- Principal’s name and business address

Lobbying Topics

- The subject areas of the principal/lobbyist contract
- Additional subjects of legislation of interest to the principal
- Each official action subject of a major effort to support, oppose, or modify it, incl. a statement of the principal’s position on the action

Lobbying Expenses

- Office expenses such as advertising, postage, communication, etc.
- Salaries, fees, and travel
- Itemized payments of \$25 or more must identify the payee and beneficiary if made to benefit any legislator
- Itemized payments of \$100 or more must identify the payee and beneficiary if benefiting multiple legislators
- Each earmarked contribution and membership fee that amounts to \$250 over the calendar year

Three Mandatory Reports

- Initial report (due on Feb. 15th of the session year)
- Post-session report (due 30 days after the end of the session)
- Session year-end report (due on Feb. 15th of the nonsession year)

Nonmandatory Reporting Months

- Reports need to be filed in nonmandatory reporting months if the principal spent \$5,000 or more on lobbying in the prior month
- Due on the 15th of a month

Source: Compiled by the Legislative Audit Division.

Allowing Two Different Reporting Methods Impedes Access to Lobbying Information

Montana’s principals can file lobbying activity reports electronically or on paper. Our review indicated that around 80 percent of the state’s nearly 450 principals file electronically. This suggests that most have adopted electronic reporting as their reporting method of choice. When we observed staff processing reports, we learned that staff manually upload both the reports filed on paper and electronically to the hard copy database. However, COPP staff do not add information filed on paper to the online reporting platform. To compile the sampled principals’ reports, we searched both databases to ensure all reports were located for each principal. We observed differences in search functions between the websites and noted that some principals filed both electronic and paper reports during the two-year reporting period. This complicated the search and the steps to cross-reference databases for report content. Two reporting databases with different information and different steps to search for the information make access to lobbying data cumbersome.

Not All Mandatory Reports Are Being Filed

Our report review indicated that only 38 of 50 sampled principals had filed all required reports. The required reports most principals failed to file were session year-end reports. The statute provides that session year-end reports must include all payments a principal made during the session year. In contrast, a post-session report must only include all payments made during the session if those payments were not reported previously. The difference in requirements between the two mandatory reports may contribute to some principals failing to file session year-end reports. We also determined that only the principal knows when nonmandatory reports are required to be filed because of the \$5,000 expense threshold for nonmandatory reports and principals not having to provide expenditure receipts with their reports.

“...only 38 of 50 sampled principals had filed all required reports.”

- Legislative Audit Division




















Not All Filed Reports Contain Complete, Required Lobbying Information

During our report review, we identified multiple examples of reports missing required information:

- Principals failed to enter information such as their business address, or their subject and/or additional legislation of interest, and staff review did not include following up to obtain the missing information.
- Principals inaccurately reported expenses, e.g., itemized expenses did not add up to reported entertainment expenses.

We also noticed confusing instructions on the COPP’s paper report forms and discrepancies between those forms and the online reporting dashboard. Either or both issues may cause principals to not enter or incorrectly enter the required information. Table 1 (page 4) provides more detail regarding the specific findings per reporting category. The review of 209 lobbying reports found that while some reports provided information for every statutory reporting category, many did not consistently include all required details.

Table 1
Only Some of the 209 Reviewed Lobbying Reports Provided Information
in Each Statutory Reporting Category

Reporting Category	Required Information	Reports with the required information	Percent
 Contact Information	Lobbyist's Business Address	186	89% 
	Principal's Business Address	152	73% 
 Lobbying Topics	Official Action w/ Major Effort	137	66% 
	Additional Subjects of Legislation	41	20% 
	Session Year Subject	0	0%
 Lobbying Expenses	Payments to Lobbyists	139	67% 
	Entertainment Expenses	32	15% 
	Communication Expenses	27	13% 
	Other Office Expenses	24	11% 
	Travel Expenses	22	11% 
	Payments to non-Lobbyists	21	10% 
	Printing Expenses	18	9% 
	Advertising Expenses	12	6% 
	Itemized Payments > \$25	8	4% 
	Postage Expenses	7	3% 
	Itemized Payments > \$100	6	3% 
	Earmarked Contributions	5	2% 

Source: Compiled by the Legislative Audit Division.

It is important to note that principals may not have certain expenses or new areas of interest to disclose in each report, leading to some categories being left empty. However, when reviewing a principal's report in the database, there is currently no indication of why a report field is empty—whether because there was no activity or because the principal omitted information. In contrast, other states require certain fields to be completed, even if the entry is "zero dollars" or "not applicable." Updating Montana's electronic reporting platform so that statutorily required lobbying data are mandatory report fields that must be filled before the report can be submitted would provide the public with more comprehensive, reliable lobbying information. It would also decrease COPP staff review time while increasing compliance with reporting requirements, as principals could no longer submit reports unless they provided required lobbying information.

Confusing Report Form Design Contributes to Lack of Lobbying Information

An example of confusing form design is the mandatory report form when used to file a session year-end report on paper. See Figure 2 (page 5) for an excerpt of the report form. While the form permits principals to file only the first page of the three-page form if they previously reported lobbying payments, state law outlines this as permissible solely for post-session reports but not for session year-end reports.

Figure 2

2023 Legislative Session Year Report

January 1 – January 31 (due February 15, 2023)	<input type="checkbox"/>
February 1 – February 28 (due March 15, 2023)	<input type="checkbox"/>
March 1 - March 31 (due April 15, 2023)	<input type="checkbox"/>
April 1 - End of Session (due 30 days after adjournment)	<input type="checkbox"/>
End of Session - December 31 (due February 15, 2024)	<input type="checkbox"/>
If lobbying payments were made this calendar year and previously reported, but <i>no additional payments or contributions have been made or received</i> , check this box and file only this page.	<input type="checkbox"/>
In the event of <i>Special Legislative Session(s)</i> the following will apply:	
Adjournment of Special Session (due 30 days after adjournment)	<input type="checkbox"/>
Non Session Year End January-December 31, 2022 (due February 15, 2023)	<input type="checkbox"/>

Source: Excerpted by the Legislative Audit Division from agency form.

The form’s first page, however, asks only for the principal’s name and business address. It does not request information on a principal’s lobbyist(s), bills or subjects supported or opposed, lobbying expenses, or benefiting legislators. Considering the public’s access to lobbying information, missing or incomplete session year-end reports are particularly problematic. Only year-end reports provide lobbying information in the aggregate, i.e., lobbying activity and expenses for the preceding 12 months, whether a session or nonsession year. All other reports, whether mandatory or not, provide information on lobbying activity and expenses for only the month leading up to the filing date, leaving it up to the public to manually compile aggregate data.

Most of the Reviewed Reports Were Filed on Time

As mentioned earlier, principals have to file three mandatory reports in the two-year registration period: an initial report, a post-session report, and a session year-end report. Of the mandatory reports included in the sample of 209 reports, 48 out of 49 initial reports were filed by the due date, as were 47 out of 48 post-session reports. Thirty-five of 38 session year-end reports were also filed on time. Nonmandatory reports are required only if a principal spent \$5,000 or more on lobbying in the prior month. The sampled principals filed 84 nonmandatory reports, and we determined that 83 were filed by the due date. While most of the reviewed reports were filed by their due date, Montana’s reporting requirements do not facilitate timely reporting, as Figure 3 (page 6) illustrates.

Figure 3

Except for the three mandatory reports, principals are only required to file reports in **non-mandatory months** if they spent \$5,000 or more on lobbying in the prior month.



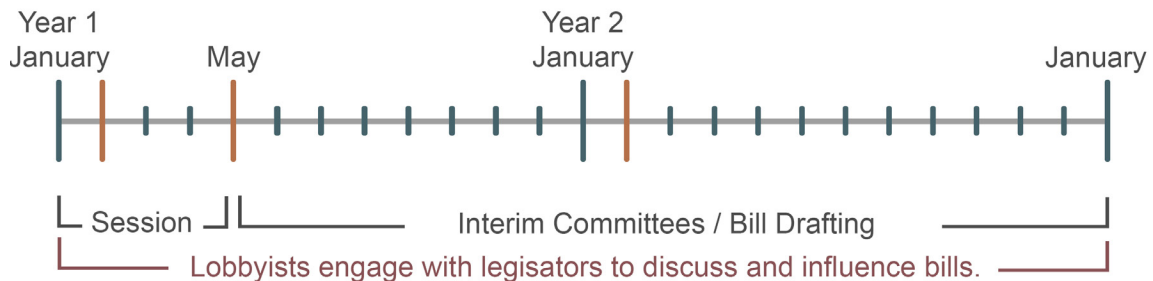
Source: Compiled by the Legislative Audit Division from state law.

While Most Reports Were Filed by Their Due Date, Lobbying Reporting in Montana Is Not Timely

Ensuring the timely disclosure of lobbying activity to the public is key to meaningful access to the information. We learned during the audit that other states require monthly reporting, monthly reporting during the legislative session, or, if reporting is required less than monthly, prompt reporting of a principal’s new/change of position on a bill or subject. This provides citizens with up-to-date knowledge of any lobbying activity. Montana statute, in contrast, requires lobbying reporting as few as three times throughout a two-year time frame. Lobbying reporting during the remaining 21 months depends on principals spending \$5,000 or more on lobbying per month. Whether lobbying activity is taking place during the session or during the interim, if the principals’ monthly expenses remain under the \$5,000 threshold, no reporting is required (see Figure 4). The \$5,000 expense threshold and lack of more frequent, mandatory reporting diminish the public’s access to timely information on lobbying activity in the state.

Figure 4

Despite lobbyists being **active year-round**, Montana’s reporting requirements are **too infrequent** to provide the public with timely information on lobbying activities.



Source: Compiled by the Legislative Audit Division from state law.

The COPP Falls Short on Its Commitment in Its Lobbying Program

A review of 209 lobbying reports, along with other audit work, revealed that the lobbying information available to Montanans is incomplete, not timely, and lacks user-friendly accessibility. Consequently, the COPP struggles to meet its commitment to “promoting confidence, transparency, and accountability in Montana’s democratic process” in its administration of the lobbying program. We make four recommendations related to the specific areas we found need improvement: the reporting method, compliance with reporting requirements, the reporting frequency, and access to reported lobbying information.

Electronic Reporting Is an Industry Best Practice

In reviewing lobbying reporting requirements for the U.S. Congress and other states, we identified electronic reporting as the industry standard. Other states most frequently capture the mandate in statute but also in administrative rule. Electronic reporting results in lobbying disclosure data being publicly available immediately upon report submission, with data being searchable, sortable, and available for download from a single source. Mandated electronic reporting further allows for the automated tracking of principals’ report filings and automated penalties for those principals who file their reports late. Both of those aspects also significantly reduce the administrative burden for agency staff.

The Existence of Two Databases Is Inefficient for the Public and the Agency

Montana law and rule are silent on how principals should file their lobbying reports. Paper and electronic filing options have existed since the COPP first offered principals the ability to file lobbying reports electronically in 2013. Most states transitioned from paper to electronic reporting in 3-4 years. According to agency staff, the biggest challenge in the lobbying program is the option to file lobbying reports on paper and electronically, as the setup does not allow the public to easily locate and access reported information. As noted earlier, the public has to search both databases to locate all of a principal’s lobbying reports. Additionally, since the two databases track paper and online reporting separately, staff have to manually track the reporting for the complete group of principals in a spreadsheet to ensure registration and reporting compliance. Manual tracking adds staff time to administering the program and is error-prone.

The Public’s Access To Lobbying Disclosure Data Is Cumbersome and Likely Incomplete

Of the 209 reports we reviewed for this audit, 176 were filed electronically, and 33 were filed on paper. To locate all reports and information of interest, the public has to know that two separate databases exist, that the two databases contain different information, and how to use the search functions of each database. In talking to staff, we learned that aggregate data provided on the online reporting platform’s start page are inaccurate since only the online reporting platform’s data is included.

Electronic Reporting Increases Access to Disclosure Data and Agency Efficiency

Documenting lobbying activity in two different formats falls short of industry best practices, impedes public access to disclosed information, and increases the administrative burden on the agency. While the COPP currently has the ability to engage in the rule-making process to mandate electronic reporting, the office indicated that this shift amounts to a policy change that falls under the purview of the legislature. We therefore recommend the legislature enact a statutory requirement for electronic lobbying reporting.

Recommendation #1

We recommend the Montana Legislature change statute to mandate electronic lobbying reporting.

Enforcing Compliance With Statutory Reporting Requirements

Ensuring principals report all required data points is key to providing Montanans with transparency in the legislative process. We found bill and issue reporting is not only required to be reported by Montana statute but is also a best practice in other states and the U.S. Congress. Bills and issue areas are often what the public is most interested in, making the disclosure of that information especially meaningful. The statute also outlines the COPP's obligation to inspect every report within 10 days after it is filed and instructs the agency to follow up if the reporting requirements are not met. Finally, statute provides the COPP the ability to audit lobbying reports and investigate any irregularities.

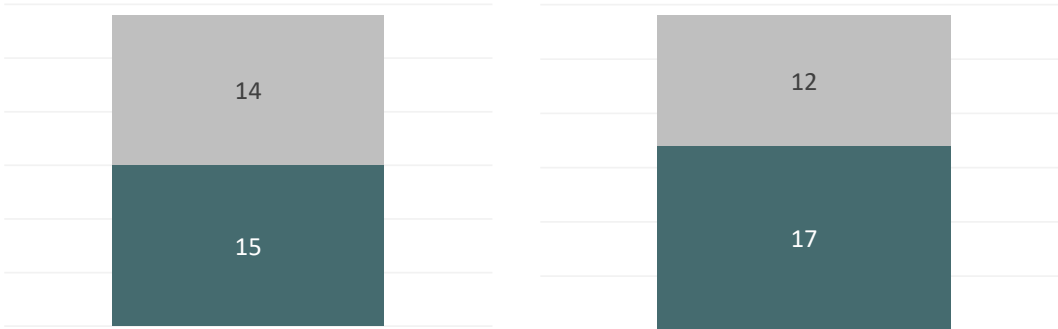
Lobbying Disclosure on Subjects and Bills Is Missing More Than Other Data Points

We found that only 38 of 50 sampled principals filed all the mandatory reports, and a variety of information was missing from some of the reports. Missing information included principals' business addresses, lobbying expenses, and especially session year subjects of interest and additional subjects of legislation. We conducted a second analysis to determine whether the public listening to a bill hearing could query COPP databases for the lobbyists who testified to find information on the lobbyists' principals and position on the respective bill. In a random sample of 10 bills from the 2023 legislative session, we observed 29 different lobbyists offering public testimony. We could only locate 15 of the 29 lobbyists in either COPP database and the bills in question were reported to the COPP by only 17 of the 29 principals (see Figure 5, page 9).

Figure 5

We found only **15** of the 29 lobbyists in the **COPP** databases...

and just **17** of their principals **reported** their lobbied bills to the **COPP**.



Source: Compiled by the Legislative Audit Division from agency records.

These observations indicate that complete information is not reliably available to the public, especially regarding bills being lobbied and organizations or companies paying for the lobbying. As noted earlier, some principals may not have met the \$5,000 reporting threshold and, therefore, lawfully did not report. Yet the public has no indication of why a principal's information is missing.

The COPP Does Not Enforce Compliance With Reporting Requirements

We noted during onsite observations that staff only briefly reviewed filed reports without considering whether information on subjects or bills was provided, and only briefly reviewed reported expenses. Staff told us that bills or subjects a lobbyist worked on are not the focus of their review. They told us the office had to choose between ensuring either timeliness or completeness due to high workload and limited resources, and they chose to focus on timeliness. The statute, however, requires the COPP to inspect filed reports and follow up on issues of noncompliance. While requirements exist in state law, the COPP appears to administer the lobbying program without policies or procedures offering guidance to staff on overseeing registration, reporting, and compliance in the lobbying program. We further learned the agency has yet to use its statutory audit authority. Other states' practice is taking a random sample of filed reports to conduct an annual audit. We determined that the COPP's staffing of its lobbying program aligns with other states we interviewed that have similar lobbyist and principal populations and reporting volume. However, other states also told us they lack the resources to review filed reports and depend on their third-party complaint processes to detect noncompliance. As we noted above, mandatory electronic reporting could help free up staff resources to ensure better compliance among principals.

The COPP Needs To Follow and Enforce Montana Statute

The COPP operates its lobbying program without policies and procedures and has not used its audit authority. Additionally, the COPP does not prioritize enforcing compliance with all statutory lobbying reporting requirements and conducts only cursory reviews of the filed reports. Thus, we found limited assurance as to the completeness of reported lobbying information available to the public from the COPP's databases.

Recommendation #2

We recommend the Commissioner of Political Practices:

- A. Conduct the required inspection of reports within 10 days of filing to ensure filed reports comply with all MCA requirements.
- B. Establish policies and procedures to guide staff's administration of the lobbying program.
- C. Exercise the office's audit authority on a regular basis.

Low Reporting Thresholds and Monthly Reporting Ensure Public Access to Lobbying Information

Low reporting thresholds and frequent reporting mandates are key best practices that enhance the public's access to lobbying information. We found that the U.S. Congress, along with most other states, does not have a threshold for lobbying reporting. That means all expenses are reportable, and in many cases, reports must be filed even if there is no activity to report. Some states set the threshold amounts as low as \$100. In addition to no or low reporting thresholds, other states require either monthly reporting or monthly reporting during a legislative session. As of 2022, monthly reporting when the legislature is in session and quarterly otherwise is a standard followed by 20 states. In states requiring less than monthly reporting, a principal's change of position on a bill or subject has to be reported promptly, e.g., within 24 hours in Colorado and 15 days in Wisconsin.

Insufficient Reporting Requirements Prevent Timely Public Access to Lobbying Data

Whereas low reporting thresholds and mandates to report frequently ensure timely public access to lobbying information in other states, Montana mandates only three reports in a two-year time frame and otherwise requires reporting only if a principal spent \$5,000 or more on lobbying. In at least five of the reports we reviewed, we noted that principals reported cumulative lobbyist payments between \$10,000 and \$20,000 but had not filed any prior expense reports. Since principals are not required to submit expenditure receipts and the COPP conducts only cursory report reviews, we could not determine whether those principals should have filed reports prior to the ones we reviewed. However, we learned during audit work and as part of the file review that principals' retainer payments to lobbyists routinely range from \$3,500 to \$5,000 a month, suggesting that principals may meet the \$5,000 reporting threshold fairly easily.

Montana's Lobbying Reporting Is Irregular and Delayed

The significant reporting threshold and the lack of a monthly reporting requirement mean the public's access to information about lobbying activity on bills or subjects of interest is delayed. The delay can be as significant as lobbying activity only becoming publicly known after the end of the legislative session. Removing the statutory reporting threshold and implementing a monthly reporting requirement would improve the availability of lobbying information.

Recommendation #3

We recommend the Montana Legislature amend statute to:

- A. Eliminate the \$5,000 threshold for lobbying report filings, and
- B. Mandate monthly reporting by all registered principals during the legislative session, and quarterly reporting for the remainder of the biennial reporting time frame.

User-Friendly Lobbying Disclosure Databases Ensure Straightforward Public Access

Best practices for providing easy access to lobbying information include:

- Search features that do not bury information behind multiple clicks or require prior knowledge,
- Easily accessible lists of registered lobbyists and principals, and
- Disclosed data being available for download.

The ability to search lobbying databases by bill number or subject area is an additional best practice we observed in other states. An expert in lobbying disclosure suggested that assigning sectors or categories to bills, such as energy or housing, would further increase the public's access to the information.

The User-Friendliness of the COPP's Two Databases Is Limited

Neither of Montana's two lobbying platforms are user-friendly—information is buried behind multiple clicks; search processes differ; and some data, like bill numbers or topics of interest, are not searchable. Additionally, accessing lists of lobbyists and principals requires multiple steps, and the newer online platform is particularly cumbersome. While the paper-based system offers minimal data downloads in spreadsheet format, the online system only allows PDF downloads, limiting data analysis. This setup makes it difficult for the public to access lobbying information.

A Database Redesign To Increase Public Access and User-friendliness Is Needed

While a mandate for electronic reporting will be a first step towards improving public access, the COPP also needs to address the existing online platform's shortcomings regarding user-friendly public access to lobbying disclosure information. The existing platform underwent a redesign in 2020, yet user-friendliness from the public's perspective was not a deliverable in the COPP's \$110,000 contract with the vendor. An update to the online platform could address deficiencies identified during audit work by implementing:

- User-friendly searches that provide results in few clicks/search steps,
- Mandatory report fields for statutorily required lobbying data,
- The ability to search for bill numbers and subject areas,
- Unique URLs for search results to ease the sharing of lobbying information,
- Easily accessible lists of lobbyists and principals searchable by lobbyist's or principal's name, and
- The availability of data downloads in Excel and/or CSV format.

There likely will be an additional expense associated with implementing the recommended updates since the suggested changes, according to the COPP, do not fall under the current maintenance contract with their vendor. We provided the COPP with a list of improvements to its database to consider, but the current vendor was unable to provide a cost estimate without additional detail.

Recommendation #4

We recommend the Commissioner of Political Practices update the online reporting platform's interface to conform with best practices for lobbying disclosure platforms, seeking additional resources as necessary, to include, at a minimum, simplified search features, easily accessible lists of registered lobbyists and principals, and data downloads in spreadsheet format.

AGENCY RESPONSE
COMMISSIONER OF POLITICAL PRACTICES

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COMMISSIONER OF
POLITICAL PRACTICES



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November 18, 2024

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LEGISLATIVE AUDIT DIV.

Dear Mr. Maciver:

The Commissioner of Political Practices Office responds to the Public Access to Lobbying Information, Performance Audit.

Recommendation #1:

We recommend the Montana Legislature change statute to mandate electronic lobbying reporting.

Response:

Concur. COPP agrees that lobbying filings should be done electronically. By making all reports electronic, information will be available to the public immediately. Currently, the public must access two different places to find reports that are filed- the electronic filing system for electronically filed reports, and a separate hard copy search for hard copy (paper) reports. Hard copy (paper) filings take more time to make available to the public.

Recommendation #2

We recommend the Commissioner of Political Practices:

- A. Conduct the required inspection of reports within 10 days of filing to ensure filed reports comply with all MCA requirements.
- B. Establish policies and procedures to guide staff's administration of the lobbying program.
- C. Exercise the office's audit authority on a regular basis.

Response:

Partially concur.

- A. COPP staff currently inspects reports within 10 days of filing. There is not currently a way to know if the principal who filed a report included all necessary information.
- B. COPP staff agree we should have written policies for our Lobbying programs. We will work on this and should have it complete by May 2025.
- C. MCA 5-7-212 provides the commissioner “may” audit filed reports. While COPP staff currently inspects all reports within 10 days, the agency has never exercised this discretionary audit authority to because COPP staff lack necessary expertise to professionally perform such functions. If the legislature provides additional resources to adequately and professionally perform random audits, COPP can meet such an objective. However, I cannot concur with this particular recommendation without additional resources.

Recommendation #3

We recommend the Montana Legislature amend statute to:

- A. Eliminate the \$5,000 threshold for lobbying report filings, and
- B. Mandate monthly reporting by all registered principals during the legislative session, and quarterly reporting for the remainder of the biennial reporting timeframe.

Response:

Concur: COPP agrees that the \$5,000 filing threshold is confusing. There is no way to track or otherwise know if a principal has spent \$5,000 in a month or not. Requiring reports be filed regardless of amount spent would reduce confusion as to when reports are due.

Recommendation #4

We Recommend the Commissioner of Political Practices update the online reporting platform’s interface to conform with best practices for lobbying disclosure platforms, seeking additional resources as necessary, to include, at a minimum, simplified search features, easily accessible lists of registered lobbyists and principals, and data downloads in spreadsheet format.

Response:

Concur: COPP agrees the online reporting system can be remodeled and used for mandatory filings. COPP staff would like a system that is user friendly for the public to access all lobbying information. However, absent mandated electronic filing it is not feasible for the electronic filing system to allow users to access all information in the desired manner, as hard copy (paper) reports submitted to

COPP cannot be easily or efficiently incorporated.

If you have any questions regarding our responses, please contact Chris Gallus,
Commissioner or Kym Trujillo, Compliance Specialist Supervisor

Sincerely,



Chris J. Gallus
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