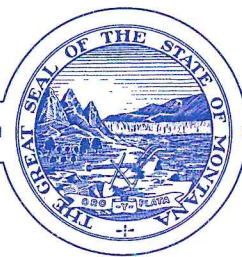


COMMISSIONER OF
POLITICAL PRACTICES



STATE OF MONTANA

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July 28, 2025

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 (13-37-120 and
5-11-210, MCA)**

**Report Title: *MT COPP SAVA Report—July 30, 2025, Hearing
(10:40 AM Item)***

Dear SAVA Committee Members:

This letter includes a general report and conforms to the biennial report required pursuant to 13-37-120, MCA as well as 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 fundamental purpose of COPP is to gather and disseminate information regarding a variety of politically related affairs to the public, however, which we do in a manner that promotes transparency and integrity in the areas of campaign finance, lobbying, and ethics.

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. We are currently enhancing access to these reporting systems through use of an artificial intelligence (AI) agent/system, which will assist candidates, political committees, and lobbyists with compliance associated issues, while maintaining necessary human interaction by COPP's existing staff. Experienced and knowledgeable staff is required, and will always be required, to fulfill COPP's fundamental mission to assist users in compliance and disseminate the information we gather to the public. COPP is uniquely positioned to enter into and stay at the forefront of AI because of our mission to gather information and publicly disclose it. AI offers COPP an opportunity to greatly enhance public disclosure and increase agency efficiency.

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 \$1.9 million, that includes an OTO appropriation for an Auditor. 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 718 statewide, state district, county, city and school district candidates and 274 political committees. In 2024, the number of candidates was 780. Of those 780, 40 campaigns are still open with continued

reporting obligations. In 2025, COPP handled the registration of 376 lobbyist and 550 principals. There was only 1 late end of session lobbying finance report resulting in late filing fines of \$50 (one day late) that went into the general budget in 2025. No lobbying fines were assessed in 2024.

Committees

| | |
|-----------------|------------------------------------|
| Political Party | 103 total 7 out of compliance |
| Incidental | 41 total 1 out of compliance |
| Independent | 122 total with 8 out of compliance |
| Ballot Issue | 8 total with 1 out of compliance |

School Candidates

| | |
|------|----------|
| 2024 | 81 total |
| 2025 | 91 total |

City

| | |
|------|---|
| 2024 | 13 Total |
| 2025 | 539 Total (17% - 92 are "C Box" candidates) |

2026 Statewide, State District and County Candidates registered as of 07/29/25

| | |
|----------------|------------------------------|
| Statewide | 2 total 0 out of compliance |
| State District | 80 total 4 out of compliance |
| County | 6 total 0 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 2025 we conducted candidate training at the invitation of the Billings Area Chamber of Commerce as well as several other locations we established as a result of notifications we sent asking Treasurers to respond if interested in attending a training:

- 04/10/25 Missoula 3 attendees
- 05/08/25 Helena 23 attendees
- 05/19/25 Bozeman 6 attendees
- 05/20/25 Billings 28 attendees
- 06/12/25 Kalispell 6 attendees

Report on Active Litigation:

COPP is not involved in any active litigation at this time.

At the time of the Commissioner's last report to SAVA, the Commissioner was a named defendant in *Montana League of Women Voters v. Knudsen, Jacobsen and Gallus*, and *Montana Public Interest Research Group et. al. v. Knudsen, Jacobsen and Gallus*. Both of these cases sought to enjoin enforcement of House Bill 892 which provided criminal penalties for failing to cancel a previous voter registration before filing in a new state. In April of this year the preliminary injunction in these matters became permanent and both cases were dismissed without prejudice. Consequently, MCA 13-35-210(5) is currently unenforceable

Enforcement Decision, Docket and Settlement

Since September 1, 2024, the COPP accepted 17 campaign finance complaints, decided 28, and reached settlement agreements in 13. COPP also issued 11 Orders of noncompliance. Five candidates remain noncompliant.

COPP received 11 ethics complaints. Nine were not accepted for filing and two were accepted but dismissed without contested case hearings.

Anticipated Rule Making Resulting from Legislative Changes and Requirements

Rules

- COPP is currently working through the Rulemaking process to adjust the campaign contribution limits published in ARM 44.11.227 that will apply for the 2026 primary and general elections, as we are required to do under MCA

13-37-216(3). Based on the publication timelines for Rule proposals/adoptions and the applicable public comment period, late September or early October is a realistic timeline for adopting the adjusted limits.

- COPP is also reviewing legislation passed by the 2025 Montana Legislature- in particular HB's 759 and 818, but likely other bills as well- to determine if existing Rules need to be amended, or new Rules adopted. Such reviews are standard after conclusion of a legislative session, and we to be complaint with Montana law the agency will keep both the bill sponsor and SAVA at large in the loop as any new Rulemaking occurs.

Updates to Guides, Manuals, and Website published/issued by COPP

- COPP Compliance Specialists are also currently in the process of reviewing guidance and manuals published/issued by the agency- in particular, the Accounting and Reporting Manual for Candidates and Treasurers (Green Book) and candidate and treasurer guide to CERS- to ensure they continue to be informative and useful. Slight updates to content and information presented of this nature is routine, as COPP reviews and updates these manuals each odd year.
- Similar review of the COPP agency website is also ongoing- this is a continuous process. If a candidate/treasurer finds information on the website that does not appear to be up to date, contradicts something published somewhere else, etc. please have them let me know, so I can find and (if appropriate) update the website! Public feedback of that nature is much appreciated.

Proposed or Anticipated Legislation for 2027

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.

As a result of election related complaints in 2024, COPP also anticipates that legislators will continue to take an interest in residency related issues, and COPP pledges to work close with legislators and interested parties to appropriately resolve residency related issues in a legal and comprehensive manner.

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. We will continue placing a major focus on AI to enhance services and compliance.

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