

SENATE BILL NO. 529

INTRODUCED BY J. KASSMIER

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATED TO CAMPAIGN CONTRIBUTIONS; PROVIDING THAT CONTRIBUTIONS FROM CERTAIN TAX-EXEMPT ORGANIZATIONS TO POLITICAL AND JOINT FUNDRAISING COMMITTEES TO SUPPORT OR OPPOSE A CANDIDATE OR BALLOT MEASURE MAY NOT EXCEED \$2,500; PROHIBITING CONTRIBUTIONS FROM TAX-EXEMPT ENTITIES TO CANDIDATES; PROHIBITING CONTRIBUTIONS FROM TAX-EXEMPT ENTITIES TO POLITICAL AND JOINT FUNDRAISING COMMITTEES IF THE ENTITY HAS RECEIVED A DONATION OR CONTRIBUTION FROM A FOREIGN NATIONAL IN THE LAST 4 YEARS; AND PROVIDING PENALTIES."

WHEREAS, in 2015, the Montana Legislature enacted Senate Bill 289 for the purpose of prohibiting undisclosed dark money in Montana elections and to enhance transparency and accountability; and

WHEREAS, in the last election cycle, tax-exempt organizations under section 501(c)(4) of the Internal Revenue Code, 26 U.S.C. 501(c)(4), funneled millions of dollars in undisclosed dark money into various political committees for the purpose of influencing Montana's elections; and

THEREFORE, for the purpose of ensuring transparency and accountability, the Legislature believes the amount of money tax-exempt organizations under section 501(c)(4) of the Internal Revenue Code, 26 U.S.C. 501(c)(4), can contribute to a political committee should be limited.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Limitation on contributions from certain tax-exempt organizations.

An organization exempt from taxation under section 501(c)(4) of the Internal Revenue Code, 26 U.S.C. 501(c)(4), may not make a contribution exceeding \$2,500 to a political committee or joint fundraising committee for the purpose of supporting or opposing a candidate or ballot issue.

NEW SECTION. Section 2. Prohibited contributions from tax-exempt entities. (1) (a) An

1 organization exempt from taxation under section 501 of the Internal Revenue Code, 26 U.S.C. 501, may not
2 make a contribution to a candidate directly or through an intermediary.

3 (b) A candidate may not accept or receive a contribution as provided in subsection (1)(a).

4 (2) An organization exempt from taxation under section 501 of the Internal Revenue Code, 26
5 U.S.C. 501, may not make a contribution to a political committee or joint fundraising committee if the
6 organization received a donation or contribution, as defined in 13-1-101, from a foreign national, as defined in
7 13-37-501, directly or through an intermediary, in the preceding 4 years.

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9 NEW SECTION. **Section 3. Penalties.** A person who violates [section 1 or 2] is liable in a civil action
10 pursuant to 13-37-128.

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12 NEW SECTION. **Section 4. Codification instruction.** [Sections 1 through 3] are intended to be
13 codified as a new part in Title 13, chapter 37, and the provisions of Title 13, chapter 37, apply to [sections 1
14 through 3].

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16 NEW SECTION. **Section 5. Saving clause.** [This act] does not affect rights and duties that matured,
17 penalties that were incurred, or proceedings that were begun before [the effective date of this act].

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