

Proposed 2007 Session Legislation

Agency Name: **Commissioner of Political Practices** Agency No: **3202**

Priority Number: **4** Filename: **3202-01-004**

Short Title: **Establish Civil Penalties for the Late Filing of Campaign Finance Reports**

Agency Contact Person/Phone: **Gordon Higgins/444-2942**

1. Purpose:
 Add a new section in Title 13, chapter 37, part 1, MCA, that provides for a \$50 a day civil penalty with a maximum penalty of \$2000 for campaign finance reports that are not submitted to the Commissioner's office by the statutory deadline. The new section will also provide for an opportunity to request an informal contested case hearing to seek a reduction or a waiver of the civil penalty under certain circumstances.

2. Background:
 Most candidates and political committees file the required campaign finance reports on time. Existing law provides that my office may issue Orders of Non-Compliance after repeated attempts to remind late filers of the obligation to file. The issuance of the orders allows my office or the county attorney to bring a civil action against the candidate or committee who does not file in a timely manner. My understanding is that no civil action has ever been brought in this instance. The Commissioner's office has a similar provision for addressing the late filing of lobbying reports and has seen a dramatic increase in compliance as a result.

3. Fiscal Impact by Fund Type: *This impact should be as specific as possible.*
 The Commissioner's office anticipates an increase in civil penalties collected. All civil penalties collected by the office are deposited in the General Fund. During a recent round of non-compliance orders issued, all of the political committees would have exhausted the available days and would face a maximum of \$2000 in civil penalties. With approximately 30 orders of non-compliance issued the total fiscal impact would have been \$60,000. If political committees or candidates chose to contest the penalty, there would be a minimal increase in agency legal costs for a contracted hearings officer.

4. Summary Checklist [Check & complete all that apply]-

Housekeeping Only Federal Requirement Audit Recommendation (Audit No.) Major Legislation

Anticipated to be Controversial Legislation Bill Draft has been included in Legislation Submittal (if available)

Supports Submitted EPP Item Number: Local Government Fiscal Impact

Increases FTE, or Decreases FTE by

List FTE amount and program
 No impact on agency FTE

Increases Existing Revenue Tax Fee Penalty [amount in #3]

Decreases Existing Revenue Tax Fee Penalty [amount in #3]

Establishes New Revenue Tax Fee Penalty [amount in #3]

Leg. has been Submitted in Previous Legislative Sessions (list priority no, LC no, or bill no):

Legislation would affect other state agencies (list):

Special Interest Groups Affected (list):

Candidates, political committees.

Other:

It is anticipated that this proposal will generate a significant amount of opposition from candidates and political committees.