



ADMINISTRATIVE RULES OF MONTANA

44.12.209 PRINCIPALS--REPORTING OF COSTS OF ENTERTAINMENT AND SOCIAL EVENTS

- (1) A principal shall report the cost of entertainment and social events, including but not limited to meals, parties, cocktail parties, shows, movies, buffets, receptions, sporting events, membership fees for clubs, or other similar functions, as follows: payments made by the principal, the lobbyist, or an individual engaged in lobbying activities for the benefit of the public officials who attend the event, including tips or gratuities, must be reported as a lobbying expenditure and, if applicable, itemized as provided in [5-7-208](#) (5) (b) , MCA, if:
 - (a) if one or more public officials are invited and attend the event, all payments made by the principal, the lobbyist, or an individual engaged in lobbying activities for the benefit of the public officials who attend the event, including tips or gratuities, must be reported as a lobbying expenditure and, if applicable, itemized as provided in [5-7-208](#) (5) (b) , MCA, if:
 - (i) a principal's lobbyist, employee, officer, agent, attorney, or individual engaged in lobbying activities lobbies a public official during the event;
 - (ii) the event includes a program by a principal's lobbyist, employee, agent, attorney, or officer concerning proposed or pending official action; or
 - (iii) the event is paid for at the request or suggestion of a lobbyist or an individual for the purpose of supporting or assisting a lobbying activity.
- (2) To determine whether the itemization requirements of [5-7-208](#) (5) (b) , MCA, apply, a principal shall calculate the benefit to a public official as follows:
 - (a) If the benefit to a public official can be determined based on actual expenditures made, then actual expenditures must be used to determine whether the itemization requirements of [5-7-208](#) (5) (b) , MCA, apply. For example, Principal White Hat's lobbyist takes two state representatives to dinner to lobby for their support of Principal White Hat's legislation. Rep. B orders a \$30 dinner and \$15 in drinks. Rep. S is ill and orders only a salad and a glass of milk (total cost for Rep. S, \$6) . The lobbyist spends \$26 on himself. The total bill, including tip, is \$89. Principal White Hat must report \$51 (\$45 for Rep. B and \$6 for Rep. S) , plus a proportionate share of the tip, as an entertainment expense and must report \$45 plus a proportionate share of the tip as a benefit to Rep. B under [5-7-208](#) (5) (b) (i) , MCA. Rep. S does not have to be identified under [5-7-208](#) (5) (b) (i) , MCA, because the personal benefit to him was less than \$25 and the \$100 separate itemization requirement of [5-7-208](#) (5) (b) (ii) , MCA, does not apply because the event cost less than \$100.
 - (b) If the benefit to a public official cannot be determined based on actual expenditures because of the size or type of event (e.g., a large reception for all 150 legislators with an open bar which is also attended by a large number of other lobbyists, principals, and friends) , the

benefit to a public official in attendance shall be determined based on the total cost of the event, including tips or gratuities, divided by the total number of attendees. The per capita cost of the event becomes the benefit to each public official who attended the event. If the per capita cost of the event is \$12 per person and 30 legislators attend the event, then \$360 must be reported as an entertainment expense.

Authorizing statute(s): 5-7-111, MCA

Implementing statute(s): 5-7-208, MCA

History: NEW, 1982 MAR p. 1208, Eff. 6/18/82; AMD, 2002 MAR p. 2458, Eff. 9/13/02; AMD, 2004 MAR p. 1979, Eff. 8/20/04.