LRB-2872/5 JTK/RM/MS/MK:cs:jf

# 2001 ASSEMBLY BILL 843

February 20, 2002 – Introduced by Representatives Duff and Freese, cosponsored by Senator Schultz. Referred to Committee on Campaigns and Elections.

AN ACT to repeal 11.01 (12s), 11.05 (3) (o), 11.265, 11.31 (1) (dm), 11.31 (3m) and 1 2 11.31 (4); to renumber 11.50 (1) (a) 1.; to renumber and amend 11.05 (1), 11.05 (2), 11.12 (6), 11.31 (2m), 11.50 (1) (a) 2., 11.50 (3) (a) 1., 11.50 (3) (a) 2., 3 11.50 (9), 11.66, 19.49 (5) and 19.59 (7); to amend 5.02 (13), 5.05 (1) (e), 7.08 4 (2) (cm), 8.35 (4) (a) 1. a. and b., 11.05 (3) (c), 11.05 (7), 11.05 (9) (b), 11.05 (12) 5 6 (b), 11.06 (1) (intro.), 11.06 (2), 11.06 (3) (b) (intro.), 11.06 (7m) (a), 11.06 (7m) 7 (b), 11.06 (7m) (c), 11.07 (1), 11.07 (5), 11.09 (3), 11.12 (2), 11.12 (4), 11.16 (2), 11.16 (5), 11.19 (1), 11.20 (2), (3) (a) and (b), 11.20 (8) (intro.), 11.20 (8) (a), 11.21 8 9 (15), 11.23 (1), 11.23 (2), 11.25 (2) (b), 11.26 (1) (intro.), 11.26 (1) (b) and (c), 11.26 10 (2) (intro.), 11.26 (2) (a), 11.26 (2) (b) and (c), 11.26 (3), 11.26 (4), 11.26 (5), 11.26 11 (6), 11.26 (8), 11.26 (9) (a), 11.26 (9) (b), 11.26 (10), 11.26 (15), 11.26 (17) (a), 11.27 12 (1), 11.30 (4), 11.31 (1) (intro.), 11.31 (1) (a) to (c), 11.31 (1) (d), 11.31 (1) (e) and (f), 11.31 (2), 11.31 (2m) (title), 11.31 (3), 11.38 (6), 11.50 (2) (a), 11.50 (2) (b) 4., 13 14 11.50 (2) (b) 5., 11.50 (2) (f), 11.50 (2) (g), 11.50 (2) (h), 11.50 (2) (i), 11.50 (3) (b),

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11.50 (5), 11.50 (6), 11.50 (10m), 11.50 (11) (e), 11.60 (1) and (2), 11.61 (1), 12.05, 19.53 (6), 19.59 (8) (c), 25.42, 71.10 (3) (a) and 71.10 (3) (b); and to create 5.066, 11.001 (2m), 11.01 (4m), (7) (b) 6. and (11m), 11.01 (13), (14), (17g) and (17r), 11.05 (1) (b), 11.05 (2) (b), 11.05 (3) (q), 11.06 (1) (cm), 11.06 (1) (dm), 11.06 (11) (bm), 11.065, 11.10 (6), 11.12 (6) (b), 11.20 (3) (be), 11.20 (8) (am), 11.21 (17), 11.24 (1s), 11.24 (1w), 11.25 (2) (am), 11.26 (1m), 11.26 (1t), 11.26 (2) (ae), (am), (as) and (av), 11.26 (9m), 11.26 (10a), 11.31 (1) (cg) and (cr), 11.31 (2m) (a), 11.31 (3n), 11.31 (3r), 11.31 (9), 11.385, 11.50 (1) (a) 1. (intro.), 11.50 (1) (a) 2m., 11.50 (1) (am), 11.50 (1) (bm) and (cm), 11.50 (2s), 11.50 (2w), 11.50 (3) (c), 11.50 (4m), 11.50 (9) (b) to (d), 11.50 (14), 11.66 (2), 19.42 (3m), (4g), (4r) and (7p), 19.45 (13), 19.49 (1m), 19.49 (5) (b), 19.535, 19.59 (1) (br), 19.59 (7) (b), 19.59 (8) (cm) and (cn), 71.07 (6s), 71.10 (4) (cs), 227.03 (6m) and 227.52 (8) of the statutes; **relating to:** campaign financing, the procedure for enforcement of the election laws, nonrefundable income tax credits for certain donations to the Wisconsin election campaign fund, candidate time on public broadcasting television stations and public access channels, official action in return for providing or withholding political contributions, services, or other things of value, providing exemptions from certain emergency rule procedures, granting rule-making authority, and providing penalties.

# Analysis by the Legislative Reference Bureau

This bill makes numerous changes in the campaign financing law and also makes certain changes to tax laws relating to campaign financing and provision of free media access to candidates for state office. The bill also requires free time for candidates for state office on public broadcasting television stations and public access channels. In addition, the bill changes the procedure for enforcement of the election laws. Significant provisions include:

#### FILING OF CAMPAIGN FINANCE REPORTS

## Mass communications

Currently, individuals who accept contributions, organizations which make or accept contributions, or individuals who or organizations which incur obligations or make disbursements (expenditures) for the purpose of influencing an election for state or local office are generally required to register with the appropriate filing officer and to file financial reports with that officer, regardless of whether they act in conjunction with or independently of any candidate who is supported or opposed.

With certain exceptions, this bill imposes reporting requirements, in addition, upon any individual who or organization that, during the period beginning on the 30th day before a primary election for an office to be filled at a general, special, or spring election and the date of that general, special, or spring election or, if no primary is held, during a similar 60-day period preceding a general, special, or spring election and by means of a printed advertisement, commercial billboard, radio or television advertisement, mass mailing, telephone call, or similar means, makes any expenditure independently of a candidate for the purpose of making one or more communications which include the name or likeness of a candidate for a state office other than court of appeals judge, circuit judge, or district attorney to be filled at that election. This requirement applies to expenditures to finance what is commonly referred to as "issue advocacy." The requirement does not apply to a disbursement that is reportable under current law, to a communication made solely for the purpose of gathering information, or to a communication made by a corporation, cooperative, or nonpolitical voluntary association that is limited to the organization's members, shareholders, or subscribers. The reporting requirement does not apply unless the individual or organization makes expenditures independently of a candidate for such communications exceeding \$2,000. The report required under the bill must include the name of each candidate identified in each communication, a statement as to whether the communication is intended to support or oppose that candidate (and, if so, an identification of the candidate who is supported or opposed), the total amount or value of the expenditure used to fund the communication, and the accumulative aggregate expenditures made by the individual or organization with respect to that election. The bill permits the board to obtain a copy of any reported communication, under certain circumstances, in order to determine whether the communication was intended to support or oppose a candidate. Any such determination applies only for purposes of granting exemptions from certain disbursement and contribution limits (see below).

# Required frequency of certain reports

Currently, with limited exceptions, a candidate at any primary or other election must file preprimary and preelection reports no later than eight days before each primary or other election at which the candidate participates.

This bill provides, in addition, that if such a candidate, as of the end of any week before a primary or other election at which the candidate seeks office, has received contributions or other income in a total amount exceeding 20% of the disbursement level provided for the office that the candidate seeks, the candidate or his or her personal campaign committee must file weekly preprimary or preelection reports for

each week preceding the primary or other election at which the candidate seeks office.

# Reporting of disbursements for communications

Currently, if a person makes a payment to make a communication for the purpose of influencing an election, the payment is potentially reportable as a disbursement (expenditure), even if the communication is made after the time of the disbursement. Under this bill, a payment made for such a purpose is not reportable until the communication is made.

# Reporting of late independent obligations and disbursements

Under current law, an individual or committee making disbursements independently of a candidate in support of or in opposition to a candidate for state or local office must inform the appropriate filing officer within 24 hours of making such a disbursement, if the cumulative amount of such disbursements made by the individual or committee later than 15 days before a primary or election exceeds \$20.

This bill extends this 24-hour reporting requirement to cover obligations incurred for communications made. Also, the bill requires 24-hour reporting only if the cumulative amount of obligations incurred or disbursements made by the individual or committee later than 15 days before a primary or election exceeds \$250.

# Reports relating to referenda

Currently, any individual who accepts contributions, makes disbursements, or incurs obligations, and any group that makes or accepts contributions, makes disbursements, or incurs obligations, in connection with one or more referenda exceeding \$25 cumulatively within a calendar year is potentially subject to requirements to register with the appropriate filing officer and to file campaign finance reports.

This bill provides instead that the individual or group is potentially subject to registration and reporting requirements only if contributions, disbursements, or obligations exceed \$100 cumulatively within a calendar year.

# Reporting by nonresident registrants

Currently, with certain exceptions, registrants under the campaign finance law are required to file regular reports with the appropriate filing officer or agency. The reports must identify contributors of more than \$20 cumulatively within a calendar year; the occupation and principal place of employment, if any, of each contributor whose cumulative contributions within a calendar year exceed \$100; the registrants from whom or to whom funds are transferred; other income exceeding \$20; contributions donated to a charitable organization or the common school fund; loans exceeding \$20, together with the identity of the lenders and guarantors, if any; disbursements (expenditures) and obligations exceeding \$20; and certain information from registrants making disbursements independently of candidates. However, if a registrant does not maintain an office or street address within this state, the registrant need only identify contributions, transfers, loans, and other income received from sources in this state and disbursements and obligations incurred with respect to elections for state or local office in this state.

This bill deletes the exception for registrants who or which do not maintain an office or street address within this state, so that these registrants are required to report the same information as other registrants. The bill does not affect reporting by authorized committees of candidates for the office of U.S. senator or representative in congress, national political party committees, and federally registered committees of state political parties that make no contributions to individuals or committees that are subject to a state registration requirement.

# Reporting of contributions transferred by conduits

Currently, if an individual or organization receives a political contribution consisting of money and transfers the contribution to another individual or organization without exercising discretion as to the amount to be transferred and the individual to whom or the organization to which the transfer is to be made, the contribution is considered to be made by the original contributor for purposes of reporting by the ultimate recipient. The contribution is also treated as an individual contribution for purposes of determining contribution limitations and qualifying contributions for public grants. The individual or organization making the transfer is called a "conduit" under the law. A conduit must identify itself to the ultimate recipient as a conduit and provide to that recipient the information about the contribution which is necessary for the recipient to file its campaign finance reports.

This bill directs the elections board to provide a separate schedule that must be filed by each registrant to which contributions are transferred by a conduit. The schedule includes the name and address of the conduit, the date and amount of each transfer, and the total amount transferred to the registrant by the conduit for the calendar year.

# Duplicate filing requirements

Currently, certain registrants whose filing officer is the elections board and who or which make disbursements in connection with elections affecting only one county or a portion thereof must file duplicate originals of their campaign finance reports with the county clerk or board of election commissioners of every county in which such elections are held. This bill requires, instead, that these registrants file duplicate originals of these reports with the filing officer of each jurisdiction in which such elections are held.

#### DISBURSEMENT LEVELS AND LIMITATIONS

Under current law, disbursement (expenditure) levels are specified for candidates for various state and local offices. These levels become a binding limitation upon any candidate for state office who accepts a state grant from the Wisconsin election campaign fund or who agrees to be bound by the limitation, unless the candidate is opposed by a major opponent who could have qualified for a grant but declines to accept one.

This bill:

1. Revises the current disbursement levels and limitations applicable to candidates for the offices shown below as follows:

		Proposed
0.00	Current	$Level\ or$
Office	Level	Limitation
Governor	\$1,078,200	\$2,750,000
Lieutenant governor	$323,\!475$	400,000
Attorney general	539,000	750,000
Secretary of state	215,625	300,000
State treasurer	215,625	300,000
Supreme court justice	215,625	400,000
Superintendent of public instruction	215,625	400,000
State senator	$34,\!500$	112,500
Representative to the assembly	$17,\!250$	45,000

2. Creates a quadrennial cost-of-living adjustment that causes the statutory disbursement levels to be adjusted every 4 years, beginning in 2006, in accordance with a formula tied to the "consumer price index" determined by the U.S. department of labor.

#### CONTRIBUTION LIMITATIONS

## Individual contributions

Current law limits the amount of contributions that may be given to and accepted by a candidate for state or local office. Currently, individuals are subject to limitations on the amount of contributions made cumulatively to a particular candidate and on the aggregate total amount of contributions made to all candidates.

This hill

1. Revises the current limitations on contributions that individuals may make to candidates for certain state offices. Under the bill, with certain exceptions, candidates who voluntarily agree to abide by the disbursement limitations and self-contribution limitations may receive higher amounts of contributions from individuals. The proposed limitations on these contributions are shown in the following chart:

Office	Current Limit	Proposed Limit: Candidates Subject to Disbursement and Self-Contribution Limitations	Proposed Limit: Candidates Not Subject to Dis- bursement and Self-Contribution Limitations
Governor, lieutenant governor, attorney general, secretary of state, state treasurer, supreme court jus- tice, or superinten- dent of public instruc tion	\$10,000	\$10,000	\$5,000
State senator	1,000 500	$1,500 \\ 750$	750 375
Representative to the assembly	900	790	ə <i>1</i> ə

2. Creates a cost-of-living adjustment that causes the statutory limits on individual contributions to be adjusted quadrennially, beginning in 2006, in accordance with a formula tied to the "consumer price index" determined by the U.S. department of labor.

#### Committee contributions

Under current law, committees other than political party committees and legislative campaign committees are subject to limitations on the amount of contributions made cumulatively to a particular candidate. In the case of committees making contributions to candidates for statewide offices, this limitation is 4% of the candidate's disbursement level or limitation. This bill replaces this percentage limitation with a dollar amount which represents a change in the amount of the limitation, and changes the current limitations upon contributions to legislative candidates as follows:

Office	Current Level	$Proposed \ Limit$
Governor	\$43,128	\$43,500
Lieutenant governor	12,939	12,000
Attorney general	$21,\!560$	22,000
Secretary of state	8,625	8,650
State treasurer	8,625	8,650
Supreme court	8,625	12,000
justice		

Superintendent	8,625	12,000
of public instruction		
State senator	1,000	1,500
Representative to the	500	750
assembly		

Current law also limits the cumulative amount of contributions that a committee other than a political party or legislative campaign committee may make annually to a particular political party, limits the cumulative amount of contributions that a political party may accept annually from a particular committee other than a political party or legislative campaign committee, and its subunits or affiliates, and limits the aggregate total of contributions that a political party may accept during any biennium from all committees other than political party and legislative campaign committees. Currently, a committee other than a political party or legislative campaign committee may annually contribute up to \$6,000 to a particular political party, a political party or a legislative campaign committee may annually accept up to \$6,000 from a particular committee other than a political party or legislative campaign committee, and its subunits and affiliates, and a political party or legislative campaign committee may accept up to \$150,000 in contributions from all committees other than a political party or legislative campaign committee during any biennium.

This bill increases these contribution limits. Under the bill, a political party may receive up to \$450,000 in contributions from all committees, other then political party committees. In addition, a political party may annually accept up to \$18,000 from any particular committee, other than a political party committee. The bill also authorizes such a committee to make contributions up to that authorized amount.

In addition, the bill creates a cost-of-living adjustment that causes the statutory limits on committee contributions to be adjusted quadrennially, beginning in 2006, in accordance with a formula tied to the "consumer price index" determined by the U.S. department of labor.

#### TREATMENT OF LEGISLATIVE CAMPAIGN COMMITTEES

Currently, the adherents of any political party in either house of the legislature may organize a "legislative campaign committee" to support the candidacy of members of their party for legislative office. Committees other than legislative campaign committees and political party committees are generally subject to a limitation upon the contributions that they may make to candidates for legislative office or to political parties. Legislative campaign committees are subject only to overall limitations on the aggregate contributions that may be accepted by a candidate from entities other than individuals.

This bill eliminates the special treatment of legislative campaign committees under the statutes, thus causing them to be treated in the same manner as other special interest committees for the purpose of contribution limitations. The bill does not preclude a committee from utilizing any name it wishes.

## EXEMPTION FROM DISBURSEMENT AND CERTAIN CONTRIBUTION LIMITATIONS

Currently, if a candidate for a state office accepts a grant and has an opponent who also could have qualified to receive a grant but declines to accept one, the candidate is not bound by his or her disbursement or self-contribution limitation. However, if each opponent who declines to accept a grant files with the elections board an affidavit of voluntary compliance with the disbursement and self-contribution limitation applicable to candidates for the office that the candidate seeks, the disbursement and self-contribution limitation for the candidate who accepts a grant continues to apply. Currently, a candidate for state or local office may not accept contributions from all committees, together with grants from the Wisconsin election campaign fund, in an aggregate amount exceeding 65% of the candidate's applicable disbursement level or limit. In addition, such a candidate may not accept contributions from all committees, together with grants from the Wisconsin election campaign fund, but not including contributions from political party committees, in an aggregate amount exceeding 45% of the applicable disbursement level or limit.

Under this bill, if a candidate for state office accepts a grant from the Wisconsin election campaign fund or if a candidate for state office other than court of appeals judge, circuit judge, or district attorney files an affidavit of voluntary compliance with disbursement and self-contribution limitations, and if an expenditure independently of a candidate for a reportable mass communication is made in opposition to his or her candidacy or in support of his or her opponent, (an expenditure to finance what is commonly referred to as "issue advocacy") then the candidate may make additional disbursements in that campaign exceeding the applicable disbursement limitation, in an amount equivalent to the amount of the expenditure. In addition the limitations upon contributions made by individuals to the candidate (as affected by the bill) are doubled. Furthermore, subject to certain limits, any contributions received by the candidate for purposes of responding to the expenditure, up to the amount of the expenditure, are not subject to the the percentage limitations on the aggregate total of contributions received from committees and grants from the Wisconsin election campaign fund. The bill requires each candidate who desires to respond to such an expenditure to include, in each required campaign finance report, an itemization of any such contributions. However, the bill prohibits a candidate from accepting contributions totaling more than 200% of the percentage limitations on the aggregate total of contributions received from committees and grants from the Wisconsin election campaign fund. Under the bill, applicable limitations on contributions from particular committees, other than political party committees, continue to apply to the candidate.

The bill also provides that if a candidate for state office who accepts a grant from the Wisconsin election campaign fund or a candidate for state office other than court of appeals judge, circuit judge, or district attorney who has filed an affidavit of voluntary compliance with disbursement and self-contribution limitations determines that an opposing candidate who has not applied for a grant and who has not filed an affidavit has made disbursements exceeding the amount of the disbursement limitation applicable to candidates for that office, then all candidates

for that office may make additional contributions to their own campaigns exceeding the self-contribution limitation applicable to candidates for that office and may make additional disbursements exceeding the disbursement limitation applicable to candidates for that office in an amount equivalent to the lesser of the total contributions made by the opposing candidate to his or her own campaign or the amount by which total disbursements made by the opposing candidate exceed the applicable disbursement limitation, as reported to the board by the opposing candidate. In addition, limitations upon contributions made by individuals to those candidates (as affected by the bill) are doubled. Furthermore, subject to certain limits, any contributions received by the candidates for purposes of responding to the excess disbursements, up to the amount of the excess disbursements, are not subject to the percentage limitations on the aggregate total of contributions received from committees and grants from the Wisconsin election campaign fund. The bill requires candidates who desire to respond to such disbursements to include, in each required campaign finance report, an itemization of any such contributions. However, the bill prohibits the candidates from accepting contributions totaling more than 200% of the percentage limitations on the aggregate total of contributions received from committees and grants from the Wisconsin election campaign fund. Under the bill, applicable limitations on contributions from particular committees, other than political party committees, continue to apply to all candidates.

## CONTRIBUTION RESTRICTIONS

# Personal campaign committee contributions to certain federal registrants

Currently, a committee that is subject to a registration requirement under state law may make a contribution to be used in connection with a campaign for national office if that contribution is lawful under federal law. This bill prohibits a personal campaign committee of a candidate for state or local office in this state from making a contribution to a committee that is registered with the federal election commission, other than an authorized committee of a candidate for national office or a national or state political party committee.

# Contributions made in connection with certain fund-raising events

This bill provides that no member of the legislature or personal campaign committee of a member may make or receive any contribution in connection with a fund-raising social event held in Dane County during a legislative floorperiod or a special or extraordinary session if the event is held to benefit a member or member's personal campaign committee. The prohibition does not apply if an event is held between the first day authorized for filing nomination papers for an office for which a member is a candidate and the date of the election for that office, if the event is held within the jurisdiction or district served by the office for which the member is a candidate or if the member is a candidate for an office other than member of the house in which the member serves. The prohibition is also inapplicable to an event that is held during a special or extraordinary session by a member or his or her personal campaign committee if the member serves a district that is at least partly contained within Dane County, the event is held within the boundaries of that district, and invitations to the event are sent before the special or extraordinary session is called.

Violators of the prohibition are subject to a forfeiture (civil penalty) of not more than \$500 for each violation. Intentional violators are guilty of a misdemeanor and are subject to a fine of not more than \$1,000 or imprisonment for not more than six months, or both.

Currently, there is no such prohibition.

# Transfer of campaign surpluses for use in campaigns for different offices

This bill prohibits any authorized campaign committee of a candidate for national office from making a contribution or disbursement with respect to an election for state or local office. Currently, such contributions or disbursements may be permitted if the committee registers and makes certain disclosures under state law.

#### WISCONSIN ELECTION CAMPAIGN FUND

# Sources and uses of funds

Under current law, the Wisconsin election campaign fund is financed through an individual income tax "checkoff." Every individual filing a state income tax return who has a tax liability or is entitled to a tax refund may direct that \$1 of general purpose revenue be transferred to the fund. Individuals filing a joint return may separately choose whether to direct that the \$1 transfer be made. All moneys transferred to the fund are placed in accounts for specified state offices, and candidates for those offices may qualify for grants from the fund to be used for specified campaign expenses.

This bill deletes the current checkoff for the Wisconsin election campaign fund but permits an individual to pay an additional amount not exceeding \$5 to be transferred to the fund, effective for tax returns filed for taxable years beginning on or after January 1 following the day on which the bill becomes law. Under the bill, individuals filing a joint return may separately choose whether to make an additional payment. The bill permits an individual to claim a credit against his or her individual income tax liability for the amount of the additional payment. Individuals filing a joint return may claim a credit for their combined payments. The bill also permits individuals to determine whether to designate their payments for a "general account," which is potentially available for distribution to all candidates who qualify for a grant, or for the account of an eligible political party, which is distributed to all candidates representing that party who qualify for a grant. Under the bill, for a candidate to qualify for a grant from the general account, the candidate must receive at least 6% of the total vote cast for all candidates for the office that the candidate seeks at the September primary or any partisan primary, as currently provided. For a candidate to qualify for a grant from a political party account, a candidate need not meet this requirement. If a candidate of an eligible political party qualifies for a grant, that candidate receives any available moneys in the account of his or her political party. Thereafter, all candidates receive any amounts available from the general account, with those amounts first allocated to equalize grants received by candidates for each office for which any candidate has received payments from a political party account, and thereafter prorated within each office if insufficient moneys are available to finance payment of the full amount of the grants for which candidates qualify.

# Grant eligibility requirements and amounts

Under current law, public financing from the Wisconsin election campaign fund is available to eligible candidates for the offices of state senator, representative to the assembly, governor, lieutenant governor, attorney general, state treasurer, secretary of state, justice of the supreme court, and superintendent of public instruction. To receive a grant, a candidate must file an application with the state elections board no later than the deadline for filing nomination papers. Following the primary election or the date on which a primary would be held, if required, the board determines whether a candidate who applies is eligible for a grant. Among other things, in order to be eligible for a grant, the candidate must receive, during a specified time period, a specified amount of contributions from individuals of \$100 or less. For a candidate for the office of governor, lieutenant governor, secretary of state, state treasurer, attorney general, justice of the supreme court, or superintendent of public instruction, the amount is 5% of the authorized disbursement level for the office which the candidate seeks. For a candidate for the office of state senator or representative to the assembly, the amount is 10% of the authorized disbursement level for the office which the candidate seeks.

Under current law, a candidate for any office who accepts a grant must comply with statutorily prescribed contribution and disbursement limitations, unless at least one of the candidate's opponents who received at least 6% of the votes cast for all candidates for that office at a partisan primary, if a primary was held, does not accept a grant and does not voluntarily agree to comply with the contribution and disbursement limitations for that office.

Currently, the maximum grant that a candidate may receive from the Wisconsin election campaign fund is that amount which, when added to all other contributions accepted from sources other than individuals, political party committees, and legislative campaign committees, is equal to 45% of the authorized disbursement level for the office that the candidate seeks, if there are sufficient moneys in the fund to finance the full amount of grants for which candidates qualify. In each year prior to a year in which an election for the office of justice of the supreme court is scheduled, 8% of the moneys designated by taxpayers to be transferred to the fund for that year is set aside to finance payment of grants to candidates for the office of justice. In each year prior to a year in which an election for the office of state superintendent of public instruction is scheduled, 8% of the moneys designated by taxpayers to be transferred to the fund for that year is set aside to finance payment of grants to candidates for the office of superintendent. Whether these amounts are sufficient to finance payment of the full amounts for which candidates qualify depends upon the total amount of taxpayer designations for that year.

This bill:

- 1. Increases the maximum potential grant payable to a candidate for the office of justice of the supreme court to 65% of the authorized disbursement level for that office.
- 2. Provides that if a candidate has a balance in his or her campaign depository account that exceeds 50% of the authorized disbursement level for the office that the

candidate seeks at the time that grant payments are made, the amount of the grant payable to that candidate is 50% of the amount that would otherwise be payable.

- 3. Provides that if a candidate does not have an opponent whose application for a grant is approved by the board, the amount of the grant payable to that candidate is 50% of the amount that would otherwise be payable, unless the grant has already been reduced as a result of the balance in the candidate's campaign depository account.
- 4. Provides that in each year prior to a year in which an election for the office of justice of the supreme court is scheduled, an amount must be set aside from taxpayer donations to the general account sufficient to finance payment of the full amount of grants for which candidates for the office of justice qualify, and in each year prior to a year in which an election for the office of state superintendent of public instruction is scheduled, an amount must be set aside from taxpayer donations to the general account, after any set aside for the office of justice is made, sufficient to finance the full amount of grants for which candidates for the office of superintendent qualify. These amounts must be set aside before amounts are made available from the general account to finance the payment of grants to candidates for any other offices. Under the bill, if the balance in the fund is insufficient to set aside the required amounts, the entire balance in the fund is set aside.
- 5. Provides that a candidate for the office of state senator or representative to the assembly must receive contributions equal to only 7% of the authorized disbursement level for the office which the candidate seeks in order to qualify for a grant. The bill also provides that the contributions of \$100 or less from individuals used by a candidate for any state office to determine eligibility for a grant must be made by individuals who reside in this state and, in the case of a candidate for legislative office, by individuals at least 50% of whom reside in a county having territory within the district in which the candidate seeks office.

# Disposition of residual or excess funds

Under current law, residual funds remaining when a person who is required to register under the campaign financing law disbands or ceases incurring obligations, making disbursements, or accepting contributions or excess funds received by a registrant that may not be legally expended may generally be used for any lawful political purpose, returned to the original contributors, or donated to a charitable organization or the common school fund.

This bill allows residual or excess funds to be transferred to the Wisconsin election campaign fund for deposit in the general account.

#### **Enforcement**

# Enforcement and complaint procedure

Currently, any interested person may petition the elections board under the state administrative procedure act for a "declaratory ruling" concerning the applicability to any person, property, or facts of any election law or rule of the board. The board may issue the ruling and is thereafter bound by its decision if the facts are as stated in the petition. The declaratory ruling may be reviewed in court. In addition, currently, any elector of a jurisdiction may contest before the elections board the decision of any election official of that jurisdiction with respect to certain

specified matters or the board may, on its own motion, investigate and determine whether an election official is acting in conformity with the law concerning one of those specified matters. The decision of the board may be reviewed in court. Also, the elections board currently may bring civil actions in circuit court to enforce the campaign finance law. In addition, district attorneys may bring civil actions to enforce that law.

This bill creates an additional procedure for enforcement of the election laws. Under the bill, any person may file a sworn complaint with the executive director of the board alleging a violation of the elections laws. The executive director must investigate the complaint unless the executive director finds the complaint to be without merit. The bill also permits the executive director to investigate any violation of the election laws on his or her own initiative or upon direction of the board. The executive director may order an election official or private person to act in conformity with the election laws or rules of the board. The decision of the executive director may be appealed to the board. In deciding the appeal, the board is not bound by any findings of fact or conclusions of law made by the executive director with respect to the matter. If the decision of the executive director is not appealed or if the board does not modify or reverse a decision of the executive director after hearing an appeal, the decision of the executive director becomes the decision of the board. Any decision of the board is subject to judicial review in circuit court. The procedure does not apply to any alleged violation of the election laws by the board or executive director, nor to any matter arising in connection with a recount. The bill also directs the elections board to periodically examine and review decisions issued under the procedure with a view to clarifying and improving the administration of the election laws.

# Injunctive relief

Currently, the elections board or any elector may sue for injunctive relief (a court order) requiring compliance with the elections laws. Before bringing a suit concerning a state office or statewide referendum, an elector must file a sworn complaint with the board alleging such facts as are within his or her knowledge to show probable cause that a violation has occurred or is proposed to occur. If the board does not sue for injunctive relief within ten days after filing the complaint, the elector may then file suit. This bill requires, instead, that an elector who proposes to bring suit for injunctive relief with respect to an alleged violation concerning an election for state office or a statewide referendum first must file a sworn complaint with the executive director of the board (unless the alleged violation relates to the board or executive director). If the executive director does not order the relief sought by the elector within ten days after the complaint is filed and the elector does not order the relief sought by the elector, the elector may then sue for injunctive relief.

# Penalties for violations

Currently, any person who violates any provision of the campaign finance law, except a contribution prohibition, is subject to a forfeiture (civil penalty) of not more than \$500 for each violation. This bill increases this amount to \$1,500. In addition, currently, any person who is delinquent in filing a report is subject to a forfeiture of

not more than \$50 or 1% of the annual salary of the office for which a candidate is being supported or opposed, whichever is greater, for each day of delinquency. This bill increases these amounts to a maximum of \$150 or 3% of the annual salary, whichever is greater.

Currently, whoever intentionally violates certain provisions of the campaign finance law, such as registration requirements, contribution limitations, the prohibition against making contributions in the name of another person, the prohibition against using contributions for most nonpolitical purposes, and the prohibition against filing false reports and statements may be fined not more than \$1,000 or imprisoned for not more than six months, or both, if the violation does not exceed \$100 in amount or value, and may be fined not more than \$10,000 or imprisoned for not more than four years and six months, or both, if the violation exceeds \$100 in amount or value. This bill increases these amounts to a maximum fine of \$3,000 or imprisonment for not more than one year, or both, if the violation does not exceed \$100 in amount or value, and a maximum fine of \$30,000 or imprisonment for not more than nine years, or both, if the violation exceeds \$100 in amount or value.

#### Public broadcasting television stations and public access channels

This bill requires free time on public broadcasting television stations and public access channels for candidates for state office. Under current law, the Federal Communications Commission grants licenses for the operation of public broadcasting television stations. Also under current law, a city, village, or town is authorized to grant a franchise to a person that allows that person to operate a cable television system in the city, village, or town. Under the franchise, the person may be required to provide cable television channels that the city, village, or town may use for public, educational, or governmental purposes. A channel that is used exclusively for public, rather than educational or governmental purposes, is commonly referred to as a public access channel. A city, village, or town may operate a public access channel, or a city, village, or town may allow another person to operate the channel.

This bill requires the elections board to promulgate rules that require licensees of public broadcasting stations and operators of public access channels to provide a minimum amount of free time to candidates for state office at general, spring, and special elections. The rules must require the same amount of time for each candidate for a particular state office, but may require different amounts of time for different offices.

#### OFFICIAL ACTION IN RETURN FOR PROVIDING OR WITHHOLDING THINGS OF VALUE

Currently, no person may offer or give to a state public official, including a member of the legislature, directly or indirectly, and no state public official may solicit or accept from any person, directly or indirectly, anything of value if it could reasonably be expected to influence the state public official's vote, official actions, or judgment, or could reasonably be considered a reward for any official action or inaction on the part of the state public official.

This bill provides, in addition, that no state or local public official holding an elective office may, directly or by means of an agent, give, or offer or promise to give, or withhold, or offer or promise to withhold, his or her vote or influence, or promise

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to take or refrain from taking official action with respect to any proposed or pending matter in consideration of or upon condition that any other person make or refrain from making a political contribution, or provide or refrain from providing any service or other thing of value, to or for the benefit of a candidate, a political party, any other person who is subject to a registration requirement under the campaign finance law or any person who makes an expenditure independently of a candidate for the purpose of making certain communications containing a reference to a candidate for state or local public office.

Violators are subject to a forfeiture (civil penalty) of not more than \$5,000 for each violation, and are also subject to a forfeiture in an amount equal to the amount or value of any political contribution, service, or other thing of value that was wrongfully obtained, or if no political contribution, service, or other thing of value was obtained, an amount equal to the maximum contribution that an individual is permitted to make a candidate for the office sought or held by the official, whichever amount is greater. Intentional violators are guilty of a misdemeanor and are subject to a fine of not less than \$100 nor more than \$5,000 or imprisonment in the county jail for not more than one year or both.

The bill also provides that, if the ethics board refuses or otherwise fails to authorize an investigation or a district attorney fails to initiate a prosecution with respect to any violation of the prohibition created by the bill within 30 days after receiving a verified complaint alleging such a violation, the person making the complaint may bring a lawsuit to recover a forfeiture on behalf of the state. If the person making the complaint prevails, the bill provides that the court may require the defendant to pay the complainant's attorney fees and costs, but any forfeiture recovered must be paid to the state. If the court finds that a lawsuit was frivolous, the court must award fees and costs to the defendant. The bill provides that no complaint alleging a violation of the prohibition created by the bill may be filed during the period beginning 120 days before a general or spring election or the date that a special election is ordered and ending on the date of that election against a candidate who files a declaration of candidacy to have his or her name appear on the ballot at that election.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

# The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

**Section 1.** 5.02 (13) of the statutes is amended to read:

5.02 (13) "Political party" or "party" means a state committee registered under s. 11.05 <u>and</u> organized exclusively for political purposes under whose name candidates appear on a ballot at any election, and all county, congressional,

legislative, local, and other affiliated committees authorized to operate under the same name. For purposes of ch. 11, the term does not include <u>a legislative campaign</u> committee or a committee filing an oath under s. 11.06 (7).

**SECTION 2.** 5.05 (1) (e) of the statutes is amended to read:

5.05 (1) (e) Delegate to its executive director the authority to issue a subpoena under par. (b), apply for a search warrant under par. (b), commence an action under par. (d), intervene in an action or proceeding under sub. (9), issue an order under s. 5.06, exempt a polling place from accessibility requirements under s. 5.25 (4) (a), exempt a municipality from the requirement to use voting machines or an electronic voting system under s. 5.40 (5m), approve an electronic data recording system for maintaining poll lists under s. 6.79, or authorize nonappointment of an individual who is nominated to serve as an election official under s. 7.30 (4) (e), or make a determination under s. 11.065 (3), subject to such limitations as the board deems appropriate.

**Section 3.** 5.066 of the statutes is created to read:

# **5.066 Complaints and decision-making procedure.** (1) In this section:

- (a) "Election official" includes any board of election commissioners under s. 7.20 or governing body of a local governmental unit that has the responsibility to administer the election laws.
  - (b) "Local governmental unit" has the meaning given under s. 16.97 (7).
  - (c) "Working day" has the meaning given in s. 227.01 (14).
- (2) Any person may file a verified complaint with the executive director of the board alleging a violation of the election laws. The executive director shall investigate the complaint unless the executive director finds the complaint to be clearly without merit. The executive director may, on his or her own motion or upon

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direction of the board, investigate any potential violation of the election laws whenever the executive director has probable cause to believe that a violation has occurred.

- (3) If the complaint concerns a question as to whether an election official or a private person is acting in conformity with the law or rules of the board, the person filing the complaint shall serve a copy of the complaint upon that official or private person and that official or private person shall be a party to the case. An election official or private person may move to dismiss a complaint if it is clearly without merit. If the executive director finds, in response to a motion, that a complaint is clearly without merit, the executive director shall dismiss the complaint.
- (4) If the executive director does not dismiss a complaint, the executive director shall issue a proposed decision, which shall include findings of fact and conclusions of law and may include an order under sub. (5).
- (5) The executive director may order an election official or a private person to act in conformity with the election laws or rules of the board.
- (6) The executive director may, in the discharge of his or her functions under this section and upon notice to any party being investigated, subpoena and bring before him or her any person in the state and require the production of any papers, books, or other records relevant to an investigation. A circuit court may by order permit the inspection and copying of the accounts and the depositor's and loan records at any financial institution as defined in s. 705.01 (3) doing business in the state to obtain evidence of any violation of ch. 11 upon showing by the executive director of probable cause to believe there is a violation and that such accounts and records may have a substantial relation to the violation. In the discharge of his or her functions under this section, the executive director may cause the deposition of

- witnesses to be taken in the manner prescribed for taking depositions in civil actions in circuit court.
- (7) If the executive director issues a decision under sub. (4) that contains an order under sub. (5), the order is effective upon service of the order notwithstanding any appeal to the board under sub. (8), except that the executive director may stay such an order pending an appeal to the board.
- (8) Any party aggrieved by a proposed decision under sub. (4) may appeal the proposed decision to the board within 20 days after service of a copy of the decision upon the party. If no appeal is filed within 20 days of service of a copy of a proposed decision upon each party to the case in which the decision is made, the decision is final and becomes the decision of the board. In appealing a decision of the executive director, the appellant shall indicate in its appeal whether the appellant contests any finding of fact made by the executive director. If an appellant does not contest a finding of fact, that finding is conclusive against the appellant, unless the finding of fact is modified by the board.
- (9) If a proposed decision of the executive director is appealed to the board, the board shall hear the appeal at its next meeting occurring at least 3 working days after the appeal is received by the board. In reviewing the decision of the executive director, the board is not bound by any finding of fact or conclusion of law made by the executive director. After hearing the appeal, the board may issue a decision, which shall include findings of fact and conclusions of law. In its decision, the board may affirm, modify or reverse an order issued by the executive director under sub. (5), and may order an election official or a private person to act in conformity with the election laws or rules of the board. If the board does not modify or reverse a

decision of the executive director at the meeting at which an appeal of a decision is heard, the decision is affirmed.

- (10) If a person aggrieved by a decision issued under sub. (4) that contains an order under sub. (5) appeals the decision to the board and the board modifies the order, the modified order is effective upon service, except that the executive director may stay such an order pending judicial review under s. 227.57.
- (11) The decision of the board in any contested case arising under this section is subject to review as provided in s. 227.57. In seeking judicial review of a decision of the board, the appellant shall indicate in its petition for review whether the appellant contests any finding of fact made by the executive director or the board that is not conclusive against the appellant. If the appellant does not contest any finding of fact made by the board, that finding is conclusive against the appellant.
- (12) (a) This section does not apply to any complaint brought by an election official or private person in which the board or the executive director is alleged to have violated the law.
- (b) This section does not apply to any matter arising in connection with a recount under s. 9.01.
- (13) The board shall periodically examine and review decisions of the executive director and the board under this section with a view to clarifying and improving the administration of the election laws of this state.
  - **Section 4.** 7.08 (2) (cm) of the statutes is amended to read:
- 7.08 (2) (cm) As soon as possible after the canvass of a special primary, or the date that the primary would be held, if required, transmit to the state treasurer a certified list of all eligible candidates for state office who have filed applications under s. 11.50 (2) and whom the board determines to be eligible to receive a grant

from the Wisconsin election campaign fund prior to the election. The board shall also transmit a similar list of candidates, if any, who have filed applications under s. 11.50 (2) and whom the board determines to be eligible to receive a grant under s. 11.50 (1) (a) 2. 1. b. after the special election. The list shall contain each candidate's name, the mailing address indicated upon the candidate's registration form, the office for which the individual is a candidate and the party or principle which he or she represents, if any.

**SECTION 5.** 8.35 (4) (a) 1. a. and b. of the statutes are amended to read:

8.35 (4) (a) 1. a. Donated to the former candidate's local or state political party if If the former candidate was a partisan candidate or, donated to the former candidate's local or state political party, donated to the a charitable organization of the former candidate's choice or the charitable organization chosen, or transferred to the board for deposit in the Wisconsin election campaign fund, as instructed by the former candidate or, if the former candidate left no instruction, by the former candidate's next of kin if the former candidate is deceased, or if no choice is made returned to the donors on a proportional basis; or

b. If the former candidate was a nonpartisan candidate, donated to the <u>a</u> charitable organization of the former candidate's choice or the charitable organization chosen or transferred to the board for deposit in the Wisconsin election campaign fund, as instructed by the former candidate or, if the former candidate left no instruction, by the former candidate's next of kin if the former candidate is deceased; or

**Section 6.** 11.001 (2m) of the statutes is created to read:

11.001 **(2m)** The legislature finds a compelling justification for minimal disclosure of all communications made near the time of an election that include the

name or likeness of a candidate for state office to allow increased funding for such candidates based upon certain independent expenditures. This minimal disclosure burden is outweighed by the need to establish an effective funding mechanism for candidates for state office to effectively respond to certain independent expenditures that may impact an election for those offices.

SECTION 7. 11.01 (4m), (7) (b) 6. and (11m) of the statutes are created to read: 11.01 (4m) "Communication" means a message transmitted by means of a printed advertisement, billboard, handbill, sample ballot, radio or television advertisement, telephone call, or mass mailing, or any medium that may be utilized for the purpose of disseminating or broadcasting a message, but not including a poll conducted solely for the purpose of identifying or collecting data concerning the attitudes or preferences of electors.

(7) (b) 6. Any payment for the purpose of making a communication that has not been made on the closing date for submittal of a report under this chapter.

(11m) "Independent expenditure" means an expenditure, other than a disbursement, made for the purpose of making a communication that is made during the period beginning on the 30th day preceding a primary election for an office to be filled at a general, special, or spring election and the date of that general, special, or spring election or, if no primary is held, during the period beginning on the 60th day preceding a general, special, or spring election at which the office is filled and the date of that election; that contains a reference to a clearly identified candidate for an office specified in s. 11.31 (1) (a) to (d), (e), or (f) to be filled at that election; that is made without cooperation or consultation with such a candidate, or any authorized committee or agent of such a candidate; and that is not made in concert with, or at

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the request or suggestion of, such a candidate, or any authorized committee or agent of such a candidate. **Section 8.** 11.01 (12s) of the statutes is repealed. **Section 9.** 11.01 (13), (14), (17g) and (17r) of the statutes are created to read: 11.01 (13) "Mass mailing" means the distribution of 50 or more pieces of substantially identical material. (14) "National political party committee" means a national committee as defined in 2 USC 431 (14). (17g) "Public access channel" means a channel that is required under a franchise granted under s. 66.0419 (3) (b) by a city, village, or town to a cable operator, as defined in s. 66.0419 (2) (b), and that is used for public access purposes, but does not include a channel that is used for governmental or educational purposes. (17r) "Public access channel operator" means a person designated by a city, village, or town as responsible for the operation of a public access channel. **Section 10.** 11.05 (1) of the statutes is renumbered 11.05 (1) (a) and amended to read: 11.05 (1) (a) Except as provided in s. 9.10 (2) (d), every committee, other than a personal campaign committee, and every political group subject to registration under s. 11.23 which that makes or accepts contributions, incurs obligations or makes disbursements in a calendar year in an aggregate amount in excess of \$25 shall file a statement with the appropriate filing officer giving the information required by sub. (3). In the case of any committee other than a personal campaign committee, the statement shall be filed by the treasurer. A personal campaign committee shall register under sub. (2g) or (2r).

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**Section 11.** 11.05 (1) (b) of the statutes is created to read:

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11.05 (1) (b) Every political group subject to registration under s. 11.23 which makes or accepts contributions, incurs obligations, or makes disbursements in a calendar year in an aggregate amount in excess of \$100 shall file a statement with the appropriate filing officer giving the information required by sub. (3).

**SECTION 12.** 11.05 (2) of the statutes is renumbered 11.05 (2) (a) and amended to read:

11.05 (2) (a) Except as provided in s. 9.10 (2) (d), every individual, other than a candidate or agent of a candidate, who accepts contributions, incurs obligations, or makes disbursements with respect to one or more elections for state or local office in a calendar year in an aggregate amount in excess of \$25 shall file a statement with the appropriate filing officer giving the information required by sub. (3). An individual who guarantees a loan on which an individual, committee or group subject to a registration requirement defaults is not subject to registration under this subsection solely as a result of such default.

**Section 13.** 11.05 (2) (b) of the statutes is created to read:

11.05 (2)(b) Every individual who accepts contributions, incurs obligations, or makes disbursements with respect to one or more referenda in a calendar year in an aggregate amount in excess of \$100 shall file a statement with the appropriate filing officer giving the information required by sub. (3).

**Section 14.** 11.05 (3) (c) of the statutes is amended to read:

11.05 (3) (c) In the case of a committee, a statement as to whether the committee is a personal campaign committee, a political party committee, —a legislative campaign committee, a support committee, or a special interest committee.

**Section 15.** 11.05 (3) (o) of the statutes is repealed.

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**SECTION 16.** 11.05 (3) (q) of the statutes is created to read:

11.05 (3) (q) In the case of a political party committee, an indication of whether the committee is a state or national political party committee, or a state or national subunit or state or national affiliate of such a committee.

**Section 17.** 11.05 (7) of the statutes is amended to read:

11.05 (7) Notwithstanding sub. (6), any Any individual or organization who or which has received property or funds which were not intended for political purposes in connection with an election for state or local office at the time of receipt may make contributions or disbursements from such property or funds in connection with an election for state or local office if the individual or organization complies with applicable provisions of sub. (1), (2) or (2g) as soon as such intent changes. For purposes of s. 11.06 (1), all property or funds which are in a registrant's the possession of such an individual or organization on the date of registration under this section shall be treated as received on the date that such intent changes so that the property or funds are to be used for political purposes in connection with an election for state or local office.

**SECTION 18.** 11.05 (9) (b) of the statutes is amended to read:

11.05 (9) (b) An individual who or a committee or group which receives a contribution of money and transfers the contribution to another individual, committee, or group while acting as a conduit is not subject to registration under this section unless the individual, committee, or group transfers the contribution to a candidate or a personal campaign, legislative campaign, political party, or support committee.

**Section 19.** 11.05 (12) (b) of the statutes is amended to read:

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11.05 (12) (b) Except as authorized under sub. (13), a committee, group or individual other than a candidate or agent of a candidate shall comply with sub. (1) or (2) no later than the 5th business day commencing after receipt of the first contribution by such committee, group or individual, and before making any disbursement. No committee, group or individual, other than a candidate or agent of a candidate, may accept any contribution or contributions exceeding \$25 in the aggregate the amount specified in sub. (1) or (2) during a calendar year at any time when the committee, group or individual is not registered under this section except within the initial 5-day period authorized by this paragraph.

**Section 20.** 11.06 (1) (intro.) of the statutes is amended to read:

11.06 (1) CONTENTS OF REPORT. (intro.) Except as provided in subs. (2), (3) and (3m) and ss. 11.05 (2r) and 11.19 (2), each registrant under s. 11.05 shall make full reports, upon a form prescribed by the board and signed by the appropriate individual under sub. (5), of all contributions received, contributions or disbursements made, and obligations incurred. Each report shall contain the following information, covering the period since the last date covered on the previous report, unless otherwise provided:

**Section 21.** 11.06 (1) (cm) of the statutes is created to read:

11.06 (1) (cm) If a candidate wishes to make disbursements that are exempt from the limitations under s. 11.26 (9), as provided under s. 11.26 (9m), a separate schedule itemizing those contributions that the candidate intends to use to make disbursements that are exempt from those limitations. The separate schedule may include contributions previously reported by the candidate and, if so, shall indicate the amounts and dates on which those contributions were reported as received.

**Section 22.** 11.06 (1) (dm) of the statutes is created to read:

11.06 (1) (dm) A separate schedule itemizing those contributions that were transferred to the registrant by a conduit, together with the name and address of the conduit, the date and amount of each transfer, and the cumulative total amount transferred to the registrant by the conduit for the calendar year.

**Section 23.** 11.06 (2) of the statutes is amended to read:

11.06 (2) Disclosure of Certain indirect disbursements. Notwithstanding sub. (1), if a disbursement is made or obligation incurred by an individual other than a candidate or by a committee or group which is not primarily organized for political purposes, and the disbursement does not constitute a contribution to any candidate or other individual, committee, or group, the disbursement or obligation is required to be reported only if the purpose is to expressly advocate the election or defeat of a clearly identified candidate or the adoption or rejection of a referendum. The exemption provided by this subsection shall in no case be construed to apply to a political party, legislative campaign, personal campaign, or support committee.

**SECTION 24.** 11.06 (3) (b) (intro.) of the statutes is amended to read:

11.06 (3) (b) (intro.) Notwithstanding sub. (1), a A nonresident registrant shall report on a form prescribed by the board the applicable information that makes a report under sub. (1) shall ensure that the report separately states information under sub. (1) concerning all of the following, in a manner prescribed by the board:

**Section 25.** 11.06 (7m) (a) of the statutes is amended to read:

11.06 (7m) (a) If a committee which was registered under s. 11.05 as a political party committee or legislative campaign committee supporting candidates of a political party files an oath under sub. (7) affirming that it does not act in cooperation or consultation with any candidate who is nominated to appear on the party ballot of the party at a general or special election, that the committee does not act in concert

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with, or at the request or suggestion of, such a candidate, that the committee does not act in cooperation or consultation with such a candidate or agent or authorized committee of such a candidate who benefits from a disbursement made in opposition to another candidate, and that the committee does not act in concert with, or at the request or suggestion of, such a candidate or agent or authorized committee of such a candidate who benefits from a disbursement made in opposition to another candidate, the committee filing the oath may not make any contributions in support of any candidate of the party at the general or special election or in opposition to any such candidate's opponents exceeding the <u>applicable</u> amounts specified in s. 11.26 (1), (1m), and (2), except as authorized in par. (c).

**Section 26.** 11.06 (7m) (b) of the statutes is amended to read:

11.06 (7m) (b) If the committee has already made contributions in excess of the applicable amounts specified in s. 11.26 (1), (1m), or (2) at the time it files an oath under sub. (7), each candidate to whom contributions are made shall promptly return a sufficient amount of contributions to bring the committee in compliance with this subsection and the committee may not make any additional contributions in violation of this subsection.

**Section 27.** 11.06 (7m) (c) of the statutes is amended to read:

11.06 (7m) (c) A committee filing an oath under sub. (7) which desires to change its status to a political party committee or legislative campaign committee may do so as of December 31 of any even-numbered year. Section 11.26 does not apply to contributions received by such a committee prior to the date of the change. Such a committee may change its status at other times only by filing a termination statement under s. 11.19 (1) and reregistering as a newly organized committee under s. 11.05.

**Section 28.** 11.06 (11) (bm) of the statutes is created to read:

11.06 (11) (bm) The board shall prescribe a separate schedule for reporting under s. 11.06 (1) by transferees of contributions transferred by conduits.

**Section 29.** 11.065 of the statutes is created to read:

11.065 Independent expenditures. (1) (a) If any person makes one or more communications to be financed with independent expenditures exceeding \$2,000 in the aggregate, that person shall file a report with the board. The report shall be made whenever the person makes one or more communications financed or to be financed with independent expenditures exceeding \$2,000 in the aggregate and whenever the person makes one or more additional communications financed or to be financed with independent expenditures exceeding \$2,000 in the aggregate that are not identified in a previous report under this subsection. Reports required under this subsection shall be filed within 7 days after the date that communications financed with independent expenditures exceeding \$2,000 in the aggregate that are not identified in a previous report are made or, if communications are made within 15 days of the date of a spring primary or election or within 15 days of a September or special primary or general or special election, then within 24 hours after the date that communications financed with independent expenditures exceeding \$2,000 in the aggregate that are not identified in a previous report are made.

(b) If a person makes or incurs an obligation to make a single independent expenditure for the purpose of financing communications that are to be made on more than one day, the person may report the entire expenditure under par. (a) for the day on which the person makes the first communication financed by the expenditure, or the person may report for each day on which the person makes one or more communications financed by the expenditure the proportionate amount of

- the expenditure attributable to the cost of the communication or communications made on that day.
  - (2) Each report filed under sub. (1) shall contain the following information:
- (a) The name of each candidate who is identified in each communication financed by an independent expenditure.
- (b) A statement as to whether the communication is intended to support or oppose any candidate who is identified under par. (a) and if so, the name of that candidate.
- (c) The total amount or value of the independent expenditure and the cumulative aggregate independent expenditures made by the person with respect to that election.
- (3) If a person who makes an independent expenditure does not indicate whether an independent expenditure is made against a candidate or for an eligible candidate's opponent, if the report under sub. (2) reasonably appears to be incorrect, or if any candidate for the office that the candidate identified in the communication seeks, including the candidate identified in the communication, files a statement with the board alleging that information reported under sub. (2) (b) is incorrect, the board may obtain a copy of the communication and, after examination, determine whether the communication was intended to support or oppose a candidate for purposes of s. 11.31 (3r) (a). Any determination made by the board under this subsection applies solely for the purpose of administration of s. 11.31 (3r) (a).
  - **Section 30.** 11.07 (1) of the statutes is amended to read:
- 11.07 (1) Every nonresident committee or group making contributions and every nonresident individual, committee or group making disbursements exceeding \$25 cumulatively the amount specified in s. 11.05 (1) or (2) in a calendar year within

this state shall file <u>the</u> name, mailing and street address and the name and the mailing and street address of a designated agent within the state with the office of the secretary of state. An agent may be any adult individual who is a resident of this state. After any change in the name or address of such agent the new address or name of the successor agent shall be filed within 30 days. Service of process in any proceeding under this chapter or ch. 12, or service of any other notice or demand may be made upon such agent.

**Section 31.** 11.07 (5) of the statutes is amended to read:

11.07 (5) Any campaign treasurer or individual who knowingly receives a contribution made by an unregistered nonresident in violation of this section may not use or expend such contribution but shall immediately return it to the source or, at the option of the campaign treasurer or individual, donate the contribution to a charitable organization or to the common school fund or transfer the contribution to the board for deposit in the Wisconsin election campaign fund.

**Section 32.** 11.09 (3) of the statutes is amended to read:

11.09 (3) Each registrant whose filing officer is the board, and who or which makes disbursements in connection with elections for offices which serve or referenda which affect only one county or portion thereof, except a candidate, personal campaign committee, political party committee or other committee making disbursements in support of or in opposition to a candidate for state senator, representative to the assembly, court of appeals judge or circuit judge, shall file a duplicate original of each financial report filed that the registrant files with the board with the county clerk or board of election commissioners of the county in which the elections filing officer for each jurisdiction in connection with an election in which the registrant participates are held makes disbursements. Such reports shall be

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filed no later than the dates specified under s. 11.20 (2) and (4) for the filing of each report with the board. This subsection does not apply to a registrant who or which files reports under s. 11.21 (16).

**SECTION 33.** 11.10 (6) of the statutes is created to read:

- 11.10 **(6)** (a) No personal campaign committee of, or support committee authorized under s. 11.05 (3) (p) by, a candidate for state office may become the personal campaign committee of, or support committee authorized under s. 11.05 (3) (p) by, a candidate for local office.
- (b) No personal campaign committee of, or support committee authorized under s. 11.05 (3) (p) by, a candidate for local office may become the personal campaign committee of, or support committee authorized under s. 11.05 (3) (p) by, a candidate for state office.
  - **SECTION 34.** 11.12 (2) of the statutes is amended to read:
- 11.12 (2) Any anonymous contribution exceeding \$10 received by a campaign or committee treasurer or by an individual under s. 11.06 (7) may not be used or expended. The contribution shall be donated to the common school fund or to any charitable organization or transferred to the board for deposit in the Wisconsin election campaign fund, at the option of the treasurer.
  - **SECTION 35.** 11.12 (4) of the statutes is amended to read:
- 11.12 (4) Each registrant shall report contributions, disbursements and incurred obligations in accordance with s. 11.20. Except as permitted under s. 11.06 (2), (3) and (3m), each report shall contain the information which is required under s. 11.06 (1).
- **SECTION 36.** 11.12 (6) of the statutes is renumbered 11.12 (6) (a) and amended to read:

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11.12 (6) (a) If any disbursement of more than \$20 individual or committee incurs one or more obligations or makes one or more disbursements in an amount exceeding \$250 cumulatively is made for the purpose of making one or more communications to advocate the election or defeat of a clearly identified candidate by an individual or committee later than 15 days prior to a primary or election in which the candidate's name appears on the ballot without cooperation or consultation with a candidate or agent or authorized committee of a candidate who is supported or opposed, and not in concert with or at the request or suggestion of such a candidate, agent or committee, the individual or treasurer of the committee shall, within 24 hours of after making the disbursement each communication not identified in a previous report filed under this subsection, inform the appropriate filing officer of. The report shall include the information required under s. 11.06 (1) and shall be made in such manner as the board may prescribe. The information shall also be included in the next regular report of the individual or committee under s. 11.20. For purposes of this subsection, obligations and disbursements cumulate beginning with the day after the last date covered on the preprimary or preelection report and ending with the day before the primary or election and disbursements made for the purpose of payment of obligations that were previously reported are not included in determining the cumulative amount of obligations and disbursements. Upon receipt of a report identifying any obligation or disbursement under this subsection, the filing officer shall, within 24 hours of receipt, mail a copy of the report to all candidates for any office in support of or opposition to one of whom an obligation is incurred or a disbursement identified in the report is made.

**Section 37.** 11.12 (6) (b) of the statutes is created to read:

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11.12 (6) (b) If a person incurs an obligation or makes a disbursement for the purpose of financing communications that are to be made on more than one day, the person may report the entire obligation or disbursement under par. (a) for the day on which the person makes the first communication financed by the obligation or disbursement, or the person may report for each day on which the person makes one or more communications financed by the obligation or disbursement the proportionate amount of the obligation or disbursement attributable to the cost of the communication or communications made on that day.

**SECTION 38.** 11.16 (2) of the statutes is amended to read:

11.16 (2) Limitation on Cash contributions. Every contribution of money exceeding \$50 shall be made by negotiable instrument or evidenced by an itemized credit card receipt bearing on the face the name of the remitter. No treasurer may accept a contribution made in violation of this subsection. The treasurer shall promptly return the contribution, or shall donate it the contribution to the common school fund or to a charitable organization or transfer the contribution to the board for deposit in the Wisconsin election campaign fund in the event that the donor cannot be identified.

**Section 39.** 11.16 (5) of the statutes is amended to read:

11.16 (5) Escrow agreements. Any personal campaign committee, or political party committee or legislative campaign committee may, pursuant to a written escrow agreement with more than one candidate, solicit contributions for and conduct a joint fund raising effort or program on behalf of more than one named candidate. The agreement shall specify the percentage of the proceeds to be distributed to each candidate by the committee conducting the effort or program. The committee shall include this information in all solicitations for the effort or

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program. All contributions received and disbursements made by the committee in connection with the effort or program shall be received and disbursed through a separate depository account under s. 11.14 (1) that is identified in the agreement. For purposes of s. 11.06 (1), the committee conducting the effort or program shall prepare a schedule in the form prescribed by the board supplying all required information under s. 11.06 (1) and items qualifying for exclusion under s. 11.31 (6) for the effort or program, and shall transmit a copy of the schedule to each candidate who receives any of the proceeds within the period prescribed in s. 11.06 (4) (c).

**Section 40.** 11.19 (1) of the statutes is amended to read:

11.19 (1) Whenever any registrant disbands or determines that obligations will no longer be incurred, and contributions will no longer be received nor disbursements made during a calendar year, and the registrant has no outstanding incurred obligations, the registrant shall file a termination report with the appropriate filing officer. Such report shall indicate a cash balance on hand of zero at the end of the reporting period and shall indicate the disposition of residual funds. Residual funds may be used for any political purpose not prohibited by law, returned to the donors in an amount not exceeding the original contribution, transferred to the board for deposit in the Wisconsin election campaign fund or donated to a charitable organization or the common school fund. The report shall be filed and certified as were previous reports, and shall contain the information required by s. 11.06 (1). A registrant to which s. 11.055 (1) applies shall pay the fee imposed under that subsection with a termination report filed under this subsection. If a termination report or suspension report under sub. (2) is not filed, the registrant shall continue to file periodic reports with the appropriate filing officer, no later than the dates

specified in s. 11.20. This subsection does not apply to any registrant making an indication under s. 11.05 (2r).

**SECTION 41.** 11.20 (2), (3) (a) and (b) of the statutes are amended to read:

- other election at which a candidate seeks office, a candidate is required to file reports under sub. (3) (be), each candidate who seeks office at a primary or other election, or his or her personal campaign committee, shall file a preprimary and preelection reports report under s. 11.06 (1), which shall be received by the appropriate filing officer no earlier than 14 days and no later than 8 days preceding the primary and the election. Each candidate who is required to file reports under sub. (3) (be), or his or her personal campaign committee, shall file each preprimary and preelection report under sub. (3) (be) so that the report is received by the appropriate filing officer no earlier than the day after the end of the week to which the report pertains and no later than the 5th day after the end of that week.
- (3) (a) —A—Unless otherwise required under par. (be), a candidate or personal campaign committee of a candidate at a primary shall file a preprimary and preelection report. If a candidate for a nonpartisan state office at an election is not required to participate in a primary, the candidate or personal campaign committee of the candidate shall file a preprimary report at the time prescribed in sub. (2) or (3) (be) preceding the date specified in s. 5.02 (20) or (22) for the holding of the primary, were it to be required.
- (b) A <u>Unless otherwise required under par. (be)</u>, a candidate or personal campaign committee of a candidate at an election shall file a preelection report.

**Section 42.** 11.20 (3) (be) of the statutes is created to read:

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11.20 (3) (be) If a candidate, as of the end of any week before a primary or other
election at which the candidate seeks office, has received contributions or other
income in a total amount exceeding 20% of the disbursement level specified in s
11.31 (1), as adjusted under s. 11.31 (9), for the office that the candidate seeks, the
candidate or his or her personal campaign committee shall file preprimary or
preelection reports for each week prior to the primary or other election for the office
that the candidate seeks.
<b>Section 43.</b> 11.20 (8) (intro.) of the statutes is amended to read:
11.20 (8) (intro.) Reports filed under subs. (2), (3) (be), (4) and (4m) shall include
all contributions received and transactions made as of the end of:
<b>Section 44.</b> 11.20 (8) (a) of the statutes is amended to read:
11.20 (8) (a) The 15th day preceding the primary or election in the case of the
preprimary and preelection report under sub. (2);
<b>Section 45.</b> 11.20 (8) (am) of the statutes is created to read:
11.20 (8) (am) The Saturday preceding the due date under sub. (2) in the case
of a preprimary or preelection report under sub. (3) (be).
<b>Section 46.</b> 11.21 (15) of the statutes is amended to read:
11.21 (15) Inform each candidate who files an application to become eligible to
receive a grant from the Wisconsin election campaign fund of the dollar amount of
the applicable disbursement limitation under s. 11.31 (1), adjusted as provided under
s. 11.31 (9), which applies to the office for which such person is a candidate. Failure
to receive the notice required by this subsection does not constitute a defense to a
violation of s. 11.27 (1) or 11.31.

**Section 47.** 11.21 (17) of the statutes is created to read:

11.21 (17) Promulgate rules that require public access channel operators and licensees of public television stations in this state to provide a minimum amount of free time on public access channels and public television stations to individuals whose names are certified under s. 7.08 (2) (a) or 8.50 (1) (d) to appear as candidates for state office on the ballot at general, spring, or special elections. The rules promulgated under this subsection shall require public access channel operators and licensees of public television stations to offer the same amount of time to each candidate for a particular state office, but may require different amounts of time to be offered to candidates for different offices.

**Section 48.** 11.23 (1) of the statutes is amended to read:

any referendum in this state. Before making disbursements, receiving contributions, or incurring obligations in excess of \$25 \$100 in the aggregate in a calendar year for such purposes, the group or individual shall file a registration statement under s. 11.05 (1), (2), or (2r). In the case of a group the name and mailing address of each of its officers shall be given in the statement. Every group and every individual under this section shall designate a campaign depository account under s. 11.14. Every group shall appoint a treasurer, who may delegate authority but is jointly responsible for the actions of his or her authorized designee for purposes of civil liability under this chapter. The appropriate filing officer shall be notified by a group of any change in its treasurer within 10 days of the change under s. 11.05 (5). The treasurer of a group shall certify the correctness of each statement or report submitted by it under this chapter.

**SECTION 49.** 11.23 (2) of the statutes is amended to read:

11.23 (2) Any anonymous contribution exceeding \$10 received by an individual
or group treasurer may not be used or expended. The contribution shall be donated
to the common school fund or to any charitable organization or transferred to the
board for deposit in the Wisconsin election campaign fund, at the option of the
treasurer.
<b>Section 50.</b> 11.24 (1s) of the statutes is created to read:
11.24 (1s) (a) In this subsection, "federal candidate committee" means a
committee of an individual who seeks or sought election to the U.S. senate or house
of representatives designated by the individual under 2 USC 432 $(\mathrm{e}).$
(b) No federal candidate committee may make a contribution to a candidate,
personal campaign committee or support committee.
<b>Section 51.</b> 11.24 (1w) of the statutes is created to read:
11.24 (1w) (a) "Federal political registrant" means a committee that is
registered with the federal election commission under 2 USC 433 (a), other than an $$
authorized campaign committee designated under 2 USC 432 (e) (3), a national
political party committee, or a state political party committee.
(b) No personal campaign committee may make a contribution to a federal
political registrant.
<b>Section 52.</b> 11.25 (2) (am) of the statutes is created to read:
11.25 (2) (am) No federal candidate committee, as defined in s. 11.24 (1s) (a),
may make a disbursement.
<b>SECTION 53.</b> 11.25 (2) (b) of the statutes is amended to read:
11.25 (2) (b) Notwithstanding par. (a), a registrant may accept contributions
and make disbursements from a campaign depository account for the purpose of
making expenditures in connection with a campaign for national office, except as

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provided in s. 11.24 (1w); for payment of civil penalties incurred by the registrant under this chapter <u>but not under any other chapter</u>; or for payment of the expenses of nonpartisan campaigns to increase voter registration or participation. Notwithstanding par. (a), a personal campaign committee or support committee may accept contributions and make disbursements from a campaign depository account for payment of inaugural expenses of an individual who is elected to state or local office. If such expenses are paid from contributions made to the campaign depository account, they are reportable under s. 11.06 (1) as disbursements. Otherwise, such expenses are not reportable under s. 11.06 (1). If contributions from the campaign depository account are used for such expenses, they are subject to s. 11.26.

**Section 54.** 11.26 (1) (intro.) of the statutes is amended to read:

11.26 (1) No Subject to sub. (10a) and except as provided under subs. (1t), (9m), and (10), no individual may make any contribution or contributions to a candidate for election or nomination to any of the following offices who has filed an affidavit under s. 11.31 (2m) and to any individual or committee under s. 11.06 (7) acting solely in support of such a candidate or solely in opposition to the candidate's opponent to the extent of more than a total of the amounts specified per candidate:

**Section 55.** 11.26 (1) (b) and (c) of the statutes are amended to read:

- 11.26 **(1)** (b) Candidates for state senator, \$1,000 \$1,500.
- (c) Candidates for representative to the assembly, \$500 \$750.
- **Section 56.** 11.26 (1m) of the statutes is created to read:

11.26 (1m) Subject to sub. (10a) and except as provided under subs. (1t) and (9m), no individual may make any contribution or contributions to a candidate for election or nomination to any of the following offices who has not filed an affidavit under s. 11.31 (2m) and to any individual or committee under s. 11.06 (7) acting solely

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- in support of such a candidate or solely in opposition to the candidate's opponent to the extent of more than a total of the amounts specified per candidate:
- (a) Candidates for governor, lieutenant governor, secretary of state, state treasurer, attorney general, state superintendent, or justice, \$5,000.
  - (b) Candidates for state senator, \$750.
  - (c) Candidates for representative to the assembly, \$375.
  - **Section 57.** 11.26 (1t) of the statutes is created to read:
- 11.26 (1t) The limitations under sub. (1m) apply to any candidate who files an affidavit under s. 11.31 (2m) (a) but who the board determines is ineligible to receive a grant from the Wisconsin election campaign fund, who withdraws his or her application for a grant under s. 11.50 (2) (h), or to whom s. 11.50 (2) (i) applies, unless the candidate subsequently files an affidavit under s. 11.31 (2m) (b). If a candidate files an affidavit under s. 11.31 (2m) (b), the limitations under sub. (1) apply to that candidate beginning on the date that the affidavit is filed. Contributions made before the date on which a limitation changes under this subsection are lawful if the contributions were lawful at the time they were made.

**Section 58.** 11.26 (2) (intro.) of the statutes is amended to read:

11.26 (2) (intro.) No Subject to sub. (10a), no committee other than a political party committee or legislative campaign committee may make any contribution or contributions to a candidate for election or nomination to any of the following offices and to any individual or committee under s. 11.06 (7) acting solely in support of such a candidate or solely in opposition to the candidate's opponent to the extent of more than a total of the amounts specified per candidate:

**SECTION 59.** 11.26 (2) (a) of the statutes is amended to read:

11.26 (2) (a) Candidates for governor, lieutenant governor, secretary of state,
state treasurer, attorney general, state superintendent or justice, 4% of the value of
the disbursement level specified in the schedule under s. $11.31(1)$ $\underline{\$43,500}$ .
SECTION 60. 11.26 (2) (ae), (am), (as) and (av) of the statutes are created to read
11.26 (2) (ae) Candidates for lieutenant governor, \$12,000.
(am) Candidates for attorney general, \$22,000.
(as) Candidates for state superintendent or justice, \$12,000.
(av) Candidates for secretary of state or state treasurer, \$8,650.
<b>Section 61.</b> 11.26 (2) (b) and (c) of the statutes are amended to read:
11.26 <b>(2)</b> (b) Candidates for state senator, \$1,000 <u>\$1,500</u> .
(c) Candidates for representative to the assembly, \$500 \$750.
<b>Section 62.</b> 11.26 (3) of the statutes is amended to read:
11.26 (3) The contribution limitations of subs. (1), (1m), and (2) apply
cumulatively to the entire primary and election campaign in which a candidate
participates, whether or not there is a contested primary election. The total
limitation may be apportioned in any manner desired between the primary and
election. All moneys cumulate regardless of the time of contribution.
<b>SECTION 63.</b> 11.26 (4) of the statutes is amended to read:
11.26 (4) No Subject to sub. (10a), no individual may make any contribution or
contributions to all candidates for state and local offices and to any individuals who
or committees which are subject to a registration requirement under s. 11.05,
including legislative campaign committees and committees of a political party, to the
extent of more than a total of \$10,000 in any calendar year.
<b>Section 64.</b> 11.26 (5) of the statutes is amended to read:

11.26 (5) The contribution limits provided in subs. (1), (1m), and (4) do not apply to a candidate who makes any contribution or contributions to his or her own campaign for office from the candidate's personal funds or property or the personal funds or property which are owned jointly or as marital property with the candidate's spouse, with respect to any contribution or contributions made to that candidate's campaign only. A candidate's personal contributions shall be deposited in his or her campaign depository account and reported in the normal manner.

**Section 65.** 11.26 (6) of the statutes is amended to read:

11.26 (6) When a candidate adopts a preexisting support committee as his or her personal campaign committee, the support committee is deemed to have been the same committee as the candidate's personal campaign committee for purposes of the application of subs. (1), (1m), (2), and (9). The limitations prescribed in subs. (1), (1m), (2), and (9) do not apply to the transfer of contributions which is made at the time of such adoption, but do apply to the contributions which have been made by any other committee to the support committee at the time of adoption.

**Section 66.** 11.26 (8) of the statutes is amended to read:

11.26 (8) (a) No Subject to sub. (10a), no political party as defined in s. 5.02 (13) may receive more than a total of \$150,000 \$450,000 in value of its contributions in any biennium from all other committees, excluding contributions from legislative campaign committees and transfers between party committees of the same party. In this paragraph, -a "biennium commences" means the time period commencing with January 1 of each odd-numbered year and ends ending with December 31 of each even-numbered year.

(b) No Subject to sub. (10a), no such political party may receive more than a total of \$6,000 \$18,000 in value of its contributions in any calendar year from any

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specific committee or its <u>that specific committee's</u> subunits or affiliates, excluding <u>legislative campaign and political transfers between</u> party committees <u>of the same</u> <u>party</u>.

(c) No Subject to sub. (10a), no committee, other than a political party or legislative campaign committee, may make any contribution or contributions, directly or indirectly, to a political party under s. 5.02 (13) in a calendar year exceeding a total value of \$6,000 \$18,000.

**SECTION 67.** 11.26 (9) (a) of the statutes is amended to read:

11.26 **(9)** (a) No Except as provided in sub. (9m), no individual who is a candidate for state or local office may receive and accept more than 65% of the value of the total disbursement level determined under s. 11.31 (1), adjusted as provided under s. 11.31 (9), for the office for which he or she is a candidate during any primary and election campaign combined from all committees subject to a filing requirement, including political party and legislative campaign committees.

**Section 68.** 11.26 (9) (b) of the statutes is amended to read:

11.26 **(9)** (b) No Except as provided under sub. (9m), no individual who is a candidate for state or local office may receive and accept more than 45% of the value of the total disbursement level determined under s. 11.31 (1), adjusted as provided under s. 11.31 (9), for the office for which he or she is a candidate during any primary and election campaign combined from all committees other than political party and legislative campaign committees subject to a filing requirement.

**Section 69.** 11.26 (9m) of the statutes is created to read:

11.26 **(9m)** If s. 11.31 (3n) applies to a candidate in any campaign or if the board issues a determination under s. 11.31 (3r) applicable to a candidate in any campaign, the limitations applicable to contributions made to that candidate are 200% of the

applicable amounts specified in sub. (1) and (1m). In addition, except as otherwise provided in this subsection, sub. (9) does not apply to any contributions received by the candidate that the candidate intends to use to make disbursements in response to an opposing candidate's disbursements exceeding the level or limitation applicable to that candidate, as described under s. 11.31 (3n), or an applicable independent expenditure described under s. 11.31 (3r), as reported by the candidate under s. 11.06 (1) (cm), to the extent that the contributions do not exceed the amount of those disbursements described under s. 11.31 (3n) or that independent expenditure described under s. 11.31 (3r). A candidate to whom this subsection applies may not receive contributions in excess of 200% of the limitations specified in sub. (9).

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**Section 70.** 11.26 (10) of the statutes is amended to read:

application to receive a grant from the Wisconsin election campaign fund and an affidavit under s. 11.31 (2m) (a) may make contributions of more than 200% of the amounts applicable amount specified in sub. (1) to the candidate's own campaign from the candidate's personal funds or property or the personal funds or property which are owned jointly or as marital property with the candidate's spouse, unless the board determines that the candidate is not eligible to receive a grant, the candidate withdraws his or her application under s. 11.50 (2) (h), or s. 11.31 (3n) or 11.50 (2) (i) applies to the candidate. For purposes of this subsection, any contribution received by a candidate or his or her personal campaign committee from a committee which is registered with the federal elections commission as the authorized committee of the candidate under 2 USC 432 (e) shall be treated as a contribution made by the candidate to his or her own campaign. The contribution

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limit of sub. (4) applies to amounts contributed by such a candidate personally to the candidate's own campaign and to other campaigns, except that a candidate may exceed the limitation if authorized under this subsection to contribute more than the amount specified to the candidate's own campaign, up to the amount of the limitation.

## **Section 71.** 11.26 (10a) of the statutes is created to read:

11.26 (10a) (a) In this subsection, "consumer price index" means the average of the consumer price index over each 12-month period, all items, U.S. city average, as determined by the bureau of labor statistics of the U.S. department of labor.

(b) The dollar amounts of the limitations under subs. (1), (1m), (2), (4), and (8) are subject to a quadrennial adjustment to be determined by rule of the board in accordance with this subsection. To determine the adjustment, the board shall, in each year that the adjustment is made, calculate the percentage difference between the consumer price index for the 12-month period ending on December 31 of the preceding year and the consumer price index for calendar year 2001. Beginning in 2006 and every 4 years thereafter, the board shall multiply the amount of each limitation under subs. (1), (1m), (2), (4), and (8) by the percentage difference in the consumer price indices. The board shall adjust the amount of each limitation to substitute that result for the existing amount to the extent required to reflect any difference, rounded to the nearest multiple of \$5. The amount so determined shall then be in effect until a subsequent rule is promulgated under this subsection. Notwithstanding s. 227.24 (1) (a), (2) (b), and (3), determinations under this subsection may be promulgated as an emergency rule under s. 227.24 without providing evidence that the emergency rule is necessary for the public peace, health, safety, or welfare and without a finding of emergency.

<b>SECTION 72.</b> 11.26 (15) of the statutes is amended to read:
11.26 (15) The fact that 2 or more committees, other than personal campaign
committees, utilize common policies and practices concerning the endorsement of
candidates or agree to make contributions only to such endorsed candidates does not
affect the right of each committee independently to make contributions up to the
applicable amount specified under sub. (1), (1m), or (2).
<b>SECTION 73.</b> 11.26 (17) (a) of the statutes is amended to read:
11.26 (17) (a) For purposes of application of the limitations imposed in subs.
(1), (1m), (2), (9), (9m), and (10), the "campaign" of a candidate begins and ends at
the times specified in this subsection.
Section 74. 11.265 of the statutes is repealed.
<b>Section 75.</b> 11.27 (1) of the statutes is amended to read:
11.27(1) No person may prepare or submit a false report or statement to a filing
officer under this chapter. This subsection does not apply to any information
reported by a person making an independent expenditure under s. 11.065 (2).
<b>Section 76.</b> 11.30 (4) of the statutes is amended to read:
11.30 (4) No owner or other person with a financial interest in a
communications medium may utilize such medium in support of or in opposition to
a candidate or referendum except as provided in this chapter.
(4m) This chapter shall not be construed to restrict fair coverage of bona fide
news stories, interviews with candidates and other politically active individuals,
editorial comment or endorsement. Such activities need not be reported as a
contribution or disbursement.
<b>SECTION 77.</b> 11.31 (1) (intro.) of the statutes is amended to read:

11.31 (1) SCHEDULE. (intro.) The following levels of disbursements are
established with reference to the candidates listed below. The levels are subject to
adjustment under sub. (9). Except as provided in sub. (2), such levels do not operate
to restrict the total amount of disbursements which are made or authorized to be
made by any candidate in any primary or other election.
<b>Section 78.</b> 11.31 (1) (a) to (c) of the statutes are amended to read:
11.31 (1) (a) Candidates for governor, \$1,078,200 \$2,750,000.
(b) Candidates for lieutenant governor, \$323,475 \$400,000.
(c) Candidates for attorney general, \$539,000 \$750,000.
<b>Section 79.</b> 11.31 (1) (cg) and (cr) of the statutes are created to read:
11.31 <b>(1)</b> (cg) Candidates for justice, \$400,000.
(cr) Candidates for state superintendent, \$400,000.
<b>Section 80.</b> 11.31 (1) (d) of the statutes is amended to read:
11.31 (1) (d) Candidates for secretary of state, or state treasurer, justice or state
superintendent, \$215,625 <u>\$300,000</u> .
Section 81. 11.31 (1) (dm) of the statutes is repealed.
<b>Section 82.</b> 11.31 (1) (e) and (f) of the statutes are amended to read:
11.31 (1) (e) Candidates for state senator, \$34,500 total in the primary and
election, with disbursements not exceeding \$21,575 for either the primary or the
election <u>\$112,500</u> .
(f) Candidates for representative to the assembly, \$17,250 total in the primary
and election, with disbursements not exceeding \$10,775 for either the primary or the
election <u>\$45,000</u> .
<b>SECTION 83.</b> 11.31 (2) of the statutes is amended to read:

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11.31 (2) LIMITATION IMPOSED. No candidate for state office at a spring or general election who files a sworn statement and an application to receive a grant from the Wisconsin election campaign fund and an affidavit under sub. (2m) (a) may make or authorize total disbursements from the his or her campaign treasury in any campaign to the extent of more than the amount prescribed in sub. (1), adjusted as provided under sub. (9), unless the board determines that the candidate is not eligible to receive a grant, the candidate withdraws his or her application under s. 11.50 (2) (h), sub. (3n) or s. 11.50 (2) (i) applies to that candidate, or the board issues a determination under sub. (3r) applicable to the candidate. No candidate for state office at a special election who files a sworn statement and an application to receive a grant from the Wisconsin election campaign fund and an affidavit under sub. (2m) (a) may make or authorize total disbursements from the his or her campaign treasury in any campaign to the extent of more than the amount prescribed under sub. (1), adjusted as provided under sub. (9), for the preceding spring or general election for the same office, unless the board determines that the candidate is not eligible to receive a grant, the candidate withdraws his or her application under s. 11.50 (2) (h), s. 11.31 (3n) or 11.50 (2) (i) applies to that candidate, or the board issues a determination under sub. (3r) applicable to the candidate. **Section 84.** 11.31 (2m) (title) of the statutes is amended to read:

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11.31 (2m) (title) Voluntary Limitation Affidavit of Adherence to Limitations.

**Section 85.** 11.31 (2m) of the statutes is renumbered 11.31 (2m) (b) and amended to read:

11.31 (2m) (b) Any candidate to whom sub. (2) and s. 11.26 (10) do not apply may file an affidavit with his or her filing officer affirming that he or she has adhered and will adhere to the limitations imposed under sub. (2) and s. 11.26 (10) during the

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entire campaign. These limitations apply unless the candidate withdraws the affidavit by notifying his or her filing officer in writing no later than the 7th day after the date of the primary in which the person filing the affidavit is a candidate, or the 7th day after the date that the primary would be held, if no primary is required, or unless sub. (3n) applies to that candidate or the board issues a determination under sub. (3r) applicable to the candidate.

**Section 86.** 11.31 (2m) (a) of the statutes is created to read:

11.31 (2m) (a) Each candidate who files an application to receive a grant from the Wisconsin election campaign fund shall file an affidavit with the board affirming that the candidate, and his or her authorized agents, have complied with the limitations imposed under sub. (2) and s. 11.26 at all times during which the limitations have applied to his or her candidacy and will continue to comply with the limitations at all times during which the limitations apply to his or her candidacy, unless the board determines that the candidate is not eligible to receive a grant from the fund, the candidate withdraws his or her application for a grant under s. 11.50 (2) (h), sub. (3n) or s. 11.50 (2) (i) applies, or the board issues a determination under sub. (3r) applicable to the candidate.

**Section 87.** 11.31 (3) of the statutes is amended to read:

11.31 (3) Gubernatorial campaigns. For purposes of compliance with the limitations imposed under sub. (2), candidates for governor and lieutenant governor of the same political party who both accept grants from the Wisconsin election campaign fund may agree to combine disbursement levels under sub. (1) (a) and (b), adjusted as provided under sub. (9), and reallocate the total level between them. The candidates shall each inform the board of any such agreement.

**SECTION 88.** 11.31 (3m) of the statutes is repealed.

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**Section 89.** 11.31 (3n) of the statutes is created to read:

11.31 (3n) DISBURSEMENTS BY OPPOSING CANDIDATES FOR CERTAIN STATE OFFICES. If a candidate for a state office specified in sub. (1) (a) to (d), (e), or (f) in any campaign who has filed an affidavit under sub. (2m) determines that an opposing candidate who has not filed an affidavit under sub. (2m) has made disbursements exceeding the amount of the disbursement level applicable to that candidate under sub. (1), as adjusted under sub. (9), then that candidate and each of his or her opponents may make additional contributions to his or her own campaign exceeding the amount authorized under s. 11.26 (10) and may make additional disbursements in that campaign exceeding the amount authorized under sub. (1), as adjusted under sub. (9), in an amount equivalent to the lesser of the total contributions made by the opposing candidate to his or her own campaign or the amount by which the total disbursements made by the opposing candidate exceed the disbursement limitation or level applicable to that candidate under sub. (1), as adjusted under sub. (9), as reported to the board by the opposing candidate or his or her personal campaign committee. In addition, contributions to that candidate and to each of his or her opponents may be made as authorized under s. 11.26 (9m).

**Section 90.** 11.31 (3r) of the statutes is created to read:

11.31 (3r) Independent expenditures; candidates for certain state offices.

(a) If a candidate for a state office specified in sub. (1) (a) to (d), (e), or (f) has filed an affidavit under sub. (2m) the board receives a report under s. 11.065 that an independent expenditure has been made for the purpose of making a communication in opposition to the candidate, or in support of a candidate whose name is certified under s. 7.08 (2) (a) or 8.50 (1) (d) to appear on the ballot in opposition to the candidate, other than for the purpose of making a communication described in s.

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- 11.29 or 11.30 (4m), the board shall, no later than the end of the 3rd calendar day after receiving the report under s. 11.065, issue a determination that the candidate may make additional disbursements in that campaign exceeding any limitation imposed under sub. (2) or agreed to under sub. (2m) in an amount equivalent to the amount of the independent expenditure, as reported under s. 11.065, and that contributions to the candidate may be made as authorized under s. 11.26 (9m).
- (b) The board shall immediately file a written copy of its determination with each of the candidates for the office that the candidate seeks.
  - **SECTION 91.** 11.31 (4) of the statutes is repealed.
  - **Section 92.** 11.31 (9) of the statutes is created to read:
- 11.31 **(9)** Adjustment of disbursement levels. (a) In this subsection, "consumer price index" means the average of the consumer price index over each 12-month period, all items, U.S. city average, as determined by the bureau of labor statistics of the U.S. department of labor.
- (b) The dollar amounts of the limitations under sub. (1) are subject to a quadrennial adjustment to be determined by rule of the board in accordance with this subsection. To determine the adjustment, the board shall, in each year that the adjustment is made, calculate the percentage difference between the consumer price index for the 12-month period ending on December 31 of the preceding year and the consumer price index for calendar year 2001. Beginning in 2006 and every 4 years thereafter, the board shall multiply the amount of each limitation under sub. (1) by the percentage difference in the consumer price indices. The board shall adjust the amount of each limitation to substitute that result for the existing amount to the extent required to reflect any difference, rounded to the nearest multiple of \$5. The amount so determined shall then be in effect until a subsequent rule is promulgated

under this subsection. Notwithstanding s. 227.24 (1) (a), (2) (b), and (3), determinations under this subsection may be promulgated as an emergency rule under s. 227.24 without providing evidence that the emergency rule is necessary for the public peace, health, safety, or welfare and without a finding of emergency.

**Section 93.** 11.38 (6) of the statutes is amended to read:

- 11.38 (6) Any individual or campaign treasurer who receives funds in violation of this section shall promptly return such funds to the contributor or, donate the funds to the common school fund or a charitable organization, or transfer the funds to the board for deposit in the Wisconsin election campaign fund, at the treasurer's option.
  - **Section 94.** 11.385 of the statutes is created to read:
- 11.385 Certain contributions prohibited. (1) In this section, "floorperiod" means a floorperiod of the legislature, as scheduled by joint resolution, for a regular legislative session.
- (2) Except as provided in subs. (3) to (5), no member of the legislature or personal campaign committee of a member may make or receive any contribution in conjunction with a fund-raising social event held in Dane County during a floorperiod or a special or extraordinary session if the event is held to benefit a member or member's personal campaign committee.
- (3) Subsection (2) does not apply to a contribution made or received in connection with a fund-raising social event that is held by a member of the legislature or his or her personal campaign committee during the period between the first day authorized for filing nomination papers for an office for which the member is a candidate and the date of the election for that office, if the event is held within the jurisdiction or district served by the office for which the member is a candidate.

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- (4) Subsection (2) does not apply to a contribution made or received in connection with a fund-raising social event that is held by a member of the legislature or his or her personal campaign committee during the period between the first day authorized for filing nomination papers for any office other than member of the house of the legislature in which a member serves and the date of the election for that office.
- (5) Subsection (2) does not apply to a contribution made or received in connection with a fund-raising social event held during a special or extraordinary session by a member of the legislature or his or her personal campaign committee if the member serves a district that is wholly or partly contained within Dane County, the event is held within the boundaries of that district and invitations to the event are sent before the special or extraordinary session is called.
  - **SECTION 95.** 11.50 (1) (a) 1. (intro.) of the statutes is created to read:
- 11.50 (1) (a) 1. (intro.) For purposes of qualification for a grant from the general account:
  - **Section 96.** 11.50 (1) (a) 1, of the statutes is renumbered 11.50 (1) (a) 1, a.
  - **SECTION 97.** 11.50 (1) (a) 2. of the statutes is renumbered 11.50 (1) (a) 1. b. and amended to read:
  - 11.50 (1) (a) 1. b. With respect to a special election, an individual who is certified under s. 8.50 (1) (d) as a candidate in a special election for state superintendent, or an individual who is certified under s. 8.50 (1) (d) as a candidate in a special election for any state office, except district attorney, on the ballot or column of a party whose candidate for the same office at the preceding general election received at least 6% of the vote cast for all candidates on all ballots for the office, or an individual who has been lawfully appointed and certified to replace either such individual on the ballot

at a special election, or an individual who receives at least 6% of the vote cast for all candidates on all ballots for any state office, except district attorney, at a partisan special election; and who qualifies for a grant under sub. (2). Where the boundaries of a district in which an individual seeks office have been changed since the preceding general election such that it is not possible to calculate the exact number of votes that are needed by that individual to qualify as an eligible candidate prior to an election under this subdivision, the number of votes cast for all candidates for the office at the preceding general election in each ward, combination of wards or municipality which is wholly contained within the boundaries of the newly formed district shall be calculated. If the candidate of the political party on whose ballot or column the individual appears in the newly formed district obtained at least 6% of the number of votes calculated, the individual is deemed to qualify as an eligible candidate prior to the election under this subdivision.

**Section 98.** 11.50 (1) (a) 2m. of the statutes is created to read:

11.50 (1) (a) 2m. For purposes of qualification for a grant from a political party account, an individual who is certified under s. 7.08 (2) (a) or 8.50 (1) (d) in the general election or a special election as the candidate of an eligible political party for a state office, other than district attorney, or an individual who has been lawfully appointed and certified to replace such an individual on the ballot at the general or a special election and who has qualified for a grant under sub. (2).

**Section 99.** 11.50 (1) (am) of the statutes is created to read:

- 11.50 (1) (am) "Eligible political party" means any of the following:
- 1. A party qualifying under s. 5.62 (1) (b) for a separate ballot or one or more separate columns or rows on a ballot for the period beginning on the date of the

preceding general election and ending on the day before the general election that follows that election.

- 2. A party qualifying under s. 5.62 (2) for a separate ballot or one or more separate columns or rows on a ballot for the period beginning on the preceding June 1, or if that June 1 is in an odd-numbered year, the period beginning on June 1 of the preceding even-numbered year, and ending on May 31 of the 2nd year following that June 1.
- **Section 100.** 11.50 (1) (bm) and (cm) of the statutes are created to read:
- 11.50 (1) (bm) "General account" means the account in the fund created under sub. (2w).
- 11 (cm) "Political party account" means an account in the fund created under sub.

  12 (2s).
  - **SECTION 101.** 11.50 (2) (a) of the statutes is amended to read:
  - 11.50 (2) (a) Any individual who desires to qualify as an eligible candidate may file an application with the board requesting approval to participate in the fund. The application shall be filed no later than the applicable deadline for filing nomination papers under s. 8.10 (2) (a), 8.15 (1), 8.20 (8) (a) or 8.50 (3) (a), no later than 4:30 p.m. on the 7th day after the primary or date on which the primary would be held if required in the case of write-in candidates, or no later than 4:30 p.m. on the 7th day after appointment in the case of candidates appointed to fill vacancies. The application shall contain a sworn statement that the candidate and his or her authorized agents have complied with the contribution limitations prescribed in s. 11.26 and the disbursement limitations prescribed under s. 11.31 at all times to which such limitations have applied to his or her candidacy and will continue to comply with the limitations at all times to which the limitations apply to his or her

candidacy for the office in contest, unless the board determines that the candidate is not eligible to receive a grant, the candidate withdraws his or her application under par. (h), or par. (i) applies applicant shall provide, along with the application, an affidavit under s. 11.31 (2m) (a).

**Section 102.** 11.50 (2) (b) 4. of the statutes is amended to read:

11.50 (2) (b) 4. The financial reports filed by or on behalf of the candidate as of the date of the spring or September primary, or the date that the special primary is or would be held, if required, indicate that his or her statement affidavit filed with the application under par. (a) s. 11.31 (2m) (a) is true; and

**Section 103.** 11.50 (2) (b) 5. of the statutes is amended to read:

11.50 (2) (b) 5. The financial reports filed by or on behalf of the candidate as of the date of the spring or September primary, or the date that the special primary is or would be held, if required, indicate that the candidate has received an amount equal to at least the amount provided in this subdivision, from contributions of money, other than loans, made by individuals who reside in this state and, in the case of a candidate for other than a statewide office, by individuals at least 50% of whom reside in a county having territory within the district in which the candidate seeks office, which contributions have been received during the period ending on the date of the spring primary and July 1 preceding such date in the case of candidates at the spring election, or the date of the September primary and January 1 preceding such date in the case of candidates at the general election, or the date that a special primary will or would be held, if required, and 90 days preceding such date or the date a special election is ordered, whichever is earlier, in the case of special election candidates at a special election, which contributions are in the aggregate amount of \$100 or less, and which contributions are fully identified and itemized as to the exact

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source thereof. A contribution received from a conduit which is identified by the conduit as originating from an individual shall be considered a contribution made by the individual. Only the first \$100 of an aggregate contribution of more than \$100 may be counted toward the required percentage. For a candidate at the spring or general election for an office identified in s. 11.26 (1) (a) or a candidate at a special election, the required amount to qualify for a grant is 5% of the candidate's applicable authorized disbursement limitation, as determined under s. 11.31 (1) and adjusted as provided under s. 11.31 (9). For any other candidate at the general election, the required amount to qualify for a grant is 10% 7% of the candidate's applicable authorized disbursement limitation, as determined under s. 11.31 (1) and adjusted as provided under s. 11.31 (9).

**Section 104.** 11.50 (2) (f) of the statutes is amended to read:

11.50 (2) (f) The board shall inform each candidate in writing of the approval or disapproval of the candidate's application, as promptly as possible after the date of the spring primary, September primary, special primary, or date that the primary would be held, if required. With respect to a candidate at a special election who applies for a postelection grant under sub. (1) (a) 2. 1. b., the board shall inform the candidate in writing of the conditional approval or disapproval of the candidate's application at the same time.

**SECTION 105.** 11.50 (2) (g) of the statutes is amended to read:

11.50 (2) (g) A candidate who voluntarily files an application to receive a grant in accordance with this subsection accepts and agrees to comply with the contribution limitations prescribed in s. 11.26 and the disbursement limitations imposed under s. 11.31 (2) as binding upon himself or herself and his or her agents during the campaign as defined in s. 11.31 (7), as a precondition to receipt of a grant

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under this section, unless the board determines that the candidate is not eligible to receive a grant, the candidate withdraws the application under par. (h), or par. (i) or s. 11.31 (3n) applies to the candidate, or the board issues a determination under s. 11.31 (3r) applicable to the candidate.

**Section 106.** 11.50 (2) (h) of the statutes is amended to read:

11.50 (2) (h) An eligible candidate who files an application under par. (a) may file a written withdrawal of the application. A withdrawal of an application may be filed with the board no later than the 7th day after the day of the primary in which the person withdrawing the application is a candidate or the 7th day after the date that the primary would be held, if required. If an application is withdrawn in accordance with this paragraph, the person withdrawing the application is no longer bound by the statement affidavit filed under par. (a) s. 11.31 (2m) (a) after the date of the withdrawal.

**Section 107.** 11.50 (2) (i) of the statutes is amended to read:

11.50 (2) (i) Notwithstanding par. (g), if an eligible candidate at the spring election or a special nonpartisan election who accepts a grant is opposed by one or more candidates in the election, or if an eligible candidate at the general election or a special partisan election who accepts a grant is opposed by one or more candidates in the election who receive at least 6% of the vote cast for all candidates for the same office on all ballots at the September primary or a special partisan primary if a primary was held, and in either case if any such opponent of the eligible candidate does not accept a grant under this section in whole or in part, the eligible candidate is not bound by the pledge made in his or her application to adhere to the contribution limitations prescribed in s. 11.26 and the disbursement limitation prescribed under s. 11.31 (2), unless each such opponent files an affidavit of voluntary compliance

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under s. 11.31 (2m) (b), s. 11.31 (3n) does not apply to the candidate, and the board has not issued a determination under s. 11.31 (3r) applicable to the candidate.

**SECTION 108.** 11.50 (2s) of the statutes is created to read:

- 11.50 (2s) POLITICAL PARTY ACCOUNTS. (a) The state chairperson of each eligible political party may, by written request to the board, provide for the establishment or discontinuance of an account within the fund for that political party. Each political party account consists of all moneys designated by individuals for deposit in that account under s. 71.10 (3) (a).
- (b) From the account of each eligible political party, the board shall apportion moneys to an account for each office in the same proportion that moneys are apportioned under sub. (4). Within each account, the board shall apportion available moneys to eligible candidates representing that party who qualify to receive grants. If there are insufficient moneys available to finance payment of the full amount of the grant for which a candidate for legislative office qualifies, the board shall prorate available moneys within the account for each legislative office. Whenever an eligible candidate representing an eligible political party receives a grant, the state treasurer shall first make payment of the grant from the political party account of that party, to the extent that sufficient moneys are available in that account to make payment of the grant.
- (c) If a political party for which an account is established under this subsection ceases to be an eligible political party, the board shall transfer the unencumbered balance of that account to the general account.

**Section 109.** 11.50 (2w) of the statutes is created to read:

11.50 (2w) GENERAL ACCOUNT. There is established a general account within the fund consisting of all moneys designated by individuals for deposit in that

account.

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1	account under s. 71.10 (3) (a), all moneys transferred to that account under sub. (2s)
2	(c), and all moneys deposited in the fund under ss. 8.35 (4) (a), 11.07 (5), 11.12 (2),
3	11.16 (2), 11.19 (1), 11.23 (2), and 11.38 (6).
4	<b>SECTION 110.</b> 11.50 (3) (a) 1. of the statutes is renumbered 11.50 (3) (a) 2m. and
5	amended to read:
6	11.50 (3) (a) 2m. If After making any transfer required under subd. 1m. if an
7	election for state superintendent is scheduled in the following year, 8% of the fund
8	shall be placed in the state treasurer shall transfer an amount sufficient to finance
9	payment of the full amount of the grants authorized under sub. (9) (a) for candidates
10	for the office of state superintendent to a superintendency account. From this
11	account, an equal amount shall be disbursed to the campaign depository account of
12	each eligible candidate by the state treasurer. Any unencumbered balance in the
13	superintendency account after an election for the office of state superintendent is
14	held shall revert to the general account.
15	<b>SECTION 111.</b> 11.50 (3) (a) 2. of the statutes is renumbered 11.50 (3) (a) 1m. and
16	amended to read:
17	11.50 (3) (a) 1m. If an election for justice is scheduled in the following year, 8%
18	of the fund shall be placed in the state treasurer shall transfer an amount sufficient
19	to finance payment of the full amount of the grants authorized under sub. (9) (b) for
20	candidates for the office of justice to a supreme court account. From this account, an
21	equal amount shall be disbursed to the campaign depository account of each eligible
22	candidate by the state treasurer. Any unencumbered balance in the supreme court
23	account after an election for the office of justice is held shall revert to the general
24	account.

**Section 112.** 11.50 (3) (b) of the statutes is amended to read:

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11.50 (3) (b) If a vacancy occurs in the office of justice after August 15 in any year and an election is scheduled to fill the vacancy at the spring election in the following year, the state treasurer shall transfer an amount sufficient to finance payment of the full amount of the grants authorized under sub. (9) (b) for candidates for the office of justice to the supreme court account. If a vacancy occurs in the office of state superintendent or justice after August 15 in any year and an election is scheduled to fill the vacancy at the spring election in the following year, the state treasurer shall, after making any transfer that is required to be made to the supreme court account, transfer an amount not exceeding 8% of the moneys transferred to the fund on the preceding August 15 sufficient to finance payment of the full amount of the grants authorized under sub. (9) (a) for candidates for the office of state superintendent to the superintendency account for the office in which the vacancy occurs, such. The moneys to shall be drawn transferred from any account within the accounts created under sub. (4) in the amount or amounts specified by the board.

**Section 113.** 11.50 (3) (c) of the statutes is created to read:

11.50 (3) (c) If there are insufficient moneys in the fund to make any transfer that is required to be made under par. (a) or (b), the state treasurer shall transfer the balance in the fund to the account to which the transfer is required to be made.

**Section 114.** 11.50 (4m) of the statutes is created to read:

11.50 (4m) Payment of Grant amounts. The state treasurer shall make payment of each grant to an eligible candidate from the political party account of that candidate's political party, if any, if there are sufficient moneys in that account to make full payment of the grant, and then from the general account. The amount of each grant is the amount specified in sub. (9), except as provided in sub. (10) and except that if there are insufficient moneys in the account for any office within the

general account to make payment of the full amount of the grant for which a candidate qualifies, the board shall first allocate available moneys in that account to equalize payments of grants to all eligible candidates for each office for which any candidate has received payments from a political party account, and thereafter shall prorate any remaining available moneys in that account to all eligible candidates who qualify to receive a grant from that account.

**SECTION 115.** 11.50 (5) of the statutes is amended to read:

11.50 (5) TIME OF DISBURSEMENT. The state treasurer shall make the disbursements of grants under sub. (9) to the campaign depository account of each eligible candidate under subs. (3) and (4) by the end of the 3rd business day following notice from the board under s. 7.08 (2) (c) or (cm). Eligible candidates for governor and lieutenant governor of the same political party may combine accounts if desired.

**Section 116.** 11.50 (6) of the statutes is amended to read:

11.50 **(6)** Excess moneys. If the amounts which are to be apportioned to each eligible candidate under subs. (3) and (4) are more than the amount which a candidate may accept under sub. (9), or more than the amount which a candidate elects to accept under sub. (10), the excess moneys shall be retained in the fund.

**SECTION 117.** 11.50 (9) of the statutes is renumbered 11.50 (9) (a) and amended to read:

11.50 (9) (a) The Except as provided in pars. (c) and (d), the total grant available to an eligible candidate for an office other than the office of justice may not exceed that amount which, when added to all other contributions accepted from sources other than individuals, and political party committees and legislative campaign committees, is equal to 45% of the disbursement level specified for the applicable office under s. 11.31 (1), adjusted as provided under s. 11.31 (9).

(e) The board shall scrutinize accounts and reports and records kept under this
chapter to assure that applicable limitations under ss. 11.26 (9) and 11.31 are not
exceeded and any violation is reported.

- (f) No candidate or campaign treasurer may accept grants exceeding the amount authorized by this subsection.
  - **SECTION 118.** 11.50 (9) (b) to (d) of the statutes are created to read:
- 11.50 **(9)** (b) Except as provided in pars. (c) and (d), the total grant available to an eligible candidate for the office of justice may not exceed that amount which, when added to all other contributions accepted from sources other than individuals political party committees, is equal to 65% of the disbursement level specified for that office under s. 11.31 (1), as adjusted under s. 11.31 (9).
- (c) If, at the time that the board transmits notice of grant eligibility to the state treasurer under s. 7.08 (2) (c) or (cm), an eligible candidate has a balance in his or her campaign depository account that exceeds 50% of the disbursement level specified under s. 11.31 (1), as adjusted under s. 11.31 (9), for the office that the candidate seeks, the amount of the grant payable to the candidate is 50% of the amount otherwise payable under par. (a) or (b).
- (d) If an eligible candidate does not have an opponent whose application to receive a grant has been approved by the board, the amount of the grant payable to the candidate is 50% of the amount otherwise payable under par. (a) or (b), unless the amount of the grant is subject to reduction under par. (c).
  - **SECTION 119.** 11.50 (10m) of the statutes is amended to read:
- 11.50 (10m) RETURN OF GRANTS. An individual who receives a grant prior to an election in which he or she is a candidate and who desires to return any portion of the grant shall return that portion no later than the 2nd Tuesday in October

preceding a general election, the 4th Tuesday preceding a spring election or the 3rd
Tuesday preceding a special election. A candidate who returns all or any portion of
a grant under this subsection remains bound by the candidate's statement affidavit
filed under sub. (2) (a) s. 11.31 (2m) (a).
<b>Section 120.</b> 11.50 (11) (e) of the statutes is amended to read:
11.50 (11) (e) No candidate may expend, authorize the expenditure of or incur
any obligation to expend any grant if he or she violates the pledge affidavit required
under sub. (2) (a) as a precondition to receipt of a grant, except as authorized in sub.
(2) (h) or (i).
<b>Section 121.</b> 11.50 (14) of the statutes is created to read:
11.50 (14) Certifications to secretary of revenue. (a) In each
even-numbered year, the board shall certify to the secretary of revenue:
1. No later than July 1, the name of each political party that qualifies under
sub. (1) (am) 1. as an eligible political party as of the preceding June 1 and whose
state chairperson has filed a request to establish an account for the party under sub.
(2s) (a).
2. No later than December 15, the name of each political party that qualifies
under sub. (1) (am) 2. as an eligible political party as of the date of the preceding
general election.
(b) In each certification under this subsection, the board shall specify the
expiration date of the certification.
<b>Section 122.</b> $11.60(1)$ and $(2)$ of the statutes are amended to read:

11.60 (1) Any person, including any committee or group, who violates this

chapter may be required to forfeit not more than \$500 \$1,500 for each violation.

(2) In addition to the penalty under sub. (1), any person, including an	nу
committee or group, who is delinquent in filing a report required by this chapter ma	ay
be required to forfeit not more than \$50 $\pm 150$ or one percent $\pm 3\%$ of the annual sala	ry
of the office for which the candidate is being supported or opposed, whichever	is
greater, for each day of delinquency.	

**Section 123.** 11.61 (1) of the statutes is amended to read:

- 11.61 (1) (a) Whoever intentionally violates s. 11.05 (1), (2), (2g) or (2r), 11.07 (1) or (5), 11.10 (1), 11.12 (5), 11.23 (6) or 11.24 (1) may be fined not more than \$10,000 \$30,000 or imprisoned for not more than \$4 13 years and 6 months or both.
- (b) Whoever intentionally violates s. 11.25, 11.26, 11.27 (1), 11.30 (1) or 11.38 where the intentional violation does not involve a specific figure, or where the intentional violation concerns a figure which exceeds \$100 in amount or value may be fined not more than \$10,000 \$30,000 or imprisoned for not more than 4 13 years and 6 months or both.
- (c) Whoever intentionally violates any provision of this chapter other than those provided in par. (a) and whoever intentionally violates any provision under par. (b) where the intentional violation concerns a specific figure which does not exceed \$100 in amount or value may be fined not more than \$1,000 \$3,000 or imprisoned for not more than 6 months one year in the county jail or both.
- **SECTION 124.** 11.66 of the statutes is renumbered 11.66 (1) and amended to read:
- 11.66 (1) Any elector may sue for injunctive relief to compel compliance with this chapter. Before commencing any action concerning a <u>an election for</u> state office or <u>a</u> statewide referendum, an elector shall file a verified complaint with the executive director of the board under s. 5.066 (2) alleging such facts as are within his

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or her knowledge to show probable cause to believe that a violation has occurred or is proposed to occur. If The verified complaint shall include a notice that the elector intends to seek relief under this section. Except as provided in sub. (2), if the executive director of the board fails to commence an action order the relief that is sought by the elector under s. 5.066 (5) within 10 days of the filing of the complaint and the elector does not appeal the matter to the board under s. 5.066 (8) or the board, after hearing the elector's appeal, does not order the relief sought by the elector under s. 5.066 (9), the elector may commence an action.

(3) Separate from any other bond which may be required by the court, the

(3) Separate from any other bond which may be required by the court, the elector may be required to post a surety bond in an amount determined by the court sufficient to cover the actual costs, including reasonable attorney fees, of both parties. If the elector's action is not successful, he or she shall pay the costs of the action.

**SECTION 125.** 11.66 (2) of the statutes is created to read:

11.66 (2) If the complaint relates to a matter specified in s. 5.066 (12) (a), the elector may commence an action under sub. (1) upon compliance with sub. (1).

**Section 126.** 12.05 of the statutes is amended to read:

12.05 False representations affecting elections. No person may knowingly make or publish, or cause to be made or published, a false representation pertaining to a candidate or referendum which that is intended or tends to affect voting at an election. This section does not apply to any information reported by a person making an independent expenditure, as defined in s. 11.01 (11m), under s. 11.065 (2).

**Section 127.** 19.42 (3m), (4g), (4r) and (7p) of the statutes are created to read:

- 19.42 (3m) "Candidate," except as otherwise provided, has the meaning given in s. 11.01 (1).
  - (4g) "Clearly identified," when used in reference to a communication containing a reference to a person, means one of the following:
    - (a) The person's name appears.
    - (b) A photograph or drawing of the person appears.
    - (c) The identity of the person is apparent by unambiguous reference.
  - (4r) "Communication" means a message transmitted by means of a printed advertisement, billboard, handbill, sample ballot, radio or television advertisement, telephone call, or any medium that may be utilized for the purpose of disseminating or broadcasting a message, but not including a poll conducted solely for the purpose of identifying or collecting data concerning the attitudes or preferences of electors.
    - (7p) "Independent expenditure" has the meaning given in s. 11.01 (11m).
    - **Section 128.** 19.45 (13) of the statutes is created to read:
  - 19.45 (13) No state public official holding an elective office may, directly or by means of an agent, give, or offer or promise to give, or withhold, or offer or promise to withhold, his or her vote or influence, or promise to take or refrain from taking official action with respect to any proposed or pending matter in consideration of, or upon condition that, any other person make or refrain from making a political contribution, or provide or refrain from providing any service or other thing of value, to or for the benefit of a candidate, a political party, any other person who is subject to a registration requirement under s. 11.05, or any person who makes an independent expenditure for the purpose of making a communication that contains a reference to a candidate for state public office.

**SECTION 129.** 19.49 (1m) of the statutes is created to read:

19.49 (1m) No complaint alleging a violation of s. 19.45 (13) may be filed during the period beginning 120 days before a general or spring election, or during the period commencing on the date of the order of a special election under s. 8.50, and ending on the date of that election, against a candidate who files a declaration of candidacy to have his or her name appear on the ballot at that election.

**SECTION 130.** 19.49 (5) of the statutes is renumbered 19.49 (5) (a) and amended to read:

19.49 (5) (a) No Except as provided in par. (b), no action may be taken on any complaint which that is filed later than 3 years after a violation of this subchapter or subch. III of ch. 13 is alleged to have occurred.

**Section 131.** 19.49 (5) (b) of the statutes is created to read:

19.49 **(5)** (b) The period of limitation under par. (a) is tolled for a complaint alleging a violation of s. 19.45 (13) or 19.59 (1) (br) for the period during which such a complaint may not be filed under s. 19.49 (1m) or 19.59 (8) (cm).

**Section 132.** 19.53 (6) of the statutes is amended to read:

19.53 (6) An order requiring the accused to forfeit not more than \$500 for each violation of s. 19.43, 19.44, or 19.56 (2) or not more than \$5,000 for each violation of any other provision of this subchapter, or not more than the applicable amount specified in s. 13.69 for each violation of subch. III of ch. 13; and, if. If the board determines that the accused has realized economic gain as a result of the violation, an the board may, in addition, order requiring the accused to forfeit the amount gained as a result of the violation. In addition, if the board determines that a state public official has violated s. 19.45 (13), the board may order the official to forfeit an amount equal to the amount or value of any political contribution, service, or other thing of value that was wrongfully obtained. If the board determines that a state

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public official has violated s. 19.45 (13) and no political contribution, service, or other thing of value was obtained, the board may order the official to forfeit an amount equal to the maximum contribution authorized under s. 11.26 (1) for the office held or sought by the official, whichever amount is greater. The attorney general, when so requested by the board, shall institute proceedings to recover any forfeiture incurred under this section or s. 19.545 which is not paid by the person against whom it is assessed.

**Section 133.** 19.535 of the statutes is created to read:

19.535 Direct enforcement. If the board refuses or otherwise fails to authorize an investigation under s. 19.49 (3) with respect to a violation of s. 19.45 (13) within 30 days after receiving a verified complaint alleging a violation of s. 19.45 (13), the person making the complaint may bring an action to recover the forfeiture under s. 19.53 (6) on his or her relation in the name, and on behalf, of the state. In such actions, the court may award actual and necessary costs of prosecution, including reasonable attorney fees, to the relator if he or she prevails, but any forfeiture recovered shall be paid to the state. If the court finds in any such action that the cause of action was frivolous as provided in s. 814.025, the court shall award costs and fees to the defendant under that section.

**Section 134.** 19.59 (1) (br) of the statutes is created to read:

19.59 (1) (br) No local public official holding an elective office may, directly or by means of an agent, give, or offer or promise to give, or withhold, or offer or promise to withhold, his or her vote or influence, or promise to take or refrain from taking official action with respect to any proposed or pending matter in consideration of, or upon condition that, any other person make or refrain from making a political contribution, or provide or refrain from providing any service or other thing of value,

to or for the benefit of a candidate, a political party, any other person who is subject to a registration requirement under s. 11.05, or any person who makes an independent expenditure for the purpose of making a communication that contains a reference to a candidate for local public office.

**SECTION 135.** 19.59 (7) of the statutes is renumbered 19.59 (7) (a) and amended to read:

19.59 (7) (a) Any person who violates sub. (1) may be required to forfeit not more than \$1,000 for each violation, and, if the court determines that the accused has violated sub. (1) (br), the court may, in addition, order the accused to forfeit an amount equal to the amount or value of any political contribution, service, or other thing of value that was wrongfully obtained.

**SECTION 136.** 19.59 (7) (b) of the statutes is created to read:

19.59 (7) (b) Any person who violates sub. (1) may be required to forfeit not more than \$1,000 for each violation, and, if the court determines that a local public official has violated sub. (1) (br) and no political contribution, service, or other thing of value was obtained, the court may, in addition, order the accused to forfeit an amount equal to the maximum contribution authorized under s. 11.26 (1) for the office held or sought by the official, whichever amount is greater.

**SECTION 137.** 19.59 (8) (c) of the statutes is amended to read:

19.59 (8) (c) If the district attorney fails to commence an action to enforce sub. (1) (a), (b), or (c) to (g) within 20 days after receiving a verified complaint or if the district attorney refuses to commence such an action, the person making the complaint may petition the attorney general to act upon the complaint. The attorney general may then bring an action under par. (a) or (b), or both.

**SECTION 138.** 19.59 (8) (cm) and (cn) of the statutes are created to read:

19.59 (8) (cm) No complaint alleging a violation of sub. (1) (br) may be filed during the period beginning 120 days before a general or spring election, or during the period commencing on the date of the order of a special election under s. 8.50, and ending on the date of that election, against a candidate who files a declaration of candidacy to have his or her name appear on the ballot at that election.

(cn) If the district attorney refuses or otherwise fails to commence an action to enforce sub. (1) (br) within 30 days after receiving a verified complaint alleging a violation of sub. (1) (br), the person making the complaint may bring an action to recover the forfeiture under sub. (7) on his of her relation in the name, and on behalf, of the state. In such actions, the court may award actual and necessary costs of prosecution, including reasonable attorney fees, to the relator if her or she prevails, but any forfeiture recovered shall be paid to the state. If the court finds in any such action that the cause of action was frivolous as provided in s. 814.025, the court shall award costs and fees to the defendant under that section.

**Section 139.** 25.42 of the statutes is amended to read:

25.42 Wisconsin election campaign fund. All moneys appropriated under s. 20.855 (4) (b) together with all moneys deposited under ss. 8.35 (4) (a), 11.07 (5), 11.12 (2), 11.16 (2), 11.19 (1), 11.23 (2), and 11.38 (6), all moneys reverting to the state under s. 11.50 (8) and all gifts, bequests and devises received under s. 11.50 (13) constitute the Wisconsin election campaign fund, to be expended for the purposes of s. 11.50. All moneys in the fund not disbursed by the state treasurer shall continue to accumulate indefinitely.

**Section 140.** 71.07 (6s) of the statutes is created to read:

71.07 (6s) Campaign fund tax credit. (a) Definitions. In this subsection:

1. "Claimant" means an individual who makes a designation.

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- 2. "Designation" means an amount designated under s. 71.10 (3) (a).
- (b) *Filing claims*. Subject to the limitations and conditions provided in this subsection, a claimant may claim as a credit against the tax imposed under s. 71.02, up to the amount of those taxes, for the taxable year to which the income tax return relates, an amount equal to the claimant's designation.
- (c) Limitations and conditions. 1. No credit may be allowed under this subsection unless it is claimed within the time period under s. 71.75 (2).
- 2. Part-year residents and nonresidents of this state are not eligible for the credit under this subsection.
- 3. If both spouses of a married couple meet the definition of claimant under par.(a) 1., each spouse may claim the credit under this subsection.
- (d) *Administration*. Subsection (9e) (d), to the extent that it applies to the credit under that subsection, applies to the credit under this subsection.

#### **Section 141.** 71.10 (3) (a) of the statutes is amended to read:

71.10 (3) (a) Every individual filing an income tax return who has a tax liability or is entitled to a tax refund may designate \$1 up to \$5 for transfer to the Wisconsin election campaign fund for the use of eligible candidates under s. 11.50. If the individuals filing a joint return have a tax liability or are entitled to a tax refund, each individual may make a designation of \$1 up to \$5 under this subsection. Each individual making a designation shall indicate whether the amount designated by that individual shall be placed in the general account for the use of all eligible candidates for state office, or in the account of an eligible political party whose name is certified to the secretary of revenue under s. 11.50 (14). If an individual does not indicate that the amount of his or her designation shall be placed in the account of

a	particular	eligible	political	party,	that	amount	shall	be	placed	in	the	general
	•		•				•		_			
a	ccount.											

**SECTION 142.** 71.10 (3) (b) of the statutes is amended to read:

71.10 (3) (b) The secretary of revenue shall provide a place for those designations under par. (a) on the face of the individual income tax return and shall provide next to that place a statement that a designation will not increase tax liability, and that the amount of a designation may be claimed as a credit under s. 71.07 (6s). Annually on August 15, the secretary of revenue shall certify to the elections board, the department of administration and the state treasurer under-s. 11.50 the total amount of designations made on returns processed by the department of revenue during the preceding fiscal year and the amount of designations made during that fiscal year for the general account and for the account of each eligible political party. If any individual designates an amount greater than the amount authorized under par. (a) or attempts to place any condition or restriction upon a designation not authorized under par. (a), that individual is deemed not to have made a designation on his or her tax return.

- **Section 143.** 71.10 (4) (cs) of the statutes is created to read:
- 18 71.10 (4) (cs) The campaign fund tax credit under s. 71.07 (6s).
- **Section 144.** 227.03 (6m) of the statutes is created to read:
- 20 227.03 (6m) Cases before the executive director of the elections board under s. 5.066 are not subject to ss. 227.42 and 227.44 to 227.50.
- **Section 145.** 227.52 (8) of the statutes is created to read:
- 23 227.52 **(8)** The decisions of the executive director of the elections board under s. 5.066.

## **SECTION 146. Nonstatutory provisions.**

- (1) WISCONSIN ELECTION CAMPAIGN FUND BALANCE TRANSFER. The balance in the Wisconsin election campaign fund on the effective date of this subsection is credited to the general account of the Wisconsin election campaign fund established under section 11.50 (2w) of the statutes, as created by this act.
  - (2) Rules for public access channels and public television stations.
- (a) Using the procedure under section 227.24 of the statutes, the elections board may promulgate the rules required under section 11.21 (17) of the statutes, as created by this act, for the period before the effective date of the permanent rules, but not to exceed the period authorized under section 227.24 (1) (c) and (2) of the statutes. Notwithstanding section 227.24 (1) (a), (2) (b), and (3) of the statutes, the elections board is not required to provide evidence that promulgating rules under this paragraph as emergency rules is necessary for the preservation of the public peace, health, safety, or welfare and is not required to provide a finding of emergency for any rule promulgated under this paragraph.
- (b) The elections board shall submit in proposed form the rules required under section 11.21 (17) of the statutes, as created by this act, to the legislative council staff under section 227.15 (1) of the statutes no later than the first day of the 10th month beginning after the effective date of this paragraph.

### Section 147. Initial applicability.

- (1) Nonresident registrant reporting. The treatment of sections 11.06 (1) (intro.) and (3) (b) (intro.) and 11.12 (4) of the statutes first applies with respect to reporting periods which begin on or after the effective date of this subsection.
- (2) CONTRIBUTIONS TRANSFERRED BY CONDUITS. The treatment of section 11.06 (1) (dm) and (11) (bm) of the statutes first applies to reporting periods for continuing

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reports under section 11.20 (4) of the statutes that begin on the effective date of this
subsection.
(3) Cost of Living adjustments. (a) The treatment of sections 11.26 (10a) and
11.31 (9) of the statutes first applies to adjustments for the 4-year period beginning
on January 1, 2006.
(4) Campaign fund tax credit. The treatment of sections $71.07$ (6s) and $71.10$
(3) (a) and (b) and (4) (cs) of the statutes first applies to the taxable year beginning
on January 1, 2002.

(END)