



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-1515/1
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2015 ASSEMBLY BILL 55

February 23, 2015 - Introduced by Representatives WACHS, GENRICH, C. TAYLOR, HEBL, DOYLE, POPE, SINICKI, BERCEAU, DANOU, SARGENT, KOLSTE, SUBECK, BOWEN, OHNSTAD, JOHNSON, HESSELBEIN, CONSIDINE, BARCA and ZAMARRIPA, cosponsored by Senators WIRCH, CARPENTER, RISSER, HARRIS DODD and LASSA. Referred to Committee on Financial Institutions.

1 **AN ACT** *to create* 180.0750 and 180.1540 of the statutes; **relating to:**
2 shareholder objections to corporate political expenditures.

Analysis by the Legislative Reference Bureau

Current law defines “disbursement,” for purposes relating to campaign financing, to include a purchase, payment, loan, or gift made for political purposes; an authorized expenditure from a campaign depository account; and a payment for a broadcast or print communication to the general public for a political purpose.

This bill requires corporations to give written notice to their shareholders before making disbursements, as defined under current campaign finance law. The corporation is required to give only one notice for each corporate fiscal year. The notice must include a form that the shareholder may complete and return to the corporation to object to any disbursement during the applicable fiscal year.

The bill requires a corporation, within three months after the end of its fiscal year, to calculate the total value of its expenditures for disbursements made during the fiscal year. If an objecting shareholder returns the objection form to the corporation (opts out) within 30 days after the date stated on the corporation’s notice, the corporation must, within four months after the end of its fiscal year, do all of the following: 1) pay the objecting shareholder an amount determined by multiplying the total value of corporate expenditures for disbursements by the objecting shareholder’s percentage of ownership in the corporation; and 2) provide the objecting shareholder with the corporation’s calculation of the total value of its expenditures for disbursements made during the fiscal year, along with information related to the calculation.

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The provisions of the bill also apply to foreign corporations authorized to transact business in this state, with respect to resident shareholders and disbursements involving political activity or political purposes related to this state.

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

1 **SECTION 1.** 180.0750 of the statutes is created to read:

2 **180.0750 Shareholder objection to corporate political expenditures.**

3 **(1)** In this section, “disbursement” has the meaning given in s. 11.01 (7).

4 **(2)** (a) For each corporate fiscal year, before making any disbursement, a
5 corporation shall give written notice to its shareholders of its intent to make one or
6 more disbursements during that fiscal year. The corporation is required to give only
7 one notice under this paragraph for each corporate fiscal year, which notice may
8 coincide with notice of the corporation’s annual shareholders’ meeting.

9 (b) For purposes of par. (a), a corporation may establish a record date for
10 determining the shareholders entitled to notice under par. (a).

11 (c) The notice under par. (a) shall be dated and shall include a form that the
12 shareholder may complete and return to the corporation to express objection to any
13 disbursement during the applicable fiscal year. This form shall clearly identify the
14 applicable address for returning the form by U.S. mail and any other acceptable
15 method for return of the form.

16 **(3)** Any shareholder receiving notice under sub. (2) may object to the
17 corporation’s making of disbursements during the applicable fiscal year by
18 completing the form specified in sub. (2) (c) and returning it to the corporation within
19 30 days after the date stated on the notice.

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1 (4) (a) Not later than 3 months after the end of each corporate fiscal year, a
2 corporation shall calculate the total value of its expenditures for disbursements
3 made during that fiscal year.

4 (b) If a corporation receives a timely objection from a shareholder under sub.
5 (3), within 4 months after the end of the fiscal year for which the objection applies,
6 the corporation shall do all of the following:

7 1. Notwithstanding s. 180.0640, make payment to the objecting shareholder of
8 an amount determined by multiplying the total value of corporate expenditures for
9 disbursements calculated under par. (a) by the objecting shareholder's percentage of
10 ownership in the corporation. For purposes of this subdivision, the objecting
11 shareholder's percentage of ownership is determined according to the number of
12 shares held by the objecting shareholder as of the record date under sub. (2) (b) or,
13 if there is none, as of the date of the notice under sub. (2) (a), divided by the total
14 number of issued and outstanding shares of the corporation.

15 2. Provide the objecting shareholder with the corporation's calculation under
16 par. (a), along with detailed information as to the method and figures used in making
17 the calculation.

18 **SECTION 2.** 180.1540 of the statutes is created to read:

19 **180.1540 Shareholder objection to corporate political expenditures.**

20 (1) In this section:

21 (a) "Disbursement" has the meaning given in s. 11.01 (7) but is limited to
22 political activity or political purposes related to this state.

23 (b) "Foreign corporation" means a foreign corporation authorized to transact
24 business in this state.

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1 (c) "Shareholder" means a foreign corporation's shareholder that is a resident
2 of this state.

3 (2) (a) For each corporate fiscal year, before making any disbursement, a
4 foreign corporation shall give written notice to its shareholders of its intent to make
5 one or more disbursements during that fiscal year. The foreign corporation is
6 required to give only one notice under this paragraph for each corporate fiscal year,
7 which notice may coincide with notice of the foreign corporation's annual
8 shareholders' meeting.

9 (b) For purposes of par. (a), a foreign corporation may establish a record date
10 for determining the shareholders entitled to notice under par. (a).

11 (c) The notice under par. (a) shall be dated and shall include a form that the
12 shareholder may complete and return to the foreign corporation to express objection
13 to any disbursement during the applicable fiscal year. This form shall clearly
14 identify the applicable address for returning the form by U.S. mail and any other
15 acceptable method for return of the form.

16 (3) Any shareholder receiving notice under sub. (2) may object to the foreign
17 corporation's making of disbursements during the applicable fiscal year by
18 completing the form specified in sub. (2) (c) and returning it to the foreign corporation
19 within 30 days after the date stated on the notice.

20 (4) (a) Not later than 3 months after the end of each corporate fiscal year, a
21 foreign corporation shall calculate the total value of its expenditures for
22 disbursements made during that fiscal year.

23 (b) If a foreign corporation receives a timely objection from a shareholder under
24 sub. (3), within 4 months after the end of the fiscal year for which the objection
25 applies, the foreign corporation shall do all of the following:

