



State of Wisconsin
2023 - 2024 LEGISLATURE

LRB-5210/1
JK&ZDW:skw

2023 SENATE BILL 741

December 8, 2023 - Introduced by Senators KNODL and JAMES, cosponsored by Representatives NOVAK, MELOTIK, CONLEY, GUNDRUM, MURSAU, ORTIZ-VELEZ and PENTERMAN. Referred to Committee on Shared Revenue, Elections and Consumer Protection.

1 **AN ACT to renumber and amend** 11.0202 (2) (d), 11.0505 (3), 11.0605 (3) and
2 11.1001 (3); **to amend** 11.0102 (2) (a), 11.0102 (2) (b), 11.0505 (1) (a) 1., 11.0505
3 (1) (a) 2. (intro.), 11.0505 (1) (a) 3., 11.0505 (1) (b) 1., 11.0505 (1) (b) 2., 11.0505
4 (1) (b) 3., 11.0505 (1) (b) 4., 11.0605 (1) (a) 1., 11.0605 (1) (a) 2. (intro.), 11.0605
5 (1) (a) 3., 11.0605 (1) (b) 1., 11.0605 (1) (b) 2., 11.0605 (1) (b) 3., 11.0605 (1) (b)
6 4., 11.1001 (1) (a) 1., 11.1001 (1) (a) 2. (intro.), 11.1001 (1) (a) 3., 11.1001 (1) (b)
7 1., 11.1001 (1) (b) 2., 11.1001 (1) (b) 3. and 11.1001 (1) (b) 4.; **to repeal and**
8 **recreate** 11.1114; and **to create** 11.0102 (2) (e), 11.0202 (2) (d) 2., 11.0202 (2)
9 (d) 3., 11.0202 (2) (d) 4., 11.0203 (1) (bd), 11.0303 (1) (bd), 11.0403 (1) (bd),
10 11.0503 (1) (bd), 11.0505 (3) (a), 11.0505 (3) (b), 11.0505 (3) (c), 11.0603 (1) (bd),
11 11.0605 (3) (a), 11.0605 (3) (b), 11.0605 (3) (c), 11.0703 (1) (bd), 11.0706, 11.0803
12 (1) (bd), 11.0903 (1) (bd), 11.1001 (3) (a), 11.1001 (3) (b), 11.1001 (3) (c), 11.1305,
13 13.62 (12t), 19.55 (2) (e), 19.55 (3) (e) 5. and 6., 19.55 (5) and 19.851 (3) of the

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1 statutes; **relating to:** recommendations from the Ethics Commission
2 regarding campaign finance, lobbying, open records, and closed sessions.

Analysis by the Legislative Reference Bureau

This bill implements a number of recommendations from the Ethics Commission (the commission) regarding the operations of the commission and the laws that it administers.

CAMPAIGN FINANCE***Registration statement information***

Under current law, a person who files a registration statement with the commission, or with some other appropriate filing officer, to form a committee for campaign finance purposes must include on the registration statement the name and mailing address of the committee, the committee treasurer, and any other custodian of committee books and accounts. This bill also requires that a person include on a committee registration statement the email address and personal telephone number of the committee treasurer and any other custodian of the committee books and records. In addition, a candidate committee is required to provide the candidate's email and personal telephone number. Under the bill, the personal telephone numbers provided on the registration statements are confidential and not subject to inspection and copying as a public record.

Second candidate committee

Current law allows, but does not require, an individual who holds a state or local elective office and who seeks a different state or local elective office to form a second candidate committee. Otherwise current law prohibits a candidate from having more than one candidate committee at the same time. For individuals who establish a second candidate committee, as provided under current law, the bill specifies the methods for transferring funds between the two committees, how to report those transfers, and how to dispose of funds remaining when one or both committees terminate.

Conduit; residual funds

Under current law, a conduit must also register with the commission. A conduit is an entity that receives a contribution from an individual, deposits that contribution in an account held by the entity, and disburses that contribution to a political committee at the direction of the individual who made the contribution. The bill specifies what the conduit must do with funds remaining in its possession when the conduit terminates. Under current law, the conduit must first make a good faith effort to return remaining funds to the original contributors, their surviving spouses, or the executors of their estates. Under the bill, if the terminating conduit is unsuccessful in contacting the individuals who made the original contributions, their surviving spouses, or the executors of their estates, the conduit may donate those remaining funds to the common school fund or to a charitable organization. However, the conduit may not donate remaining funds to a charitable organization

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that is affiliated with the conduit or a sponsoring organization. Current law defines a sponsoring organization as an entity that establishes, administers, or financially supports a political action committee or an independent expenditure committee.

Administrative suspension

Under current law, a committee that does not anticipate accepting or making contributions, making disbursements, or incurring obligations in an aggregate amount exceeding \$2,500 in a calendar year may claim an exemption from filing campaign finance reports by filing a registration statement or an amended registration statement specifying the facts necessary to claim the exemption. The committee must file a statement each year in which it wishes to claim the exemption until such time as the committee files a termination report.

The bill allows a filing agent to terminate any committee that has been exempt from filing campaign finance reports for more than three years. The bill also authorizes the commission to suspend a committee that does not respond to notices and communications sent by the commission.

Reporting of express advocacy

Under current law, a political action committee, independent expenditure committee, or a person other than a committee that spends \$2,500 or more on express advocacy for a candidate at an election must report required information to the commission. This information includes the dates on which disbursements were made, the name and address of the persons who received the disbursements, the purpose for making the disbursements, and the amount spent for each act of express advocacy.

The bill clarifies that the reporting requirement applies to express advocacy that will occur during the period beginning 60 days prior to the election and ending on the day of the election. The bill provides that the required information also includes the dates on which obligations were incurred, the name and address of the obligees, the purpose for incurring the obligations, and the amount incurred for each act of express advocacy.

Conduit filing fee

Under current law, each conduit that is required to register and report must have and file with the commission required registration statements and reports. The bill provides that each conduit must pay an annual filing fee of \$100 to the commission by January 15 of each year. The bill provides that this requirement does not apply to a conduit in a year in which the conduit does not release contributions totaling more than \$2,500.

LOBBYING

Current law allows a lobbyist to make a personal contribution to a partisan elective state official or a candidate for an elective state office between the first day authorized by law for the circulation of nomination papers as a candidate at a general election or special election and the day of the general election or special election. The bill clarifies that the special election must be an election to fill a vacancy in a state office.

SENATE BILL 741**OPEN RECORDS**

Current law provides that certain records in the possession of the commission are not open for public inspection. Those records include, with limited exceptions, statements of economic interests filed by members of the investment board and the social security numbers of individuals who apply for a lobbyist license. Under the bill, with certain exceptions, records created in the course of conducting an audit to identify a potential violation of the laws administered by the commission are not open for public inspection. However, the bill allows public inspection of audit records containing a finding that there is no reasonable suspicion or probable cause to believe that a violation of the law occurred or that the commission took no action upon finding such reasonable suspicion or probable cause. The bill also allows public inspection of any audit record of the commission issuing a warning, authorizing the filing of a civil complaint, or referring a matter to a district attorney or other prosecutor for investigation or prosecution.

CLOSED SESSIONS

Current law allows a governmental body to meet in closed session for various reasons, including deliberating on a case subject to a judicial hearing, consulting with legal counsel regarding litigation, or considering personnel matters. In addition, current law allows the commission to meet in closed session to consider requests for confidential written advice and for deliberations concerning an investigation of any violation of the law under its jurisdiction. Under the bill, the commission may also meet in closed session to consider whether there is a reasonable suspicion or probable cause to believe that a violation of the law occurred or is occurring based on a complaint or an audit report.

For further information see the state and local 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:

1 **SECTION 1.** 11.0102 (2) (a) of the statutes is amended to read:
2 11.0102 (2) (a) Except as provided in pars. (c) and (d), each conduit or committee
3 that is required to register and file with the commission under sub. (1) (a) shall
4 annually pay a filing fee of \$100 to the commission. The commission may accept
5 payment under this subsection by credit card, debit card, or other electronic payment
6 mechanism, and may charge a surcharge to that conduit or committee to recover the
7 actual costs associated with the acceptance of that electronic payment.

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1 **SECTION 2.** 11.0102 (2) (b) of the statutes is amended to read:

2 11.0102 (2) (b) A conduit or committee that is subject to par. (a) shall pay the
3 fee specified in par. (a) together with the report filed by that conduit or committee
4 on the 15th day of the month of January in each year. If a conduit or committee that
5 is subject to par. (a) registers under this chapter or changes status so that par. (a)
6 becomes applicable to the conduit or committee during a calendar year, the conduit
7 or committee shall pay the fee for that year with the filing of the conduit's or
8 committee's registration statement or at any time before the change in status
9 becomes effective.

10 **SECTION 3.** 11.0102 (2) (e) of the statutes is created to read:

11 11.0102 (2) (e) Paragraph (a) does not apply to a conduit for any year during
12 which the conduit does not release contributions totaling more than \$2,500.

13 **SECTION 4.** 11.0202 (2) (d) of the statutes is renumbered 11.0202 (2) (d) 1. and
14 amended to read:

15 11.0202 (2) (d) 1. An individual who holds a state or local elective office and who
16 becomes a candidate for a different state or local elective office may establish a
17 second candidate committee under this subchapter for the purpose of pursuing ~~a~~
18 that different state or local office.

19 **SECTION 5.** 11.0202 (2) (d) 2. of the statutes is created to read:

20 11.0202 (2) (d) 2. If the individual described under subd. 1. wins the election
21 for which the individual created the second candidate committee, and the individual
22 is not eligible to continue to hold the first office, the individual shall terminate the
23 first candidate committee as provided under s. 11.0105 no later than 180 days after
24 the date the individual is sworn into the office for which the second candidate

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1 committee was created. Residual funds of the first committee may be transferred as
2 provided in s. 11.1114 or used or disposed of in any manner allowed by law.

3 **SECTION 6.** 11.0202 (2) (d) 3. of the statutes is created to read:

4 11.0202 (2) (d) 3. If the individual described under subd. 1. wins the election
5 for which the individual created the second candidate committee, but the individual
6 is still eligible to hold the first office, the individual shall maintain a committee for
7 each office until such time as the individual resigns from, or a successor is sworn in
8 to, the office. If the individual subsequently resigns from either office, or a successor
9 is sworn into either office, the individual shall terminate the candidate committee
10 for which the individual no longer holds office as provided under s. 11.0105 no later
11 than 180 days after the date the individual resigns or a successor is sworn in.
12 Residual funds of the terminated committee may be transferred as provided in s.
13 11.1114 or used or disposed of in any manner allowed by law.

14 **SECTION 7.** 11.0202 (2) (d) 4. of the statutes is created to read:

15 11.0202 (2) (d) 4. If the individual described under subd. 1. loses the election
16 for which the individual created the second candidate committee, the individual
17 shall terminate the second candidate committee as provided in s. 11.0105 no later
18 than 180 days after the date the winner of that election takes office. Residual funds
19 of the second committee may be transferred as provided in s. 11.1114 or used or
20 disposed of in any manner allowed by law.

21 **SECTION 8.** 11.0203 (1) (bd) of the statutes is created to read:

22 11.0203 (1) (bd) The email address and personal telephone number of the
23 candidate, the candidate committee treasurer, and any other custodian of books and
24 accounts. Telephone numbers provided under this paragraph shall be kept

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1 confidential and are not subject to the right of inspection and copying under s. 19.35
2 (1).

3 **SECTION 9.** 11.0303 (1) (bd) of the statutes is created to read:

4 11.0303 (1) (bd) The email address and personal telephone number of the
5 treasurer and any other custodian of books and accounts. Telephone numbers
6 provided under this paragraph shall be kept confidential and are not subject to the
7 right of inspection and copying under s. 19.35 (1).

8 **SECTION 10.** 11.0403 (1) (bd) of the statutes is created to read:

9 11.0403 (1) (bd) The email address and personal telephone number of the
10 treasurer and any other custodian of books and accounts. Telephone numbers
11 provided under this paragraph shall be kept confidential and are not subject to the
12 right of inspection and copying under s. 19.35 (1).

13 **SECTION 11.** 11.0503 (1) (bd) of the statutes is created to read:

14 11.0503 (1) (bd) The email address and personal telephone number of the
15 treasurer and any other custodian of books and accounts. Telephone numbers
16 provided under this paragraph shall be kept confidential and are not subject to the
17 right of inspection and copying under s. 19.35 (1).

18 **SECTION 12.** 11.0505 (1) (a) 1. of the statutes is amended to read:

19 11.0505 (1) (a) 1. For express advocacy that will occur during the period
20 beginning 60 days prior to the spring primary and ending on the date of the spring
21 election, a political action committee spending \$2,500 or more in the aggregate on
22 express advocacy for one or more candidates at the spring primary or spring election
23 shall submit statements to the commission under par. (b) for express advocacy.

24 **SECTION 13.** 11.0505 (1) (a) 2. (intro.) of the statutes is amended to read:

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1 11.0505 (1) (a) 2. (intro.) For express advocacy that will occur during the period
2 beginning 60 days prior to the partisan primary and ending on the date of the general
3 election, a political action committee spending \$2,500 or more in the aggregate on
4 express advocacy for one or more candidates at the partisan primary or general
5 election shall submit statements to the commission under par. (b) for express
6 advocacy as follows:

7 **SECTION 14.** 11.0505 (1) (a) 3. of the statutes is amended to read:

8 11.0505 (1) (a) 3. For express advocacy that will occur during the period
9 beginning 60 days prior to a special primary and ending on the date of the special
10 election, a political action committee spending \$2,500 or more in the aggregate on
11 express advocacy for one or more candidates at the special primary or special election
12 shall submit statements to the commission under par. (b) for express advocacy.

13 **SECTION 15.** 11.0505 (1) (b) 1. of the statutes is amended to read:

14 11.0505 (1) (b) 1. The dates on which the committee incurred the obligations
15 or made the disbursements.

16 **SECTION 16.** 11.0505 (1) (b) 2. of the statutes is amended to read:

17 11.0505 (1) (b) 2. The name and address of the obligees or persons who received
18 the disbursements.

19 **SECTION 17.** 11.0505 (1) (b) 3. of the statutes is amended to read:

20 11.0505 (1) (b) 3. The purpose for making the disbursements or incurring the
21 obligations.

22 **SECTION 18.** 11.0505 (1) (b) 4. of the statutes is amended to read:

23 11.0505 (1) (b) 4. The amount spent or incurred for each act of express advocacy.

24 **SECTION 19.** 11.0505 (3) of the statutes is renumbered 11.0505 (3) (intro.) and
25 amended to read:

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1 11.0505 (3) TIMING. (intro.) A political action committee that is required to
2 report under this section shall submit the report to the commission no later than 72
3 hours after ~~making the disbursements.~~ the earliest of the following:

4 **SECTION 20.** 11.0505 (3) (a) of the statutes is created to read:

5 11.0505 (3) (a) The date the obligation for express advocacy is incurred, if the
6 political action committee has the information required to be reported under sub. (1)
7 (b).

8 **SECTION 21.** 11.0505 (3) (b) of the statutes is created to read:

9 11.0505 (3) (b) The date the express advocacy is aired, broadcast, printed, or
10 otherwise disseminated to individuals other than any of the following:

11 1. The political action committee's administrator, treasurer, volunteer,
12 producer, consultant, media production partner, or focus group.

13 2. An officer or employee of the political action committee's sponsoring
14 organization.

15 **SECTION 22.** 11.0505 (3) (c) of the statutes is created to read:

16 11.0505 (3) (c) The date of the disbursement.

17 **SECTION 23.** 11.0603 (1) (bd) of the statutes is created to read:

18 11.0603 (1) (bd) The email address and personal telephone number of the
19 treasurer and any other custodian of books and accounts. Telephone numbers
20 provided under this paragraph shall be kept confidential and are not subject to the
21 right of inspection and copying under s. 19.35 (1).

22 **SECTION 24.** 11.0605 (1) (a) 1. of the statutes is amended to read:

23 11.0605 (1) (a) 1. For express advocacy that will occur during the period
24 beginning 60 days prior to the spring primary and ending on the date of the spring
25 election, an independent expenditure committee spending \$2,500 or more in the

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1 aggregate on express advocacy for one or more candidates at the spring primary or
2 spring election shall submit statements to the commission under par. (b) for express
3 advocacy.

4 **SECTION 25.** 11.0605 (1) (a) 2. (intro.) of the statutes is amended to read:

5 11.0605 (1) (a) 2. (intro.) For express advocacy that will occur during the period
6 beginning 60 days prior to the partisan primary and ending on the date of the general
7 election, an independent expenditure committee spending \$2,500 or more in the
8 aggregate on express advocacy for one or more candidates at the partisan primary
9 or general election shall submit statements to the commission under par. (b) for
10 express advocacy as follows:

11 **SECTION 26.** 11.0605 (1) (a) 3. of the statutes is amended to read:

12 11.0605 (1) (a) 3. For express advocacy that will occur during the period
13 beginning 60 days prior to a special primary and ending on the date of the special
14 election, an independent expenditure committee spending \$2,500 or more in the
15 aggregate on express advocacy for one or more candidates at the special primary or
16 special election shall submit statements to the commission under par. (b) for express
17 advocacy.

18 **SECTION 27.** 11.0605 (1) (b) 1. of the statutes is amended to read:

19 11.0605 (1) (b) 1. The dates on which the committee incurred the obligations
20 or made the disbursements.

21 **SECTION 28.** 11.0605 (1) (b) 2. of the statutes is amended to read:

22 11.0605 (1) (b) 2. The name and address of the obligees or persons who received
23 the disbursements.

24 **SECTION 29.** 11.0605 (1) (b) 3. of the statutes is amended to read:

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1 11.0605 (1) (b) 3. The purpose for making the disbursements or incurring the
2 obligations.

3 **SECTION 30.** 11.0605 (1) (b) 4. of the statutes is amended to read:

4 11.0605 (1) (b) 4. The amount spent or incurred for each act of express advocacy.

5 **SECTION 31.** 11.0605 (3) of the statutes is renumbered 11.0605 (3) (intro.) and
6 amended to read:

7 11.0605 (3) TIMING. (intro.) An independent expenditure committee that is
8 required to report under this section shall submit the report to the commission no
9 later than 72 hours after ~~making the disbursements.~~ the earliest of the following:

10 **SECTION 32.** 11.0605 (3) (a) of the statutes is created to read:

11 11.0605 (3) (a) The date the obligation for express advocacy is incurred, if the
12 independent expenditure committee has the information required to be reported
13 under sub. (1) (b).

14 **SECTION 33.** 11.0605 (3) (b) of the statutes is created to read:

15 11.0605 (3) (b) The date the express advocacy is aired, broadcast, printed, or
16 otherwise disseminated to individuals other than any of the following:

17 1. The independent expenditure committee's administrator, treasurer,
18 volunteer, producer, consultant, media production partner, or focus group.

19 2. An officer or employee of the independent expenditure committee's
20 sponsoring organization.

21 **SECTION 34.** 11.0605 (3) (c) of the statutes is created to read:

22 11.0605 (3) (c) The date of the disbursement.

23 **SECTION 35.** 11.0703 (1) (bd) of the statutes is created to read:

24 11.0703 (1) (bd) The email address and personal telephone number of the
25 administrator of the conduit and any other custodian of books and accounts.

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1 Telephone numbers provided under this paragraph shall be kept confidential and are
2 not subject to the right of inspection and copying under s. 19.35 (1).

3 **SECTION 36.** 11.0706 of the statutes is created to read:

4 **11.0706 Disposal of residual funds by a terminating conduit.** (1) If a
5 conduit has decided to terminate pursuant to s. 11.0105 and the conduit has funds
6 remaining in its possession, the conduit shall attempt to redirect contributions as
7 provided in s. 11.0705. If the conduit is unsuccessful in contacting the individual, the
8 surviving spouse, or the executor of the estate, as provided in s. 11.0705 (2), the
9 conduit may dispose of its residual funds by donating the funds to the common school
10 fund or to a charitable organization, except that the conduit may not direct its
11 residual funds to a charitable organization owned or operated by the sponsoring
12 organization or affiliated with the conduit or its sponsoring organization.

13 (2) If a conduit that seeks to terminate is unable to identify the source of its
14 residual funds upon making a good faith effort to review its books and records, the
15 conduit may dispose of those funds by donating them to the common school fund or
16 to a charitable organization, except that the conduit may not direct those residual
17 funds to a charitable organization owned or operated by the sponsoring organization
18 or affiliated with the conduit or its sponsoring organization.

19 (3) For purposes of this section, a sponsoring organization or conduit is
20 affiliated with a charitable organization if any of the following apply:

21 (a) The sponsoring organization or conduit has the authority or ability to direct
22 or participate in the governance of the charitable organization through provisions of
23 formal documents, formal or informal practices, or formal or informal procedures.

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1 (b) The sponsoring organization or conduit has the authority or ability to hire,
2 appoint, demote, or otherwise control the officers or other decision-making
3 employees of the charitable organization.

4 (c) The sponsoring organization or conduit has common or overlapping officers
5 or employees with the charitable organization, indicating a formal or ongoing
6 relationship between the sponsoring organization or conduit and the charitable
7 organization.

8 (d) The sponsoring organization or conduit has officers or employees who were
9 officers or employees of the charitable organization, indicating a formal or ongoing
10 relationship between the sponsoring organization or conduit and the charitable
11 organization or the creation of a successor.

12 (e) The sponsoring organization or conduit provides or arranges for the
13 provision of funds or goods in a significant amount or on an ongoing basis to the
14 charitable organization, such as through payments for fundraising and
15 administrative costs.

16 (f) The sponsoring organization or conduit has an active or significant role in
17 the formation or operation of the charitable organization.

18 **SECTION 37.** 11.0803 (1) (bd) of the statutes is created to read:

19 11.0803 (1) (bd) The email address and personal telephone number of the
20 treasurer and any other custodian of books and accounts. Telephone numbers
21 provided under this paragraph shall be kept confidential and are not subject to the
22 right of inspection and copying under s. 19.35 (1).

23 **SECTION 38.** 11.0903 (1) (bd) of the statutes is created to read:

24 11.0903 (1) (bd) The email address and personal telephone number of the
25 treasurer and any other custodian of books and accounts. Telephone numbers

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1 provided under this paragraph shall be kept confidential and are not subject to the
2 right of inspection and copying under s. 19.35 (1).

3 **SECTION 39.** 11.1001 (1) (a) 1. of the statutes is amended to read:

4 11.1001 (1) (a) 1. For express advocacy that will occur during the period
5 beginning 60 days prior to the spring primary and ending on the date of the spring
6 election, any person, other than a committee, spending \$2,500 or more in the
7 aggregate on express advocacy for one or more candidates at the spring primary or
8 spring election shall submit statements to the commission under par. (b) for express
9 advocacy.

10 **SECTION 40.** 11.1001 (1) (a) 2. (intro.) of the statutes is amended to read:

11 11.1001 (1) (a) 2. (intro.) For express advocacy that will occur during the period
12 beginning 60 days prior to the partisan primary and ending on the date of the general
13 election, any person, other than a committee, spending \$2,500 or more in the
14 aggregate on express advocacy for one or more candidates at the partisan primary
15 or general election shall submit statements to the commission under par. (b) for
16 express advocacy as follows:

17 **SECTION 41.** 11.1001 (1) (a) 3. of the statutes is amended to read:

18 11.1001 (1) (a) 3. For express advocacy that will occur during the period
19 beginning 60 days prior to a special primary and ending on the date of the special
20 election, any person, other than a committee, spending \$2,500 or more in the
21 aggregate on express advocacy for one or more candidates at the special primary or
22 special election shall submit statements to the commission under par. (b) for express
23 advocacy.

24 **SECTION 42.** 11.1001 (1) (b) 1. of the statutes is amended to read:

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1 11.1001 (1) (b) 1. The dates on which the person incurred the obligations or
2 made the disbursements.

3 **SECTION 43.** 11.1001 (1) (b) 2. of the statutes is amended to read:

4 11.1001 (1) (b) 2. The name and address of the obligees or persons who received
5 the disbursements.

6 **SECTION 44.** 11.1001 (1) (b) 3. of the statutes is amended to read:

7 11.1001 (1) (b) 3. The purpose for making the disbursements or incurring the
8 obligations.

9 **SECTION 45.** 11.1001 (1) (b) 4. of the statutes is amended to read:

10 11.1001 (1) (b) 4. The amount spent or incurred for each act of express advocacy.

11 **SECTION 46.** 11.1001 (3) of the statutes is renumbered 11.1001 (3) (intro.) and
12 amended to read:

13 11.1001 (3) TIMING. (intro.) A person who is required to report under this
14 section shall submit the report to the commission no later than 72 hours after ~~making~~
15 the disbursements. the earliest of the following:

16 **SECTION 47.** 11.1001 (3) (a) of the statutes is created to read:

17 11.1001 (3) (a) The date the obligation for express advocacy is incurred, if the
18 person has the information required to be reported under sub. (1) (b).

19 **SECTION 48.** 11.1001 (3) (b) of the statutes is created to read:

20 11.1001 (3) (b) The date the express advocacy is aired, broadcast, printed, or
21 otherwise disseminated to individuals other than any of the following:

22 1. The person, if the person is an individual.

23 2. The person's officers, directors, partners, employees, or volunteers, if the
24 person consists of two or more individuals.

25 3. The person's producer, consultant, media production partner, or focus group.

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1 **SECTION 49.** 11.1001 (3) (c) of the statutes is created to read:

2 11.1001 (3) (c) The date of the disbursement.

3 **SECTION 50.** 11.1114 of the statutes is repealed and recreated to read:

4 **11.1114 Two candidate committees. (1)** (a) A candidate who has
5 established two candidate committees pursuant to s. 11.0202 (2) may transfer funds
6 between the two committees as provided in this subsection.

7 (b) The first candidate committee may transfer funds to the second candidate
8 committee, subject to all of the following:

9 1. Any money contributed to the first candidate committee in a prior
10 contribution limit period is the property of the first committee. If the first candidate
11 committee makes a contribution to the second candidate committee from funds
12 received by the first candidate committee during a prior contribution limit period,
13 that contribution is considered a contribution from the first candidate committee,
14 subject to the contribution limits under s. 11.1101 (2) applicable to the second
15 candidate committee.

16 2. The first candidate committee may transfer a contribution, or any portion
17 of a contribution, received by the first candidate committee during the current
18 contribution limit period to the second candidate committee. Such a transfer is
19 considered a contribution from the original contributor to the first candidate
20 committee and does not violate s. 11.1202 or 11.1204. The transfer is subject to the
21 contribution limits under s. 11.1101 applicable to the second candidate committee.
22 A contribution or portion of a contribution that is transferred may not be included
23 when determining whether the contributor has reached or exceeded the applicable
24 contribution limits for the first candidate committee for the current contribution
25 period. The second candidate committee shall count all contributions directly

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1 received from the contributor and all contributions from the contributor that are
2 transferred from the first candidate committee to determine whether a contributor
3 has reached or exceeded the applicable contribution limits for the current
4 contribution limit period.

5 (c) The second candidate committee may only transfer funds to the first
6 candidate committee when the second candidate committee is terminating pursuant
7 to s. 11.0105. Such a transfer is considered a contribution from the original
8 contributor to the second candidate committee and is subject to the contribution
9 limits under s. 11.1101 that apply to contributions from the original contributor for
10 contributions made to the first candidate committee.

11 **(2)** (a) For a contribution under sub. (1) (b) 1., the first candidate committee
12 shall report the contribution to the second candidate committee as a disbursement
13 to the second candidate committee and the second candidate committee shall report
14 receiving the contribution from the first candidate committee.

15 (b) The candidate committees shall report a transfer under sub. (1) (b) 2. as
16 follows:

17 1. The first candidate committee shall report receiving the contribution from
18 the original contributor.

19 2. The first candidate committee shall report transferring the contribution as
20 a disbursement to the second candidate committee.

21 3. The second candidate committee shall report receiving the contribution as
22 if it came from the original contributor.

23 (c) With regard to a transfer under sub. (1) (c), the second candidate committee
24 shall report receiving the contribution from the original contributor and report
25 transferring the funds to the first candidate committee as a disbursement. The first

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1 candidate committee shall report receiving the contribution as if it came from the
2 original contributor.

3 (d) A candidate committee making a transfer as provided under this section
4 may report the transfer as one lump sum contribution if the candidate committee
5 provides the receiving committee a list of the contributors, all required information
6 about those contributors, and the amount attributable to each contributor that is
7 being transferred to the receiving committee. The transferring candidate committee
8 shall attach the documentation described in this paragraph to its next campaign
9 finance report.

10 **SECTION 51.** 11.1305 of the statutes is created to read:

11 **11.1305 Administrative termination and suspension.** (1) A filing officer
12 may terminate any registrant under this chapter that has been exempt for more than
13 3 years from filing campaign reports pursuant to s. 11.0104.

14 (2) (a) The commission may suspend any registrant for not complying with the
15 requirements of this chapter. Prior to suspending the registrant, the commission
16 shall make at least 3 attempts to notify the registrant of the potential violations. The
17 commission shall send the final notice to the registrant by certified mail to the last
18 address on file for the registrant, unless a more recent address is obtained from
19 another government agency, a public record, or a reasonably diligent Internet search.
20 If the final notice is returned undeliverable or the registrant does not respond within
21 30 days after the commission sends the notice, the commission may suspend the
22 registrant and block the registrant's access to the campaign finance website for
23 registration and reporting.

24 (b) If a registrant does not respond to a communication from the commission
25 requiring a response from the registrant within 180 days of receipt of the

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1 communication, the commission may suspend the registrant for failing to timely
2 respond. Prior to suspending the registrant, the commission shall make at least 3
3 attempts to notify the registrant of the potential violations. The commission shall
4 send the final notice to the registrant by certified mail to the last address on file for
5 the registrant, unless a more recent address is obtained from another government
6 agency, a public record, or a reasonably diligent Internet search. If the final notice
7 is returned undeliverable or the registrant does not respond within 30 days after the
8 commission sends the notice, the commission may suspend the registrant and block
9 the registrant's access to the campaign finance website for registration and
10 reporting.

11 (3) The commission may not reinstate a registrant suspended as provided
12 under sub. (2) until the registrant has communicated with the commission and has
13 filed an amended registration statement that includes all the information that the
14 commission requires.

15 (4) A registrant that is suspended as provided under sub. (2) may not file a
16 termination report under s. 11.0105 until it is reinstated as provided under sub. (3).

17 (5) If a registrant is suspended as provided under sub. (2), the statute of
18 limitations under s. 893.93 (1m) for any potential violation committed within 3 years
19 prior to the date of the suspension is tolled. The commission or a district attorney
20 may commence an action to enforce such violations at any time during the 12-month
21 period following the date of reinstatement.

22 **SECTION 52.** 13.62 (12t) of the statutes is created to read:

23 13.62 (12t) "Special election" means an election other than a spring primary,
24 spring election, partisan primary, or general election that is called to fill a vacancy
25 in a state office, as defined in s. 5.02 (23). "Special election" includes an election to

SENATE BILL 741**SECTION 52**

1 fill a vacancy in a state office, as defined in s. 5.02 (23), that is being conducted
2 concurrently with a spring primary, spring election, partisan primary, or general
3 election.

4 **SECTION 53.** 19.55 (2) (e) of the statutes is created to read:

5 19.55 (2) (e) Except as authorized in sub. (5), records created in the course of
6 conducting an audit to identify a potential violation of this subchapter, ch. 11, or
7 subch. III of ch. 13.

8 **SECTION 54.** 19.55 (3) (e) 5. and 6. of the statutes are created to read:

9 19.55 (3) (e) 5. Any record of the action of the commission issuing a warning.

10 6. Any record of the action of the commission that indicates that, upon a finding
11 of a reasonable suspicion of a violation or probable cause to believe that a violation
12 has occurred or occurring, the commission decided to take no further action.

13 **SECTION 55.** 19.55 (5) of the statutes is created to read:

14 19.55 (5) The following audit records of the commission are open to public
15 inspection and copying under s. 19.35 (1):

16 (a) Any record containing a finding that there is no reasonable suspicion that
17 a violation of the law occurred.

18 (b) Any record containing a finding that no probable cause exists to believe that
19 a violation of the law occurred.

20 (c) Any record of an action of the commission that indicates that, upon a finding
21 of a reasonable suspicion of a violation or probable cause to believe that a violation
22 has occurred or occurring, the commission decided to take no further action.

23 (d) Any record of an action of the commission issuing a warning.

24 (e) Any record of an action of the commission authorizing the filing of a civil
25 complaint.

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1 (f) Any record of an action of the commission referring a matter to a district
2 attorney or other prosecutor for investigation or prosecution.

3 **SECTION 56.** 19.851 (3) of the statutes is created to read:

4 19.851 (3) The commission shall convene in closed session for any of the
5 following purposes:

6 (a) To consider whether there is a reasonable suspicion or probable cause to
7 believe that a violation of the law occurred or is occurring based on a complaint and,
8 if received, a response to that complaint.

9 (b) To receive reports concerning audit findings and consider whether there is
10 a reasonable suspicion or probable cause to believe that a violation of the law
11 occurred or is occurring.

12 (END)