



1995 SENATE BILL 380

October 25, 1995 - Introduced by Senators CLAUSING, BURKE and DECKER, cosponsored by Representatives DUEHOLM, BALDUS, BALDWIN, BLACK, BOCK, BOYLE, PLOMBON, VANDER LOOP, R. YOUNG and WILDER. Referred to Committee on State Government Operations and Corrections.

1 **AN ACT to repeal** 11.06 (11), 11.24 (1m), 11.26 (1) (a) to (d), 11.26 (2) (a) to (e) and
2 11.26 (12m); **to renumber and amend** 11.26 (1) (intro.), 11.26 (2) (intro.) and
3 11.50 (9); **to amend** 11.26 (5), 11.26 (9), 11.26 (10), 11.50 (2) (b) 5., 11.50 (3) (a)
4 1. and 2., 11.50 (4) (c) and (d), 11.50 (6), 71.10 (3) (a) and 71.10 (3) (b) and (c);
5 and **to create** 11.31 (5m), 11.50 (3) (c), 11.50 (4) (e), 11.50 (9) (b) and 71.10 (3)
6 (am) of the statutes; **relating to:** various changes in the campaign finance law
7 and designations for the Wisconsin election campaign fund.

Analysis by the Legislative Reference Bureau
CAMPAIGN FINANCE CHANGES

Currently, individuals and committees making political contributions to candidates for state or local office are subject to limitations on the amount or value of any contribution or contributions that may be made cumulatively to any candidate in a campaign. The limitations vary from \$10,000 in the case of an individual making a contribution to a candidate for statewide office to \$250 in the case of an individual making a contribution to a candidate for certain local offices, and from \$43,238 in the case of a committee making a contribution to a candidate for governor to \$200 in the case of a committee making a contribution to a candidate for certain local offices. This bill replaces all these limitations with a contribution limitation of \$50 applicable to an individual or committee making any contribution or contributions cumulatively to any candidate for state or local office, per campaign.

Currently, an individual or committee making expenditures to advocate the election or defeat of a candidate in an election independently of any candidate or personal campaign committee is not subject to any limitation upon the amount of expenditures that may be made. The bill imposes a limitation upon such expenditures of \$50 per candidate per campaign.

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 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. In most cases, a conduit is required to register and file campaign finance reports unless the conduit does not transfer any contributions to candidates or to personal campaign, legislative campaign or political party committees.

The bill treats a contribution of money transferred by a conduit as a contribution from the conduit rather than from the individual contributor for purposes of reporting by the ultimate recipient, and for purposes of determining contribution limitations and qualifying contributions for public grants. Under the bill, conduit contributions made by a committee are included within the overall contribution limitation of 45% of a candidate's spending level that may be derived from contributions received from committees and public grants. These conduit contributions may not be used to qualify for a public grant.

Currently, candidates for state office other than district attorney, court of appeals judge or circuit judge may qualify to receive public grants to finance certain campaign expenses. The maximum public grant available to a candidate is that amount which, when added to contributions received by the candidate from committees other than political party and legislative campaign committees, equals 45% of the candidate's spending limit. The bill provides that if a candidate who is eligible for a public grant declines to accept it, and the candidate's opponent qualifies to receive a grant, the candidate's opponent is eligible to receive a supplemental grant equal to an additional 100% of the maximum grant to which he or she would otherwise be entitled.

WISCONSIN ELECTION CAMPAIGN FUND DESIGNATIONS

Currently, an individual may designate \$1 of state money, and a couple filing a joint return may designate \$2 of state money, to the Wisconsin election campaign fund. The fund provides public grants to qualifying candidates for state office to be used for specified purposes.

The bill permits an individual to designate \$3 and a couple filing a joint return to designate \$6 to the fund. The bill also permits an individual who has an income tax liability, is due a refund or is required to file a return to contribute any amount of money to the campaign fund. If an individual's contribution exceeds the amount of his or her refund, he or she must include a check with his or her tax return for the difference between the amount of the contribution and the amount of the refund. If an individual who makes a contribution has a tax liability or has no tax liability and is due no refund, he or she must include a check for the amount of the contribution with his or her tax return.

Contributions to the fund do not increase or decrease a person's tax liability and the bill requires the tax form to contain this information. The bill also requires that the state election campaign fund designation on the state tax form be similar in type size and style to the federal presidential election campaign fund designation on the federal tax form.

OTHER

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:

1 **SECTION 1.** 11.06 (11) of the statutes is repealed.

2 **SECTION 2.** 11.24 (1m) of the statutes is repealed.

3 **SECTION 3.** 11.26 (1) (intro.) of the statutes is renumbered 11.26 (1) and
4 amended to read:

5 11.26 (1) No individual may make any contribution or contributions to a
6 candidate for election or nomination to ~~any of the following offices~~ state or local office
7 and to any individual or committee under s. 11.06 (7) acting solely in support of such
8 a candidate or solely in opposition to the candidate's opponent to the extent of more
9 than a total of the amounts specified \$50 per candidate.

10 **SECTION 4.** 11.26 (1) (a) to (d) of the statutes are repealed.

11 **SECTION 5.** 11.26 (2) (intro.) of the statutes is renumbered 11.26 (2) and
12 amended to read:

13 11.26 (2) No committee other than a political party committee or legislative
14 campaign committee may make any contribution or contributions to a candidate for
15 election or nomination to ~~any of the following offices~~ state or local office and to any
16 individual or committee under s. 11.06 (7) acting solely in support of such a candidate

1 or solely in opposition to the candidate's opponent to the extent of more than a total
2 of the amounts specified \$50 per candidate.

3 **SECTION 6.** 11.26 (2) (a) to (e) of the statutes are repealed.

4 **SECTION 7.** 11.26 (5) of the statutes is amended to read:

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

12 **SECTION 8.** 11.26 (9) of the statutes is amended to read:

13 11.26 (9) (a) ~~No~~ Except as authorized under this paragraph, no individual who
14 is a candidate for state or local office may receive and accept contributions valued at
15 more than 65% of the value of the total disbursement level determined under s. 11.31
16 for the office for which he or she is a candidate during any primary and election
17 campaign combined from all committees subject to a filing requirement, including
18 political party and legislative campaign committees. A candidate for state office
19 whose grant under s. 11.50 exceeds the contribution limitation authorized by this
20 paragraph may exceed the contribution limitation otherwise applicable to the extent
21 required to accept the full amount of the grant received by the candidate under s.
22 11.50, but any contributions received and accepted by such a candidate from
23 committees other than the Wisconsin election campaign fund reduce the amount of
24 the grant which the candidate may accept by an amount equal to such contributions.

1 (b) No individual who is a candidate for state or local office may receive and
2 accept contributions valued at more than 45% of the value of the total disbursement
3 level determined under s. 11.31 for the office for which he or she is a candidate during
4 any primary and election campaign combined from all committees other than
5 political party and legislative campaign committees subject to a filing requirement.
6 This paragraph does not apply to a candidate for state office who qualifies for a
7 supplementary grant under s. 11.50 (3) (c) or (4) (e).

8 **SECTION 9.** 11.26 (10) of the statutes is amended to read:

9 11.26 (10) No candidate for state office who files a sworn statement and
10 application to receive a grant from the Wisconsin election campaign fund may make
11 contributions of more than ~~200%~~ of the amounts amount specified in sub. (1) to the
12 candidate's own campaign from the candidate's personal funds or property or the
13 personal funds or property which are owned jointly or as marital property with the
14 candidate's spouse, ~~unless the board determines that the candidate is not eligible to~~
15 ~~receive a grant, the candidate withdraws his or her application under s. 11.50 (2) (h),~~
16 ~~or s. 11.50 (2) (i) applies.~~ For purposes of this subsection, any contribution received
17 by a candidate or his or her personal campaign committee from a committee which
18 is registered with the federal elections commission as the authorized committee of
19 the candidate under 2 USC 432 (e) shall be treated as a contribution made by the
20 candidate to his or her own campaign. The contribution limit of sub. (4) applies to
21 amounts contributed by such a candidate personally to the candidate's own
22 campaign and to other campaigns, ~~except that a candidate may exceed the limitation~~
23 ~~if authorized under this subsection to contribute more than the amount specified to~~
24 ~~the candidate's own campaign, up to the amount of the limitation.~~

25 **SECTION 10.** 11.26 (12m) of the statutes is repealed.

1 **SECTION 11.** 11.31 (5m) of the statutes is created to read:

2 11.31 **(5m)** INDEPENDENT DISBURSEMENTS. No individual, other than a
3 candidate, and no committee, other than a personal campaign committee, may make
4 disbursements, which are to be used to advocate the election or defeat of any clearly
5 identified candidate in an election, exceeding \$50 in amount or value per candidate
6 per campaign.

7 **SECTION 12.** 11.50 (2) (b) 5. of the statutes is amended to read:

8 11.50 **(2)** (b) 5. The financial reports filed by or on behalf of the candidate as
9 of the date of the spring or September primary, or the date that the special primary
10 is or would be held, if required, indicate that the candidate has received at least the
11 amount provided in this subdivision, from contributions of money, other than loans,
12 made by individuals, which have been received during the period ending on the date
13 of the spring primary and July 1 preceding such date in the case of candidates at the
14 spring election, or the date of the September primary and January 1 preceding such
15 date in the case of candidates at the general election, or the date that a special
16 primary will or would be held, if required, and 90 days preceding such date or the
17 date a special election is ordered, whichever is earlier, in the case of special election
18 candidates, which contributions are in the aggregate amount of \$100 ~~\$50~~ or less, and
19 which are fully identified and itemized as to the exact source thereof. ~~A contribution~~
20 ~~received from a conduit which is identified by the conduit as originating from an~~
21 ~~individual shall be considered a contribution made by the individual. Only the first~~
22 ~~\$100 of an aggregate contribution of more than \$100 may be counted toward the~~
23 ~~required percentage.~~ For a candidate at the spring or general election for an the
24 office identified in s. 11.26 (1) (a) of governor, lieutenant governor, secretary of state,
25 state treasurer, attorney general, state superintendent or justice or a any candidate

1 at a special election, the required amount to qualify for a grant is 5% of the
2 candidate's authorized disbursement limitation under s. 11.31. For any other
3 candidate at the general election, the required amount to qualify for a grant is 10%
4 of the candidate's authorized disbursement limitation under s. 11.31.

5 **SECTION 13.** 11.50 (3) (a) 1. and 2. of the statutes are amended to read:

6 11.50 (3) (a) 1. If an election for state superintendent is scheduled in the
7 following year, 8% of the fund shall be placed in a superintendency account. From
8 this account, an equal amount shall be disbursed to the campaign depository account
9 of each eligible candidate by the state treasurer, except as provided in par. (c).

10 2. If an election for justice is scheduled in the following year, 8% of the fund
11 shall be placed in a supreme court account. From this account, an equal amount shall
12 be disbursed to the campaign depository account of each eligible candidate by the
13 state treasurer, except as provided in par. (c).

14 **SECTION 14.** 11.50 (3) (c) of the statutes is created to read:

15 11.50 (3) (c) If an eligible candidate for state superintendent or justice is
16 opposed by a candidate whose name appears on a spring or special election ballot,
17 and the eligible candidate's opponent does not qualify for or accept a grant in whole
18 or in part or file an affidavit under s. 11.31 (2m), the eligible candidate shall receive
19 a supplementary grant equivalent to 100% of the maximum amount of the grant
20 otherwise available to the candidate.

21 **SECTION 15.** 11.50 (4) (c) and (d) of the statutes are amended to read:

22 11.50 (4) (c) The legislative and special election campaign account shall be
23 divided into a senate campaign account to receive 25% of the moneys, and an
24 assembly campaign account to receive 75% of the moneys. Each account shall then

1 be apportioned between all eligible candidates for the same office in the entire state.
2 No apportionment shall be made by legislative district, except as provided in par. (e).

3 (d) Within the accounts established under this subsection for each office at each
4 general election, the entire amount of all available moneys shall be apportioned
5 equally to all eligible candidates, except as provided in par. (e).

6 **SECTION 16.** 11.50 (4) (e) of the statutes is created to read:

7 11.50 (4) (e) If an eligible candidate for state office is opposed by a candidate
8 who meets the applicable vote qualification requirement under sub. (1) (a), and the
9 eligible candidate's opponent does not qualify for or accept a grant in whole or in part
10 or file an affidavit under s. 11.31 (2m), the eligible candidate shall receive a
11 supplementary grant equivalent to 100% of the maximum amount of the grant
12 otherwise available to the candidate.

13 **SECTION 17.** 11.50 (6) of the statutes is amended to read:

14 11.50 (6) EXCESS MONEYS. If the amounts which are to be apportioned to each
15 eligible candidate under subs. (3) and (4) are more than the amount which a
16 candidate may accept under sub. (9) (a), or more than the amount which a candidate
17 elects to accept under sub. (10), the excess moneys shall be retained in the fund.

18 **SECTION 18.** 11.50 (9) of the statutes is renumbered 11.50 (9) (a) and amended
19 to read:

20 11.50 (9) (a) The total grant available to an eligible candidate who does not
21 receive a supplementary grant under sub. (3) (c) or (4) (e) may not exceed that amount
22 which, when added to all other contributions accepted from sources other than
23 individuals, political party committees and legislative campaign committees, is
24 equal to 45% of the disbursement level specified that applies to a candidate for the
25 applicable office, as determined under s. 11.31. The total grant available to any

1 eligible candidate who receives a supplementary grant under sub. (3) (c) or (4) (e)
2 may not exceed the amount authorized under s. 11.26 (9) (a). The board shall
3 scrutinize accounts and reports and records kept under this chapter to assure that
4 applicable limitations under ss. 11.26 (9) and 11.31 are not exceeded and any
5 violation is reported. No candidate or campaign treasurer may accept grants
6 exceeding the amount authorized by this subsection paragraph.

7 **SECTION 19.** 11.50 (9) (b) of the statutes is created to read:

8 11.50 (9) (b) If the account from which the grant payable to an eligible
9 candidate does not contain sufficient moneys to enable disbursement of the
10 maximum grant that is payable to that eligible candidate under this section at the
11 time disbursement is required, the board shall proportionately reduce the grants
12 payable to all eligible candidates from that account.

13 **SECTION 20.** 71.10 (3) (a) of the statutes is amended to read:

14 71.10 (3) (a) Every individual filing an income tax return who is required to do
15 so, has a tax liability or is entitled to a tax refund may designate \$1 \$3 for the
16 Wisconsin election campaign fund for the use of eligible candidates under s. 11.50.
17 If the individuals filing a joint return are required to do so, have a tax liability or are
18 entitled to a tax refund, each individual may make a designation of \$1 \$3 under this
19 subsection.

20 **SECTION 21.** 71.10 (3) (am) of the statutes is created to read:

21 71.10 (3) (am) In addition to a designation under par. (a), every individual filing
22 an income tax return who has a tax liability, is entitled to a refund or is required to
23 file a return may contribute any amount to the Wisconsin election campaign fund.
24 A contribution reduces an individual's refund that is otherwise payable. A
25 contribution does not increase an individual's tax liability, but if an individual who

1 makes a contribution has a tax liability, the individual shall remit the amount
2 contributed with his or her tax payment. If an individual who makes a contribution
3 has no tax liability or the amount contributed exceeds his or her refund, the
4 individual shall remit the amount contributed or the amount by which his or her
5 contribution exceeds the refund otherwise due with his or her tax return. If an
6 individual indicates a contribution that exceeds the additional amount remitted by
7 the individual, the indication is ineffective and the secretary of revenue shall refund
8 any amount contributed by the individual.

9 **SECTION 22.** 71.10 (3) (b) and (c) of the statutes are amended to read:

10 71.10 **(3)** (b) The secretary of revenue shall provide a place for those
11 designations under par. (a) and contributions to the fund under par. (am) on the face
12 of the individual income tax return and the words "State Election Campaign Fund"
13 shall appear on the return in plain English lettering of the style and size known as
14 10-point Helvetica narrow bold type next to the place where designations and
15 contributions are indicated. The return shall also provide next to that place the
16 phrase "State Election Campaign Fund" a statement in italicized English lettering
17 of the style and size known as 8-point Helvetica type that a designation will and
18 contribution does not increase tax liability but a contribution does reduce any refund
19 otherwise payable and a designation does not reduce any refund otherwise payable.
20 Annually on August 15, the secretary of revenue shall certify to the elections board,
21 the department of administration and the state treasurer under s. 11.50 the total
22 amount of designations and contributions made during the preceding fiscal year. If
23 any individual attempts to place any condition or restriction upon a designation or
24 contribution, that individual is deemed considered not to have made a designation

1 on his or her tax return and the secretary of revenue shall refund any amount
2 contributed by the individual.

3 (c) The names of persons making designations and contributions under this
4 subsection shall be strictly confidential.

5 **SECTION 23. Initial applicability.**

6 (1) The treatment of section 71.10 (3) (a), (am), (b) and (c) of the statutes first
7 applies to taxable years beginning on January 1 of the year in which this subsection
8 takes effect.

9 (END)