



## 1997 ASSEMBLY BILL 535

September 23, 1997 - Introduced by Representatives MUSSER, FREESE and VANDER LOOP. Referred to Committee on Campaign Finance Reform.

1     **AN ACT** *to amend* 13.68 (3); and *to create* 13.626, 13.64 (1) (f) and 13.68 (1) (f)  
2           of the statutes; **relating to:** business and financial activity by certain  
3           principals that offer memberships for sale.

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### *Analysis by the Legislative Reference Bureau*

Currently, a principal which engages in lobbying activity that is not exempted from reporting must file semiannual reports with the state ethics board identifying total expenditures made and obligations incurred for lobbying and providing certain other information.

This bill provides, in addition, that, if a principal is a membership organization that charges a fee for membership, the principal must also include in its semiannual report a financial statement fairly representing the financial operations of the organization which contains such information as the ethics board requires in sufficient detail to permit public evaluation of its operations and which includes a statement of the principal's gross receipts from memberships and other contributions, fund-raising expenses, including a separate statement of the cost of any goods, services or admissions supplied as part of its solicitations, and the disposition of its net proceeds from membership fees and other contributions, including any amount paid to any officer or manager of the principal for salaries or expenses.

The bill also prohibits any principal which is a membership organization that charges a fee for membership from entering into a contract with an individual for membership if the individual enters into the contract in reliance upon any false,

fraudulent, deceptive or misleading information, representation, notice or advertisement by the principal.

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

1           **SECTION 1.** 13.626 of the statutes is created to read:

2           **13.626 Fraudulent practices by membership organizations.** No  
3 principal which is a membership organization that charges a fee for membership  
4 may enter into a contract with an individual for membership if the individual enters  
5 into the contract in reliance upon any false, fraudulent, deceptive or misleading  
6 information, representation, notice or advertisement by the principal. Any such  
7 contract is not enforceable by the principal against the individual.

8           **SECTION 2.** 13.64 (1) (f) of the statutes is created to read:

9           **13.64 (1) (f)** An indication of whether the principal is a membership  
10 organization that charges a fee for membership.

11           **SECTION 3.** 13.68 (1) (f) of the statutes is created to read:

12           **13.68 (1) (f)** If the principal is a membership organization that charges a fee  
13 for membership, a financial statement fairly representing the financial operations  
14 of the organization which contains such information as the board requires in  
15 sufficient detail to permit public evaluation of its operations and which includes a  
16 statement of the principal's gross receipts from memberships and other  
17 contributions, fund-raising expenses, including a separate statement of the cost of  
18 any goods, services or admissions supplied as part of its solicitations, and the  
19 disposition of its net proceeds from membership fees and other contributions,  
20 including any amount paid to any officer or manager of the principal for salaries or  
21 expenses.

