

1999 SENATE BILL 111

April 7, 1999 – Introduced by Senator BURKE, cosponsored by Representative FREESE. Referred to Committee on Agriculture, Environmental Resources and Campaign Finance Reform.

1 **AN ACT** *to repeal* 11.26 (9) (b) and (c), 11.31 (2m), 11.31 (3m), 11.31 (4), 11.31 (7)
2 (d), 11.50 (2) (h), 11.50 (2m), 11.50 (6) (title) and 13.625 (1) (c) 1. and 2.; *to*
3 **renumber** 11.24 (2), 11.50 (1) (a) 1. and 11.50 (7) (a) to (d); *to renumber and*
4 **amend** 11.16 (1) (d), 11.26 (9) (a), 11.50 (1) (a) 2., 11.50 (2) (a), 11.50 (5), 11.50
5 (6), 11.50 (9) and 13.625 (1) (c) (intro.); *to amend* 11.01 (5m), 11.06 (1) (a), 11.06
6 (1) (d) and (L), 11.06 (2), 11.06 (11) (c), 11.10 (1), 11.12 (1) (c), 11.14 (1), 11.14 (2),
7 11.21 (15), 11.25 (2) (a), 11.25 (2) (b), 11.26 (1) (intro.), 11.26 (1) (a), (b) and (c),
8 11.26 (2) (intro.), 11.26 (2) (a), (b) and (c), 11.26 (4), 11.26 (10), 11.26 (12m), 11.26
9 (13), 11.31 (1) (intro.), 11.31 (1) (a) to (d), 11.31 (1) (e) and (f), 11.31 (2), 11.31 (3),
10 11.31 (7) (a) to (c), 11.50 (2) (b) 5., 11.50 (2) (g), 11.50 (2) (i), 11.50 (3) (a) (intro.),
11 11.50 (3) (a) 1. and 2., 11.50 (3) (b), 11.50 (4) (a), 11.50 (4) (c), 11.50 (4) (cm), 11.50
12 (4) (d), 11.50 (7) (intro.), 11.50 (8), 11.50 (11) (e), 11.50 (11) (g), 13.625 (1) (b) 3.,
13 13.625 (2), 13.625 (6), 20.510 (1) (q), 20.510 (1) (q), 20.855 (4) (b), 25.42, 71.10
14 (3) (a), 71.10 (3) (b), 71.10 (3) (b), 71.26 (1) (a) and chapter 77 (title); and *to*

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1 **create** 7.08 (2) (cs), 11.01 (9m), 11.05 (14), 11.16 (1) (d) 2., 11.21 (17), 11.22 (11),
2 11.24 (1s), 11.24 (4), 11.25 (4), 11.31 (1) (de), 11.31 (1m), 11.31 (9), 11.50 (1) (a)
3 1. (intro.), 11.50 (1) (a) 2., 11.50 (1) (am), 11.50 (1) (bm) and (cm), 11.50 (2) (a)
4 1. and 2., 11.50 (2) (b) 3m., 11.50 (2m), 11.50 (2s), 11.50 (2w), 11.50 (5) (c), 11.50
5 (7) (c), 11.50 (14), 11.60 (4m), 11.70, 20.566 (3) (f), 20.855 (4) (ba), 20.855 (4) (bb),
6 71.05 (6) (a) 21., 71.07 (5) (a) 8., 71.26 (2) (b) 1g., 71.26 (3) (e) 4., 71.34 (1) (ad),
7 71.45 (2) (a) 15., 71.80 (21) and subchapter XIII of chapter 77 [precedes 77.997]
8 of the statutes; **relating to:** campaign financing, political contributions by
9 lobbyists, refunds for certain political contributions, imposition of a campaign
10 treasury surplus earnings tax, income and franchise tax deductions for certain
11 business expenses related to lobbying, providing an exemption from emergency
12 rule procedures, granting rule-making authority, requiring the exercise of
13 rule-making authority, making appropriations and providing penalties.

Analysis by the Legislative Reference Bureau

This bill makes numerous changes in the campaign finance law, authorizes a state refund for certain political contributions, imposes a tax on the earnings of campaign treasury surpluses and eliminates a corporate income and franchise tax deduction for certain lobbying expenses. Significant changes include:

Disbursement 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 who declines to accept one and declines to file an affidavit of voluntary compliance with disbursement and contribution limitations. Additionally, the disbursement levels for candidates for the offices of state senator and representative to the assembly are subdivided between the primary and election campaign periods in such a way that only about 60% of the total applicable disbursement level for either office may be allocated by a candidate to either the primary or the election campaign period.

This bill:

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1. Eliminates the disbursement limitation, applicable to candidates for the offices of state senator and representative to the assembly, that requires the overall limitation to be subdivided between the primary and election campaign periods in such a way that only about 60% of the statutory disbursement level is allocated to either the primary or election campaign period.

2. Revises the current disbursement levels applicable to candidates for the offices shown in the following chart:

<i>Office</i>	<i>Current Level</i>	<i>Proposed Level</i>
Governor	\$1,078,200	\$3,500,000
Lieutenant governor	323,475	1,125,000
Attorney general	539,000	750,000
Secretary of state	215,625	350,000
State treasurer	215,625	350,000
Supreme court justice	215,625	400,000
State superintendent	215,625	350,000
State senator	34,500	100,000
Representative to the assembly	17,250	50,000

3. Provides that the disbursement limitation for a candidate who seeks an office for the first time, and has not previously been a candidate for any other national, state or local office in a jurisdiction or district which includes at least one-third of the residents who reside in the jurisdiction or district in which the candidate seeks office, is 110% of the amount provided for other candidates for that office.

4. Creates a biennial cost-of-living adjustment that causes the statutory disbursement levels to be adjusted biennially, beginning in 2002, in accordance with a formula tied to the “consumer price index” determined by the U.S. department of labor, with the result in turn adjusted by the rate of increase or decrease in the voting age population of this state, as determined by the federal election commission.

5. Deletes current law that permits a candidate who does not accept a grant to continue to bind an opponent to disbursement and contribution limitations by filing an affidavit of voluntary compliance.

Currently, the campaign of a candidate, for purposes of the applicability of disbursement limitations, extends from July 1 preceding the date of a spring primary or election at which the candidate seeks office or January 1 preceding the date of a September primary or general election at which the candidate seeks office or the date of the candidate’s public announcement of candidacy, whichever is earlier, through the last day of the month following the month of the primary or election at which the candidate seeks office, except that orders placed for goods or services to be provided for a campaign are included within the campaign regardless of when the goods or services are paid for, and debts incurred for goods or services received during a campaign period are included within the campaign regardless of when the debts are retired. Under this bill, the campaign of a candidate, for purposes of disbursement limitations, begins on the day after the date on which the previous campaign of the

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candidate ends or the date on which the candidate becomes a candidate at a future election, whichever is earlier (except as to goods or services provided for the campaign and paid for before that date), and ends at the same time as currently provided. The effect of the change is to include all disbursements within the limitation applicable to a current or former campaign.

Other disbursement restrictions

Currently, a personal campaign committee may make contributions to candidates other than the candidate whom it is organized to support, subject to applicable contribution limitations. If a candidate dies or ceases to be a candidate, the personal campaign committee remains subject to the same limitations. However, if the committee thereafter files a statement affirming under oath its independence from any candidate, the committee may, in addition to making contributions, make disbursements in an unlimited amount to advocate the election or defeat of a candidate.

This bill provides that, if a candidate dies or ceases to be a candidate, and the candidate's personal campaign committee thereafter files a statement affirming under oath its independence of any candidate, the committee may not make any disbursement to advocate the election or defeat of a clearly identified candidate that is derived in whole or in part from contributions received by the committee prior to filing the statement in an amount or value exceeding the maximum contribution that the committee is permitted to make to that candidate under contribution limitations currently prescribed by law.

Contribution limitations

Current law specifies limitations on the maximum amount of contributions which may be given to and accepted by a candidate for state or local office. Current law also limits the total contributions that a candidate for state or local office may accept from all political committees, including political party and legislative campaign committees, and from the Wisconsin election campaign fund to 65% of the value of the statutory disbursement level specified for the office which the candidate seeks. The total amount that a candidate may accept from committees other than political party and legislative campaign committees and from the Wisconsin election campaign fund is limited to 45% of that disbursement level.

This bill changes contribution limitations applicable to individuals and committees making contributions to candidates for the office of governor, lieutenant governor, secretary of state, state treasurer, attorney general, state superintendent of public instruction, justice of the supreme court, state senator or representative to the assembly per campaign, as follows:

<i>Category</i>	<i>Current Limit</i>	<i>Proposed Limit</i>
Individual or committee making contributions to candidate for state senator	\$ 1,000	\$ 500
Individual or committee making contributions to candidate for representative to the assembly	\$ 500	\$ 250

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Individual making contributions to candidate for a statewide office	\$10,000	\$5,000
Committee making contributions to candidate for a statewide office	4% of candidate's disbursement level	\$1,000

The bill also creates a new contribution limitation which prohibits any candidate for state or local office from accepting total contributions from all political committees, including political party and legislative campaign committees and committees serving as conduits (see below), equal, in the aggregate, to more than 25% of the value of the statutory disbursement level specified for the office which the candidate seeks.

Other contribution restrictions

This bill creates the following new prohibitions on contributions:

1. It prohibits contributions from special interest (“political action”) committees, including conduit committees, and from individuals operating as conduits to incumbents who are seeking reelection to a partisan state office from the first Monday in January of each odd-numbered year through the enactment of the biennial budget act and, thereafter, during any floorperiod, including any special or extraordinary session floorperiod. The prohibition does not apply to contributions to an incumbent who is a candidate for state office at a special election during the period beginning on the date that a special election is ordered and ending on the date of the special election.

2. It prohibits any lobbyist from making a contribution to a partisan elective state official or candidate for a partisan elective state office or to such an official's or candidate's personal campaign committee. Currently, a lobbyist may make such a contribution in the year that an official or candidate seeks election between June 1 and the day of the general election.

3. It prohibits any candidate from making a contribution to another candidate except to dispose of residual contributions in the candidate's campaign treasury upon termination of registration. The bill also prohibits any candidate from accepting a contribution made by another candidate except upon termination of registration by the other candidate. Currently, a candidate is generally permitted to make a contribution for any political purpose that is not specifically prohibited by law.

Contributions through conduits

Under current law, a “conduit” is an individual or organization that receives a contribution and transfers the contribution to another individual or organization without exercising discretion as to the amount that is transferred and the individual to whom or the organization to which the transfer is made. When a conduit transfers a contribution, the conduit is required to identify itself in writing to the transferee as a conduit and to report to the transferee information about the original contributor. The conduit must include this information in its financial reports for the date on which the contribution was received and transferred. The campaign financing reports filed by the candidate identify only the original contributor, not the conduit. A contribution from a conduit is considered to be a contribution from the original contributor and, for the purpose of contribution limitations, a contribution

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of money received from a conduit which is properly identified and reported is considered to be a contribution received from the original contributor. Contributions received by a candidate for state office from an individual through a conduit may be used to qualify for a grant from the Wisconsin election campaign fund.

This bill requires the campaign finance reports filed by candidates to identify any conduit from whom a contribution is received, as well as the original contributor.

The bill also treats conduits in the same manner as “political action committees” by:

1. Not allowing contributions made by an individual through a conduit to be used to qualify for a grant from the Wisconsin election campaign fund.

2. Subjecting contributions from conduits to the same limitations that currently apply to the amount of contributions that a candidate may accept from any committee other than a political party or legislative campaign committee and to the new limitation upon receipt of aggregate contributions from committees imposed under the bill.

Mass media and telephoning activities

Currently, individuals who accept contributions, organizations which make or accept contributions, or individuals who or organizations which incur obligations or make disbursements 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. Currently, when a person is alleged to have violated registration and reporting requirements, the state has the burden of proving that the violation occurred.

This bill provides that, whenever any person publishes, disseminates or broadcasts any communication that includes a reference to a candidate for an office to be filled at an election, during the 60-day period preceding that election or during the 30-day period preceding any primary for that election, and the communication is substantially directed toward the electorate for that election, it is presumed that the communication is made for the purpose of influencing the election or nomination for election of that candidate, unless the person making the communication establishes, by a preponderance of the evidence, that the communication was not made for that purpose.

Wisconsin election campaign fund:**I. 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 at the general or a special election may qualify for grants from the fund to be used for specified campaign expenses. No moneys in the fund may be used for any other purpose. Grants at special elections are funded by reallocating

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moneys set aside to provide grants to candidates at the general election, to the extent that moneys are available.

This bill:

1. Increases the amount of the individual income tax checkoff for the Wisconsin election campaign fund from \$1 to \$5. Under the bill, individuals filing a joint return may separately choose whether to make the \$5 checkoff. The bill also permits individuals to determine whether to designate their checkoffs for a “general account”, which is distributed in the same manner as currently provided, or for the account of an eligible political party (see below).

2. Provides a sum sufficient appropriation from general purpose revenue to supplement the amounts otherwise available for campaign financing through the Wisconsin election campaign fund equal to \$3,000,000 in each fiscal year plus, in each fiscal year, the amount determined by the secretary of revenue to have been collected by the state from the campaign treasury surplus earnings tax imposed under this bill, and the elimination of the corporate income and franchise tax deduction for lobbying expenses under this bill (see below).

3. Directs the state elections board to set aside 5% of the moneys transferred to the Wisconsin election campaign fund in each of the six years following the year in which the bill becomes law in order to provide public information concerning the purpose and effect of designations to the fund. The bill directs the department of revenue to cooperate in providing such public information. Currently, no moneys in the fund are authorized to be used for this purpose.

II. 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 for a grant meets the following eligibility requirements:

1. If the candidate seeks a partisan state office at a general election, the candidate must have received at least 6% of the total votes cast in the primary and won the primary. If the candidate seeks a partisan state office at a special election, the candidate must either: a) appear on the ballot or in the column of a political party whose candidate for the same office at the preceding general election received at least 6% of the vote; or b) receive at least 6% of the votes cast at the special election.

2. The candidate must have an opponent in the election.

3. The candidate must receive, during a specified time period, a specified amount through 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

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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 one or more of the candidate's opponents who receive at least 6% of the votes cast for all candidates for that office at a partisan primary, if a primary was held, do not accept a grant and do not voluntarily comply with the contribution and disbursement limitations for that office. Currently, a candidate is no longer bound by disbursement limitations after the last day of the month following the election in which the candidate appears on the ballot. The maximum grant that a candidate may receive 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 which the candidate seeks, if there are sufficient moneys in the Wisconsin election campaign fund to finance the full amount of grants for which candidates qualify.

Currently, a candidate may use moneys in his or her campaign treasury for any political purpose not prohibited by law.

This bill:

1. Provides that all candidates for partisan state offices need receive contributions from individuals equal to only 5% of the authorized disbursement level for the office which the candidate seeks in order to qualify for a grant, but provides that the contributions must be in amounts of \$50 or less. The bill also provides that at least 50% of the qualifying contributions must be received from individuals who are residents of this state and, in the case of a candidate for legislative office, at least 50% of the contributions must be received from individuals who reside in the district in which the candidate seeks office.

2. Increases the maximum grant that a candidate may receive to 50% of the authorized disbursement level for the office which the candidate seeks, irrespective of contributions received from other sources.

3. Retains the current system of grants from a "general account" for which moneys may be designated by tax filers, except that it increases by 50% the amounts allocated for the offices of justice of the supreme court and state superintendent of public instruction. Under the bill, amounts otherwise payable from the general account to a candidate who reaches this limit are redistributed to other qualifying candidates who have not reached this limit, if any.

4. Permits political parties that qualify for a separate column or row on the ballot at the general election to obtain grants from checkoffs made by tax filers. The bill provides for 9.7% of the moneys designated for political parties by tax filers to be paid directly as grants to the designated parties to be used for specified multicandidate expenses. Under the bill, disbursements made by a political party from such a grant are not considered to be in-kind contributions to the candidates who benefit from the disbursements. The bill provides for 97% of the remaining moneys designated by tax filers to be paid to candidates of the designated parties for state offices, except the office of district attorney, in accordance with an apportionment formula specified in the bill that takes into account, in the case of

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candidates for legislative office, the votes cast for candidates of the designated party for partisan state offices, except the office of district attorney, within each legislative district. Amounts otherwise payable to a candidate who would qualify to receive a grant if the candidate had an opponent are redistributed to the parties for multicandidate expenses. Amounts otherwise payable to a candidate for an office for which a party has no candidate or to a candidate who is opposed but who fails to qualify for a grant are lapsed to the state general fund.

5. Provides that an agreement by a candidate for state office to be bound by contribution and disbursement limitations becomes effective on the first day of the second month following the previous election for an office, or the date that the application containing the agreement is filed, whichever is later. An application may be filed no later than the deadline provided under current law. An agreement remains binding until the end of the month following the month in which the election is held for which a grant is provided, unless the board determines that the candidate who entered into the agreement does not qualify for a grant or unless the candidate who enters into the agreement becomes a candidate at a special election.

6. Provides for grants payable to candidates for state office at special elections to be payable in full from general purpose revenue.

Penalties for violations

Currently, violators of the campaign finance law are subject to a forfeiture (civil penalty) of not more than \$500 for each violation, except that violators of contribution limitations are subject to a forfeiture of not more than treble the amount unlawfully contributed. In addition, 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. This bill provides, in addition, that, if any candidate or campaign treasurer of a candidate who accepts a grant violates the agreement to limit self-contributions and disbursements that was entered into by that candidate, the candidate is personally liable for a forfeiture of not more than four times the amount of any unlawful contributions or disbursements made.

Currently, if a candidate or any other registrant violates the campaign finance law, any forfeitures incurred by the registrant may be paid from the campaign depository account of the registrant. This bill provides that no moneys derived from contributions that are reportable under the campaign finance law may be used to pay any forfeiture incurred by a candidate or candidate's campaign treasurer. Under the bill, if a candidate or candidate's campaign treasurer violates the law, the candidate is personally liable for payment of the forfeiture. A campaign treasurer and personal campaign committee also remain liable for payment of any forfeitures that they incur.

Initial applicability

All campaign finance changes under the bill apply to elections held on or after the day on which the bill becomes law.

Political contribution refund

This bill permits any individual who is a resident of this state and of eligible voting age to request a refund from the department of revenue of not more than \$50 per year for any contribution or contributions of money made to a qualifying

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candidate for state office or political party. The bill also permits two married individuals who are both residents of this state and are of eligible voting age to file a joint request for a refund of not more than \$100 per year for such contributions made jointly or individually. In order to qualify for a refund, a contribution must be made to a political party that has qualified for a separate ballot or one or more separate columns or rows on a ballot or to a candidate for state office who has filed a valid application to receive a grant from the Wisconsin election campaign fund, together with a binding agreement to abide by disbursement and self-contribution limitations, and has qualified to receive a grant. For a contribution to a candidate to be eligible for a refund, the candidate must have a signed agreement in effect at the time that a contribution is made. The refunds are made by the department of revenue from general purpose revenue.

Campaign treasury surplus earnings tax

This bill imposes a tax on every candidate and personal campaign committee at the rate of 15% on the earnings received by that candidate or committee on any campaign treasury surplus during the period beginning on the first day of the month following an election at which a candidate appears on the ballot (except a primary election if the candidate was nominated at the primary to appear on the ballot at a subsequent election) and ending on the date that the candidate files a valid declaration of candidacy together with valid nomination papers, if required, to appear on the ballot at a succeeding election. The tax is payable to the department of revenue semiannually.

Tax deductions for lobbying expenses

This bill eliminates a current corporate income and franchise tax deduction for certain business expenses that lobbyists incur. Currently, this deduction may be claimed for expenses incurred in direct connection with: a) appearances before, submission of statements to, or sending communications to a federal, state or local legislative body, a legislative committee or an individual legislator with respect to legislation or proposed legislation of direct interest to a taxpayer; or b) communications between a taxpayer and an organization of which the taxpayer is a member with respect to legislation or proposed legislation of direct interest to the taxpayer and the organization. Under the bill, dues paid to any organization remain deductible to the extent that they are attributable to expenses of these activities.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to the bill.

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:

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1 7.08 (2) (cs) In each even-numbered year, certify to the state treasurer for the
2 period beginning with the month following certification and ending with the month
3 in which the next certification is made by the board:

4 1. No later than July 1, the name of each political party that qualifies under
5 s. 11.50 (1) (am) 1. as an eligible political party as of the preceding June 1 and whose
6 state chairperson has filed a request to establish an account for the party under s.
7 11.50 (2s) (a).

8 2. No later than December 15, the name of each political party that qualifies
9 under s. 11.50 (1) (am) 2. as an eligible political party as of the date of the preceding
10 general election and whose state chairperson has filed a written request to establish
11 an account for the party under s. 11.50 (2s) (a).

12 **SECTION 2.** 11.01 (5m) of the statutes is amended to read:

13 11.01 (5m) “Conduit” means an individual who or ~~an organization~~ a committee
14 which receives a contribution of money and transfers the contribution to another
15 individual or ~~organization~~ committee without exercising discretion as to the amount
16 which is transferred and the individual to whom or ~~organization~~ committee to which
17 the transfer is made.

18 **SECTION 3.** 11.01 (9m) of the statutes is created to read:

19 11.01 (9m) “First-time candidate” means a candidate who seeks a particular
20 state office for the first time and who has not previously been a candidate for any
21 other national, state or local office in a jurisdiction or district which includes at least
22 one-third of the residents who reside in the jurisdiction or district in which the
23 candidate seeks office, as determined by the board.

24 **SECTION 4.** 11.05 (14) of the statutes is created to read:

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1 11.05 (14) PRESUMPTION CONCERNING CERTAIN COMMUNICATIONS. Whenever any
2 person publishes, disseminates or broadcasts, or causes to be published,
3 disseminated or broadcast, any communication that includes a reference to a clearly
4 identified candidate for an office to be filled at a general, spring or special election,
5 during the 60-day period preceding that election or during the 30-day period
6 preceding any primary for that election, and the communication is substantially
7 directed toward the electorate at that election, it is presumed that the
8 communication is made for the purpose of influencing the election or nomination for
9 election of that candidate, unless the person making the communication or causing
10 the communication to be made establishes, by a preponderance of the evidence, that
11 the communication was not made for that purpose.

12 **SECTION 5.** 11.06 (1) (a) of the statutes is amended to read:

13 11.06 (1) (a) An itemized statement giving the date, full name and street
14 address of each contributor who has made a contribution in excess of \$20, or whose
15 contribution if \$20 or less aggregates more than \$20 for the calendar year, together
16 with the amount of the contribution and the cumulative total contributions made by
17 that contributor for the calendar year and, if the contributor made the contribution
18 through a conduit, the identity of the conduit.

19 **SECTION 6.** 11.06 (1) (d) and (L) of the statutes are amended to read:

20 11.06 (1) (d) An itemized statement of other income in excess of \$20, including
21 ~~interest, returns on investments, rebates and refunds received~~ and a separate
22 statement of earnings received, including interest and returns on investments.

23 (L) A statement of cumulative totals for the calendar year of contributions
24 made, contributions received, ~~and~~ disbursements made, including transfers of funds
25 made to or received from other registrants, and earnings received.

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1 **SECTION 7.** 11.06 (2) of the statutes is amended to read:

2 11.06 **(2)** DISCLOSURE OF CERTAIN INDIRECT DISBURSEMENTS. Notwithstanding
3 sub. (1), if a disbursement is made or obligation incurred by an individual other than
4 a candidate or by a committee or group which is not primarily organized for political
5 purposes, and the disbursement does not constitute a contribution to any candidate
6 or other individual, committee or group, the disbursement or obligation is required
7 to be reported only if the purpose is to expressly advocate the election or defeat of a
8 clearly identified candidate or the adoption or rejection of a referendum or if the
9 disbursement is made or the obligation is incurred for the purpose of making a
10 communication specified in s. 11.05 (14). The exemption provided by this subsection
11 shall in no case be construed to apply to a political party, legislative campaign,
12 personal campaign or support committee.

13 **SECTION 8.** 11.06 (11) (c) of the statutes is amended to read:

14 11.06 **(11)** (c) A contribution of money received from a conduit, accompanied by
15 the information required under par. (a), is considered to be a contribution from the
16 original contributor for purposes of s. 11.26 (1) and (4).

17 **SECTION 9.** 11.10 (1) of the statutes is amended to read:

18 11.10 **(1)** Each candidate in an election shall appoint one campaign treasurer.
19 Except as provided in s. 11.14 (3), each candidate shall designate one campaign
20 depository account within 5 business days after the candidate receives his or her first
21 contribution and before the candidate makes or authorizes any disbursement in
22 behalf of his or her candidacy. If a candidate adopts a preexisting support committee
23 as his or her personal campaign committee, the candidate shall make such
24 designation within 5 business days of adoption. The person designated as campaign
25 treasurer shall be the treasurer of the candidate's personal campaign committee, if

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1 any. The candidate may appoint himself or herself or any other elector as campaign
2 treasurer. A registration statement under s. 11.05 (2g) or (2r) must be filed jointly
3 by every candidate and his or her campaign treasurer. The candidate does not
4 qualify for ballot placement until this requirement is met. Except as authorized
5 under s. 11.06 (5), the campaign treasurer or candidate shall certify as to the
6 correctness of each report required to be filed, ~~and the.~~ The candidate who appoints
7 a campaign treasurer bears the responsibility for the accuracy of each report acts of
8 the treasurer for purposes of civil liability under this chapter, ~~whether or not the~~
9 ~~candidate certifies it personally.~~

10 **SECTION 10.** 11.12 (1) (c) of the statutes is amended to read:

11 11.12 (1) (c) Where a disbursement is made in support of more than one
12 candidate, the person making the disbursement shall be ~~apportioned~~ reasonably
13 ~~among~~ apportion the disbursement as contributions to the candidates who benefit
14 from the disbursement. This paragraph does not apply to any disbursement made
15 by a political party from a grant received under s. 11.50 (2s) (b).

16 **SECTION 11.** 11.14 (1) of the statutes is amended to read:

17 11.14 (1) Except as authorized in sub. (3) and as required by s. ~~ss.~~ 11.16 (5) and
18 11.50 (2s) (h), all funds received by a campaign or committee treasurer, group
19 treasurer, candidate or other individual shall be deposited by the treasurer in a
20 single separate campaign depository account designated in accordance with s. 11.16
21 (3). Except as authorized in sub. (3), the depository account shall be established by
22 every candidate no later than the time prescribed in s. 11.10 (1), and by every other
23 individual or treasurer no later than the 5th business day after becoming subject to
24 a registration requirement under s. 11.05 and before making any disbursement. The
25 depository account may be established with any financial institution as defined in

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1 s. 705.01 (3) which is authorized to transact business in this state. The individual
2 or treasurer shall deposit all funds received in the campaign depository account no
3 later than the 5th business day commencing after receipt. This subsection does not
4 apply to a contributor committee or group which is exempt from registration under
5 s. 11.05 (8).

6 **SECTION 12.** 11.14 (2) of the statutes is amended to read:

7 11.14 (2) After Except as otherwise provided in s. 11.50 (2s) (h), after deposit
8 in the campaign depository account, funds may be transferred by the individual or
9 treasurer to any other account which is identified under s. 11.05 (3) (L). Funds
10 deposited in other accounts may not be directly disbursed but shall be returned to
11 the depository account for purposes of disbursement. Disbursements shall be made
12 only in accordance with s. 11.16 (3).

13 **SECTION 13.** 11.16 (1) (d) of the statutes is renumbered 11.16 (1) (d) (intro.) and
14 amended to read:

15 11.16 (1) (d) (intro.) This subsection does not apply to disbursements any of the
16 following:

17 1. Disbursements and obligations which are exempted from reporting under s.
18 11.06 (2).

19 **SECTION 14.** 11.16 (1) (d) 2. of the statutes is created to read:

20 11.16 (1) (d) 2. Disbursements made or obligations incurred by a political party
21 from the proceeds of a grant received under s. 11.50 for a purpose specified in s. 11.50
22 (7) (c).

23 **SECTION 15.** 11.21 (15) of the statutes is amended to read:

24 11.21 (15) Inform each candidate who files an application to become eligible to
25 receive a grant from the Wisconsin election campaign fund of the dollar amount of

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1 the applicable disbursement limitation under s. 11.31 (1) or (1m), whichever is
2 applicable, adjusted as provided under s. 11.31 (9), which applies to the office for
3 ~~which such person is a~~ that candidate. Failure to receive the notice required by this
4 subsection does not constitute a defense to a violation of s. 11.27 (1) or 11.31.

5 **SECTION 16.** 11.21 (17) of the statutes is created to read:

6 11.21 **(17)** On or before February 15 and August 15, notify the campaign
7 treasurer of each candidate who and personal campaign committee which owes a tax
8 under subch. XIII of ch. 77, based on any continuing or termination report that was
9 filed with the board covering the period ending on the preceding December 31 or June
10 30, respectively. The notice shall include an identification of the specific form
11 prescribed for payment of the tax.

12 **SECTION 17.** 11.22 (11) of the statutes is created to read:

13 11.22 **(11)** On or before February 15 and August 15, notify the campaign
14 treasurer of each candidate who and personal campaign committee which owes a tax
15 under subch. XIII of ch. 77, based on any continuing or termination report that was
16 filed with the filing officer covering the period ending on the preceding December 31
17 or June 30, respectively. The notice shall include an identification of the specific form
18 prescribed for payment of the tax.

19 **SECTION 18.** 11.24 (1s) of the statutes is created to read:

20 11.24 **(1s)** No candidate or personal campaign committee may make a
21 contribution to any person, committee or group subject to a registration requirement
22 under s. 11.05 except to dispose of residual contributions at the time of filing a
23 termination report. No candidate or personal campaign committee may accept a
24 contribution made in violation of this subsection.

25 **SECTION 19.** 11.24 (2) of the statutes is renumbered 11.24 (5).

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1 **SECTION 20.** 11.24 (4) of the statutes is created to read:

2 11.24 (4) No committee identified under s. 11.05 (3) (c) as a special interest
3 committee, including a committee serving as a conduit, and no individual who is a
4 conduit may make a contribution to an incumbent partisan state elective official or
5 to the personal campaign committee or support committee authorized under s. 11.05
6 (3) (p) of that official for the purpose of promoting that official's nomination or
7 reelection to the office held by the official during the period beginning on the first
8 Monday of January in each odd-numbered year and ending on the date of enactment
9 of the biennial budget act and thereafter during any legislative floorperiod, including
10 any special or extraordinary session floorperiod. This subsection does not apply to
11 a contribution made to an individual who is a candidate for state office at a special
12 election or to the personal campaign committee of such an individual during the
13 period commencing on the date that the special election is ordered and ending on the
14 date of the special election.

15 **SECTION 21.** 11.25 (2) (a) of the statutes is amended to read:

16 11.25 (2) (a) ~~No Except as provided in par. (b) or as otherwise specifically~~
17 ~~provided by law, no~~ person, committee or group may make or authorize a
18 disbursement or the incurrence of an obligation from ~~moneys solicited for political~~
19 ~~purposes for a contributions received by that person, committee or group for any~~
20 ~~purpose which is other than a political, except as specifically authorized by law~~
21 ~~purpose.~~

22 **SECTION 22.** 11.25 (2) (b) of the statutes is amended to read:

23 11.25 (2) (b) ~~Notwithstanding par. (a), a A~~ registrant may accept contributions
24 and make disbursements from a campaign depository account for the purpose of
25 making expenditures in connection with a campaign for national office; for payment

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1 of civil penalties incurred by the registrant under this chapter, other than civil
2 penalties incurred personally by a candidate or candidate's campaign treasurer; or
3 for payment of the expenses of nonpartisan campaigns to increase voter registration
4 or participation. Notwithstanding par. (a), a personal campaign committee or
5 support committee may accept contributions and make disbursements from a
6 campaign depository account for payment of inaugural expenses of an individual
7 who is elected to state or local office. If such expenses are paid from contributions
8 made to the campaign depository account, they are reportable under s. 11.06 (1) as
9 disbursements. Otherwise, such expenses are not reportable under s. 11.06 (1). If
10 contributions from the campaign depository account are used for such expenses, they
11 are subject to s. 11.26.

12 **SECTION 23.** 11.25 (4) of the statutes is created to read:

13 11.25 (4) If a candidate dies or ceases to be a candidate, and the candidate's
14 personal campaign committee thereafter files a statement under s. 11.06 (7)
15 indicating its intent to operate as an independent committee, the committee may not
16 make any disbursement to advocate the election or defeat of a clearly identified
17 candidate in an election that is derived in whole or in part from contributions
18 received by the committee prior to the date on which the committee files the
19 statement under s. 11.06 (7) in an amount or value exceeding the maximum
20 contribution that the committee is permitted to make to that candidate in any
21 campaign under s. 11.26 (2).

22 **SECTION 24.** 11.26 (1) (intro.) of the statutes is amended to read:

23 11.26 (1) (intro.) No individual, except an individual serving as a conduit, may
24 make any contribution or contributions to a candidate for election or nomination to
25 any of the following offices and to any individual or committee under s. 11.06 (7)

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1 acting solely in support of such a candidate or solely in opposition to the candidate's
2 opponent to the extent of more than a total of the amounts specified per candidate:

3 **SECTION 25.** 11.26 (1) (a), (b) and (c) of the statutes are amended to read:

4 11.26 (1) (a) Candidates for governor, lieutenant governor, secretary of state,
5 state treasurer, attorney general, state superintendent or justice, \$10,000 \$5,000.

6 (b) Candidates for state senator, \$1,000 \$500.

7 (c) Candidates for representative to the assembly, \$500 \$250.

8 **SECTION 26.** 11.26 (2) (intro.) of the statutes is amended to read:

9 11.26 (2) (intro.) No committee, including a committee serving as a conduit,
10 other than a political party committee or legislative campaign committee, may make
11 or transfer any contribution or contributions to a candidate for election or
12 nomination to any of the following offices and to any individual or committee under
13 s. 11.06 (7) acting solely in support of such a candidate or solely in opposition to the
14 candidate's opponent to the extent of more than a total of the amounts specified per
15 candidate:

16 **SECTION 27.** 11.26 (2) (a), (b) and (c) of the statutes are amended to read:

17 11.26 (2) (a) Candidates for governor, lieutenant governor, secretary of state,
18 state treasurer, attorney general, state superintendent or justice, ~~4% of the value of~~
19 ~~the disbursement level specified in the schedule under s. 11.31 (1)~~ \$1,000.

20 (b) Candidates for state senator, \$1,000 \$500.

21 (c) Candidates for representative to the assembly, \$500 \$250.

22 **SECTION 28.** 11.26 (4) of the statutes is amended to read:

23 11.26 (4) No individual, except an individual serving as a conduit, may make
24 any contribution or contributions to all candidates for state and local offices and to
25 any individuals who or committees which are subject to a registration requirement

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1 under s. 11.05, including legislative campaign committees and committees of a
2 political party, to the extent of more than a total of \$10,000 in any calendar year.

3 **SECTION 29.** 11.26 (9) (a) of the statutes is renumbered 11.26 (9) and amended
4 to read:

5 11.26 (9) No individual who is a candidate for state or local office may receive
6 and accept more than ~~65%~~ 25% of the value of the total disbursement level for
7 candidates other than first-time candidates, as determined under s. 11.31 (1) and
8 adjusted as provided under s. 11.31 (9), for the office for which he or she is a candidate
9 during any primary and election campaign combined from all committees subject to
10 a filing requirement, including political party and legislative campaign committees
11 and committees serving as conduits.

12 **SECTION 30.** 11.26 (9) (b) and (c) of the statutes are repealed.

13 **SECTION 31.** 11.26 (10) of the statutes is amended to read:

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

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

5 **SECTION 32.** 11.26 (12m) of the statutes is amended to read:

6 11.26 (12m) For purposes of ~~this section~~ subs. (1) and (4), a contribution of
7 money received from a conduit identified in the manner prescribed in s. 11.06 (11)
8 (a) shall be considered a contribution received from the original contributor.

9 **SECTION 33.** 11.26 (13) of the statutes is amended to read:

10 11.26 (13) ~~Except as provided in sub. (9), contributions~~ Contributions received
11 from the Wisconsin election campaign fund are not subject to limitation by this
12 section.

13 **SECTION 34.** 11.31 (1) (intro.) of the statutes is amended to read:

14 11.31 (1) SCHEDULE. (intro.) The following levels of disbursements are
15 established with reference to the candidates listed below. The levels are subject to
16 adjustment under subs. (1m) and (9). Except as provided in sub. (2), such levels do
17 not operate to restrict the total amount of disbursements which are made or
18 authorized to be made by any candidate in any primary or other election.

19 **SECTION 35.** 11.31 (1) (a) to (d) of the statutes are amended to read:

20 11.31 (1) (a) Candidates for governor, ~~\$1,078,200~~ \$3,500,000.

21 (b) Candidates for lieutenant governor, ~~\$323,475~~ \$1,125,000.

22 (c) Candidates for attorney general, ~~\$539,000~~ \$750,000.

23 (d) Candidates for secretary of state, state treasurer, ~~justice~~ or state
24 superintendent, ~~\$215,625~~ \$350,000.

25 **SECTION 36.** 11.31 (1) (de) of the statutes is created to read:

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1 11.31 (1) (de) Candidates for justice, \$400,000.

2 **SECTION 37.** 11.31 (1) (e) and (f) of the statutes are amended to read:

3 11.31 (1) (e) Candidates for state senator, ~~\$34,500 total in the primary and~~
4 ~~election, with disbursements not exceeding \$21,575 for either the primary or the~~
5 ~~election~~ \$100,000.

6 (f) Candidates for representative to the assembly, ~~\$17,250 total in the primary~~
7 ~~and election, with disbursements not exceeding \$10,775 for either the primary or the~~
8 ~~election~~ \$50,000.

9 **SECTION 38.** 11.31 (1m) of the statutes is created to read:

10 11.31 (1m) DISBURSEMENT LEVEL FOR FIRST-TIME CANDIDATES. The disbursement
11 level for a first-time candidate is 110% of the amount specified in sub. (1) for any
12 other candidate, adjusted as provided under sub. (9).

13 **SECTION 39.** 11.31 (2) of the statutes is amended to read:

14 11.31 (2) LIMITATION IMPOSED. No candidate for state office at a spring or general
15 election who files a sworn statement and application to receive a grant from the
16 Wisconsin election campaign fund may make or authorize total disbursements from
17 the campaign treasury in any campaign to the extent of more than the amount
18 prescribed in sub. (1) or (1m), whichever is applicable, adjusted as provided under
19 sub. (9), unless the board determines that the candidate is not eligible to receive a
20 grant, the candidate withdraws his or her application under s. 11.50 (2) (h), or s. 11.50
21 (2) (i) applies. No candidate for state office at a special election who files a sworn
22 statement and application to receive a grant from the Wisconsin election campaign
23 fund may make or authorize total disbursements from the campaign treasury in any
24 campaign to the extent of more than the amount prescribed under sub. (1) or (1m),
25 whichever is applicable, adjusted as provided under sub. (9), for the preceding spring

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1 or general election for the same office, unless the board determines that the
2 candidate is not eligible to receive a grant, ~~the candidate withdraws his or her~~
3 ~~application under s. 11.50 (2) (h), or s. 11.50 (2) (i) applies.~~

4 **SECTION 40.** 11.31 (2m) of the statutes is repealed.

5 **SECTION 41.** 11.31 (3) of the statutes is amended to read:

6 11.31 (3) GUBERNATORIAL CAMPAIGNS. For purposes of compliance with the
7 limitations imposed under sub. (2), candidates for governor and lieutenant governor
8 of the same political party who both accept grants from the Wisconsin election
9 campaign fund may agree to combine disbursement levels under sub. (1) (a) and (b),
10 adjusted as provided under sub. (9), and reallocate the total level between them. The
11 candidates shall each inform the board of any such agreement.

12 **SECTION 42.** 11.31 (3m) of the statutes is repealed.

13 **SECTION 43.** 11.31 (4) of the statutes is repealed.

14 **SECTION 44.** 11.31 (7) (a) to (c) of the statutes are amended to read:

15 11.31 (7) (a) For purposes of this section, except as provided in pars. (b) and (c),
16 the “campaign” of a candidate extends from July 1 ~~preceding the date on which the~~
17 ~~spring primary or election occurs or January 1 preceding the date on which the~~
18 ~~September primary or general election occurs for the office which the candidate~~
19 ~~seeks, or from the date of the candidate’s public announcement~~ the day after the date
20 on which the previous campaign of a candidate ends or the date on which a candidate
21 becomes a candidate at a future election, whichever is earlier, through the last day
22 of the month following the month in which the an election or primary is held at which
23 a candidate seeks office. If a candidate seeks office at both a primary election and
24 at a general, spring or special election which follows that primary election, the
25 “campaign” of that candidate extends through the last day of the month following the

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1 general, spring or special election. If a candidate seeks office at a primary election
2 but not at the general, spring or special election which follows that primary election,
3 the “campaign” of that candidate extends through the end of the month following the
4 primary election.

5 (b) Disbursements which are made before ~~a campaign~~ the period specified in
6 par. (a) for goods to be delivered or services to be rendered in connection with the a
7 campaign are charged against the disbursement limitation for that campaign.

8 (c) Disbursements which are made after ~~a campaign~~ the period specified in par.
9 (a) to retire a debt incurred in relation to a campaign are charged against the
10 disbursement limitation for that campaign.

11 **SECTION 45.** 11.31 (7) (d) of the statutes is repealed.

12 **SECTION 46.** 11.31 (9) of the statutes is created to read:

13 11.31 **(9)** ADJUSTMENT OF DISBURSEMENT LEVELS. (a) In this subsection:

14 1. “Consumer price index” means the average of the consumer price index over
15 each 12–month period, all items, U.S. city average, as determined by the bureau of
16 labor statistics of the federal department of labor.

17 2. “Voting age population of this state” means the voting age population of this
18 state, as determined by the federal election commission in its most recent
19 determination prior to the date of any calculation under this subsection.

20 (b) The dollar amounts of all disbursement levels specified in sub. (1) shall be
21 subject to a biennial adjustment to be determined by rule of the board in accordance
22 with this subsection. To determine the adjustment, the board shall calculate the
23 percentage difference between the voting age population of this state on December
24 31 of each odd–numbered year and the voting age population of this state on
25 December 31, 2001. The board shall then calculate the percentage difference

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1 between the consumer price index for the 12-month period ending on December 31
2 of each odd-numbered year and the consumer price index for the base period,
3 calendar year 2001. For each biennium, the board shall first multiply the
4 disbursement levels by the percentage difference in the voting age populations. The
5 board shall then multiply that product by the percentage difference in the consumer
6 price indices. The board shall adjust the disbursement levels specified under sub.
7 (1) to substitute that result for the existing levels to the extent required to reflect any
8 difference, rounded to the nearest multiple of \$25 in the case of amounts of \$1 or
9 more, which amounts shall be in effect until a subsequent rule is promulgated under
10 this subsection. Notwithstanding s. 227.24 (1) (a), (2) (b) and (3), determinations
11 under this subsection may be promulgated as an emergency rule under s. 227.24
12 without providing evidence that the emergency rule is necessary for the public peace,
13 health, safety or welfare, and without a finding of emergency.

14 **SECTION 47.** 11.50 (1) (a) 1. (intro.) of the statutes is created to read:

15 11.50 (1) (a) 1. (intro.) For purposes of qualification for a grant from the general
16 account:

17 **SECTION 48.** 11.50 (1) (a) 1. of the statutes is renumbered 11.50 (1) (a) 1. a.

18 **SECTION 49.** 11.50 (1) (a) 2. of the statutes is renumbered 11.50 (1) (a) 1. b. and
19 amended to read:

20 11.50 (1) (a) 1. b. With respect to a special election, an individual who is certified
21 under s. 8.50 (1) (d) as a candidate in a special election for state superintendent, or
22 an individual who is certified under s. 8.50 (1) (d) as a candidate in a special election
23 for any state office, except district attorney, on the ballot or column of a party whose
24 candidate for the same office at the preceding general election received at least 6%
25 of the vote cast for all candidates on all ballots for the office, or an individual who has

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

15 **SECTION 50.** 11.50 (1) (a) 2. of the statutes is created to read:

16 11.50 (1) (a) 2. For purposes of qualification for a grant from a political party
17 account, an individual who is certified under s. 7.08 (2) (a) in the general election or
18 a special election as the candidate of an eligible political party for a state office, other
19 than district attorney, or an individual who has been lawfully appointed and certified
20 to replace such an individual on the ballot at the general or a special election; and
21 who has qualified for a grant under sub. (2).

22 **SECTION 51.** 11.50 (1) (am) of the statutes is created to read:

23 11.50 (1) (am) “Eligible political party” means any of the following:

24 1. A party qualifying under s. 5.62 (1) (b) for a separate ballot or one or more
25 separate columns or rows on a ballot for the period beginning on the date of the

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

3 2. A party qualifying under s. 5.62 (2) for a separate ballot or one or more
4 separate columns or rows on a ballot for the period beginning on the preceding June
5 1, or if that June 1 is in an odd-numbered year, the period beginning on June 1 of the
6 preceding even-numbered year, and ending on May 31 of the 2nd year following that
7 June 1, whose state chairperson has filed a statement with the board no earlier than
8 May 1 preceding that period certifying that the party has held a state convention
9 within the 2-year period preceding the date of the statement, has adopted a state
10 constitution that is in effect on the date of the statement and has elected state officers
11 who are in office on the date of the statement.

12 **SECTION 52.** 11.50 (1) (bm) and (cm) of the statutes are created to read:

13 11.50 (1) (bm) “General account” means the account in the fund created under
14 sub. (2w).

15 (cm) “Political party account” means an account in the fund created under sub.
16 (2s).

17 **SECTION 53.** 11.50 (2) (a) of the statutes is renumbered 11.50 (2) (a) (intro.) and
18 amended to read:

19 11.50 (2) (a) (intro.) Any individual who desires to qualify as an eligible
20 candidate may file an application with the board requesting approval to participate
21 in the fund. The receive a grant. On the application, the individual shall indicate
22 the office for which the individual wishes to be considered an eligible candidate and
23 the next election at which the office is to be filled. An application may be filed no
24 earlier than the day after the previous election for the office and no later than the
25 applicable deadline for filing nomination papers under s. 8.10 (2) (a), 8.15 (1), 8.20

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1 (8) (a) or 8.50 (3) (a), no later than 4:30 p.m. on the 7th day after the primary or date
2 on which the primary would be held if required in the case of write-in candidates,
3 or no later than 4:30 p.m. on the 7th day after appointment in the case of candidates
4 appointed to fill vacancies. The application shall contain a sworn statement that the
5 candidate and his or her authorized agents have complied with the contribution
6 limitations prescribed in s. 11.26 and the disbursement limitations prescribed under
7 s. 11.31 at all times to which such limitations have applied to his or her candidacy
8 and will continue to comply with the limitations at all times to which the limitations
9 apply to his or her candidacy for the office in contest, unless the board determines
10 that the candidate is not eligible to receive a grant, the candidate withdraws his or
11 her application under par. (h), or par. (i) applies. The application shall also contain
12 a statement that the candidate filing the application agrees to return to the board
13 all grant moneys received by the candidate which exceed the total amount of
14 disbursements by the candidate's personal campaign committee that were made or
15 obligated after the date of the primary election. An application submitted under this
16 paragraph constitutes an irrevocable agreement to abide by its terms, except that the
17 agreement is not effective if the board determines that the candidate is not eligible
18 to receive a grant. An agreement is effective on the first day of the 2nd month
19 following the previous election for the office to be filled or the date that the office is
20 filled, whichever is later. An agreement expires on the last day of the month
21 following the month in which the spring, general or special election for which the
22 grant is provided occurs, except that:

23 **SECTION 54.** 11.50 (2) (a) 1. and 2. of the statutes are created to read:

24 11.50 (2) (a) 1. If a candidate seeks office at a special election after entering into
25 an agreement under this paragraph to receive a grant for the next spring or general

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1 election, the previous agreement does not bind the candidate entering into the
2 agreement with respect to disbursements made or obligated for the special election
3 campaign.

4 2. If a candidate's personal campaign committee files a valid termination report
5 prior to the date that an agreement by that candidate would otherwise expire under
6 this paragraph, the agreement expires on the date on which the report is filed.

7 **SECTION 55.** 11.50 (2) (b) 3m. of the statutes is created to read:

8 11.50 (2) (b) 3m. The candidate has appointed a personal campaign committee
9 which is registered under s. 11.05 (2g).

10 **SECTION 56.** 11.50 (2) (b) 5. of the statutes is amended to read:

11 11.50 (2) (b) 5. The financial reports filed by or on behalf of the candidate as
12 of the date of the spring or September primary, or the date that the special primary
13 is or would be held, if required, indicate that the candidate has received an amount
14 equal to at least the amount provided in this subdivision 5% of the applicable
15 authorized disbursement limitation for candidates other than first-time candidates,
16 as determined under s. 11.31 (1) and adjusted as provided under s. 11.31 (9), from
17 contributions of money, other than loans, made by individuals at least 50% of whom
18 are residents of this state, which have been received during the period ending on the
19 date of the spring primary and July 1 preceding such date in the case of candidates
20 at the spring election, or the date of the September primary and January 1 preceding
21 such date in the case of candidates at the general election, or the date that a special
22 primary will or would be held, if required, and 90 days preceding such date or the
23 date a special election is ordered, whichever is earlier, in the case of special election
24 candidates at a special election, which contributions are in the aggregate amount of
25 \$100 \$50 or less, and which are fully identified and itemized as to the exact source

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1 thereof. A contribution received from a conduit ~~which is identified by the conduit as~~
2 ~~originating from an individual shall~~ may not be considered as a contribution made
3 by the an individual for the purpose of qualifying for a grant under this subdivision.
4 In the case of a candidate for legislative office, at least 50% of the contributions shall
5 be received from individuals who are residents of the district in which the candidate
6 seeks office. Only the first \$100 ~~\$50~~ of an aggregate contribution of more than \$100
7 ~~\$50~~ may be counted toward the required percentage. ~~For a candidate at the spring~~
8 ~~or general election for an office identified in s. 11.26 (1) (a) or a candidate at a special~~
9 ~~election, the required amount to qualify for a grant is 5% of the candidate's~~
10 ~~authorized disbursement limitation under s. 11.31. For any other candidate at the~~
11 ~~general election, the required amount to qualify for a grant is 10% of the candidate's~~
12 ~~authorized disbursement limitation under s. 11.31.~~

13 **SECTION 57.** 11.50 (2) (g) of the statutes is amended to read:

14 11.50 (2) (g) A candidate who voluntarily files an application to receive a grant
15 in accordance with this subsection accepts and agrees to comply with the
16 contribution limitations prescribed in s. 11.26 and the disbursement limitations
17 imposed under s. 11.31 as binding upon himself or herself and his or her agents
18 during the campaign of that candidate, as defined in s. 11.31 (7), as a precondition
19 to receipt of a grant under this section, unless the board determines that the
20 candidate is not eligible to receive a grant, ~~the candidate withdraws the application~~
21 ~~under par. (h), or par. (i) applies.~~

22 **SECTION 58.** 11.50 (2) (h) of the statutes is repealed.

23 **SECTION 59.** 11.50 (2) (i) of the statutes is amended to read:

24 11.50 (2) (i) Notwithstanding par. (g), if an eligible candidate at the spring
25 election or a special nonpartisan election who accepts a grant is opposed by one or

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

11 **SECTION 60.** 11.50 (2m) of the statutes is created to read:

12 11.50 (2m) PUBLIC INFORMATION. There is established a public information
13 account within the fund. Annually on January 1, the board shall transfer from each
14 account within the fund, except the public information account, an amount equal to
15 5% of the moneys transferred to the fund under s. 20.855 (4) (b) during the preceding
16 year to the public information account. The board shall make the transfers from each
17 account in the same proportion that the amount of moneys transferred to that
18 account during the preceding year from moneys transferred to the fund under s.
19 20.855 (4) (b) bears to the total amount of moneys transferred to the fund under s.
20 20.855 (4) (b) in that year. The board shall expend the moneys in the public
21 information account for the purpose of providing public information concerning the
22 purpose and effect of s. 71.10 (3) and this section.

23 **SECTION 61.** 11.50 (2m) of the statutes, as created by 1999 Wisconsin Act ...
24 (this act), is repealed.

25 **SECTION 62.** 11.50 (2s) of the statutes is created to read:

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1 11.50 (2s) POLITICAL PARTY ACCOUNTS. (a) The state chairperson of each eligible
2 political party may, by written request to the board, provide for the establishment
3 or discontinuance of an account within the fund for that political party. Each political
4 party account consists of 97% of all moneys designated by individuals for deposit in
5 that account under s. 71.10 (3) (a).

6 (b) The board shall make grants to each eligible political party for which an
7 account is established under par. (a) in an amount equivalent to 9.7% of the total
8 amount designated by income tax filers under s. 71.10 (3) (a) for deposit in the
9 account of that political party, plus 100% of the amounts transferred to the account
10 of that political party under par. (g).

11 (c) Except as provided in pars. (e) to (g) and sub. (9) (a), from the account of each
12 eligible political party, the board shall apportion the following amounts to the
13 accounts of eligible candidates for the following offices:

- 14 1. An amount equal to 12.8% to the candidate for the office of governor.
- 15 2. An amount equal to 1.2% to the candidate for the office of lieutenant governor.
- 16 3. An amount equal to 2.4% to the candidate for the office of attorney general.
- 17 4. An amount equal to 1.2% to the candidate for the office of secretary of state.
- 18 5. An amount equal to 1.2% to the candidate for the office of state treasurer.
- 19 6. An amount equal to 23 1/3% to the candidates for the office of state senator.
- 20 7. An amount equal to 46 2/3% to the candidates for the office of representative
21 to the assembly.

22 (d) Within the account of each political party, the board shall establish 2
23 subaccounts for each county. The board shall apportion 23 1/3% of the amounts
24 designated by the residents of each county for each party in a subaccount of that
25 party for the office of state senator in that county. The board shall apportion 46 2/3%

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1 of the amounts designated by the residents of each county for each party in a
2 subaccount of that party for the office of representative to the assembly in that
3 county. Except as provided in subd. 4., pars. (e) to (g) and sub. (9) (a), each eligible
4 candidate for the office of state senator or representative to the assembly shall
5 receive the amount in the subaccount or the sum of the amounts in the subaccounts
6 of the political party of that candidate for the office which the candidate seeks under
7 par. (c) 6. or 7. determined as follows:

8 1. For each county within the legislative district in which a candidate seeks
9 office, the board shall calculate the sum of the votes cast in that part of the county
10 in which the district is located for all candidates of the political party of that
11 candidate for all state offices other than the office of district attorney at the most
12 recent general election at which each office was filled, except as provided in subd. 5.

13 2. The board shall then calculate the sum of the votes cast in that county for
14 all candidates of the political party of that candidate for all state offices other than
15 the office of district attorney at the most recent general election at which each office
16 was filled, except as provided in subd. 5.

17 3. The board shall then divide the result obtained under subd. 1. by the result
18 obtained under subd. 2. and multiply that result by the total amount in the
19 subaccount of the account of the political party of that candidate allocated for
20 candidates for the office which the candidate seeks in that county.

21 4. If the office of state senator within any senate district is not regularly filled
22 at a general election, the board shall retain the amount determined under subs. 1.
23 to 3. for the candidate of each political party for that office in that district at that
24 general election in the subaccount for that office and shall add that amount to the

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1 amount so determined for the candidate of that political party for that office in that
2 district at the next general election.

3 5. For purposes of making the calculations required under subs. 1. and 2., if
4 a political party had no candidate whose name was certified to appear on the ballot
5 for a state office in the most recent general election for that office or if the candidate
6 of a political party for a state office had no opponent whose name was certified to
7 appear on the ballot for that office in the most recent general election for that office,
8 the board shall treat the average number of votes received within the county or
9 portion of a county, as applicable, for each other state office, except the office of
10 district attorney, that was filled at that election as the number of votes received by
11 the candidate of the political party for the office for which the political party had no
12 candidate or for the office that was not contested, except that if the political party had
13 no candidate for any other state office at that election or if the candidate of that
14 political party for any other state office had no opponent whose name was certified
15 to appear on the ballot at that election, the board shall exclude that office in
16 calculating that average.

17 (e) If a political party does not have a candidate for any office specified in par.
18 (c) whose name is certified to appear on the ballot at a general or special election at
19 which the office is filled, the board shall transfer the amount allocated under par. (c)
20 for the candidate of that political party to the general fund.

21 (f) If a political party has a candidate for an office specified in par. (c) who
22 qualifies to receive a grant under sub. (2) and the candidate has an opponent whose
23 name is certified to appear on the general or a special election ballot but the opponent
24 does not qualify to receive a grant under sub. (2), the board shall transfer the amount

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1 allocated to the certified opposing candidate under par. (c) from the political party
2 account of that candidate to the general fund.

3 (g) If a political party has a candidate for an office specified in par. (c) who has
4 fulfilled all qualifications to receive a grant under sub. (2) except that the candidate
5 does not have an opponent whose name is certified to appear on the general or a
6 special election ballot, the board shall transfer the amount allocated under par. (c)
7 for that candidate to the political party account of the party of that candidate for
8 distribution to the party under par. (b).

9 (h) A treasurer of a political party committee that receives a grant under this
10 subsection shall deposit the proceeds of the grant in a separate depository account
11 under s. 11.14 (1) and shall maintain the proceeds in that account until they are used
12 to make a disbursement.

13 **SECTION 63.** 11.50 (2w) of the statutes is created to read:

14 11.50 (2w) GENERAL ACCOUNT. There is established a general account within
15 the fund consisting of 97% of all moneys designated by individuals for deposit in that
16 account under s. 71.10 (3) (a).

17 **SECTION 64.** 11.50 (3) (a) (intro.) of the statutes is amended to read:

18 11.50 (3) (a) (intro.) Annually on August 15, September 1, the state treasurer
19 shall apportion all moneys appropriated to in the general account of the fund shall
20 be apportioned as follows by the state treasurer:

21 **SECTION 65.** 11.50 (3) (a) 1. and 2. of the statutes are amended to read:

22 11.50 (3) (a) 1. If an election for state superintendent is scheduled in the
23 following year, ~~8%~~ 12% of the ~~fund~~ moneys in the general account shall be placed in
24 a superintendency account. From ~~this~~ the superintendency account, an equal

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1 amount shall be disbursed to the campaign depository account of each eligible
2 candidate by the state treasurer.

3 2. If an election for justice is scheduled in the following year, ~~8%~~ 12% of the ~~fund~~
4 moneys in the general account shall be placed in a supreme court account. From ~~this~~
5 the supreme court account, an equal amount shall be disbursed to the campaign
6 depository account of each eligible candidate by the state treasurer.

7 **SECTION 66.** 11.50 (3) (b) of the statutes is amended to read:

8 11.50 (3) (b) If a vacancy occurs in the office of state superintendent or justice
9 after ~~August 15~~ September 16 in any year and an election is scheduled to fill the
10 vacancy at the spring election in the following year, the state treasurer shall transfer
11 an amount not exceeding ~~8%~~ 12% of the moneys transferred to the general account
12 of the fund on the preceding August 15 during the 12-month period preceding that
13 date to the account for the office in which the vacancy occurs, such moneys to be
14 drawn from any account within the accounts created under sub. (4) in the amount
15 or amounts specified by the board.

16 **SECTION 67.** 11.50 (4) (a) of the statutes is amended to read:

17 11.50 (4) (a) In the partisan campaign account, 25% of the moneys shall be
18 apportioned into an executive campaign account and 75% of the moneys shall be
19 apportioned into a legislative ~~and special election~~ campaign account.

20 **SECTION 68.** 11.50 (4) (c) of the statutes is amended to read:

21 11.50 (4) (c) The legislative ~~and special election~~ campaign account shall be
22 divided into a senate campaign account to receive 25% of the moneys, and an
23 assembly campaign account to receive 75% of the moneys. Each account shall then
24 be apportioned between all eligible candidates for the same office in the entire state.
25 No apportionment shall be made by legislative district.

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1 **SECTION 69.** 11.50 (4) (cm) of the statutes is amended to read:

2 11.50 (4) (cm) ~~Each~~ There is established within the general account of the fund
3 a special election account. The special election account consists of the lesser of the
4 moneys required to make grants under this paragraph or the balance in the
5 remainder of the general account. From the special election account, each eligible
6 candidate for the same office at a special election of a political party whose candidate
7 for the same office received a grant at the preceding general election shall receive an
8 equal amount, which amount shall be a grant equivalent to the maximum combined
9 grant which from the general and party accounts that was payable to any the
10 candidate of the same political party for that office at the most recent spring or
11 preceding general election. The amount shall be drawn from the senate campaign
12 account and the assembly campaign account in the same proportions as the balance
13 in each account bears to the total balance in both accounts at the time that payments
14 are made. Whenever there are insufficient moneys in the senate campaign account
15 and the assembly campaign account to make the payments required by this
16 paragraph, payments shall be appropriately reduced or discontinued by the board.
17 From the special election account, each eligible candidate for state superintendent
18 at a special election shall receive a grant equivalent to the grant that was payable
19 to candidates for that office at the most recent spring election. From the special
20 election account, each eligible candidate at a special election who does not represent
21 a political party whose candidate for the same office at the preceding spring or
22 general election received a grant shall receive a grant equivalent to the grant that
23 was payable to candidates for the same office at the preceding spring or general
24 election from the general account.

25 **SECTION 70.** 11.50 (4) (d) of the statutes is amended to read:

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1 11.50 (4) (d) ~~Within~~ Except as provided in par. (cm) and sub. (9), within the
2 accounts established under this subsection for each office at each general election,
3 the entire amount of all available moneys shall be apportioned equally to all eligible
4 candidates.

5 **SECTION 71.** 11.50 (5) of the statutes is renumbered 11.50 (5) (a) and amended
6 to read:

7 11.50 (5) (a) The state treasurer shall make the disbursements to the ~~campaign~~
8 ~~depository account of each eligible candidate~~ treasurer of the personal campaign
9 committee of each candidate who receives a grant under subs. (3) and (4) by the end
10 of the 3rd business day following notice from the board under s. 7.08 (2) (c) or (cm).

11 (b) Eligible candidates for governor and lieutenant governor of the same
12 political party may combine accounts if desired.

13 **SECTION 72.** 11.50 (5) (c) of the statutes is created to read:

14 11.50 (5) (c) The state treasurer shall make the disbursements to the treasurer
15 of the state committee of each political party that receives a grant by the end of the
16 3rd business day following receipt of each certification from the secretary of revenue
17 under s. 71.10 (3) (b).

18 **SECTION 73.** 11.50 (6) (title) of the statutes is repealed.

19 **SECTION 74.** 11.50 (6) of the statutes is renumbered 11.50 (4) (e) and amended
20 to read:

21 11.50 (4) (e) ~~If, at any election,~~ the amounts which are to be apportioned to each
22 eligible candidate under subs. (3) and (4) from the general account are more than the
23 amount which a candidate may accept under sub. (9) (a), or more than the amount
24 which a candidate elects to accept under sub. (10), ~~the excess moneys shall be~~
25 retained in the fund board shall first apportion the excess amount to other eligible

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1 candidates who have not received the maximum amount permitted under subs. (9)
2 (a) and (10), if any. The board shall make the apportionment by distributing the
3 entire excess amount to the accounts for the offices to be filled at that election in the
4 same relative proportion that the percentage allocations to the accounts for those
5 offices, as specified in pars. (a) to (c), bear to each other. The board shall then
6 distribute the excess amount within the account for each office equally to each
7 eligible candidate for that office and shall redistribute any remaining excess amount
8 in the same manner until the entire excess amount within the account for each office
9 is exhausted or all eligible candidates for the office receive the maximum amounts
10 permitted under subs. (9) (a) and (10). If, after that distribution, there is any
11 remaining undistributed amount in an account for an executive or judicial office, the
12 board shall transfer that amount to the general fund, and, if there is any remaining
13 undistributed amount in the account for a legislative office, that amount shall be
14 retained in that account.

15 **SECTION 75.** 11.50 (7) (intro.) of the statutes is amended to read:

16 11.50 (7) UTILIZATION. (intro.) (a) Grants distributed under this section may
17 be utilized only for deposit in a campaign depository account under s. 11.10.

18 (b) Grants received by an eligible candidate from the general account or from
19 the account of an eligible political party may be expended only for one or more of the
20 following:

21 **SECTION 76.** 11.50 (7) (a) to (d) of the statutes are renumbered 11.50 (7) (b) 1.
22 to 4.

23 **SECTION 77.** 11.50 (7) (c) of the statutes is created to read:

24 11.50 (7) (c) Grants received by an eligible political party under sub. (2s) (b)
25 may be expended only for one or more of the following:

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1 1. Purchase of services from a communications medium to promote the
2 candidacy of candidates of the party generally without reference to any specific
3 candidate of the party for state office.

4 2. Preparation and dissemination of sample ballots listing the names of 3 or
5 more candidates of the party for state office.

6 3. Making telephone contacts with electors in which the names of 3 or more
7 candidates of the party are mentioned.

8 4. Fund raising on behalf of 3 or more candidates of the party for state office.

9 5. Staff compensation and expenses to provide services on behalf of 3 or more
10 candidates of the party for state office.

11 **SECTION 78.** 11.50 (8) of the statutes is amended to read:

12 11.50 **(8)** LAPSING GRANTS. All grants disbursed under sub. (5) remain the
13 property of the state until disbursed or encumbered for a lawful purpose. All grant
14 moneys that are unspent and unencumbered by a candidate on the day after the
15 election in which the candidate participates and that exceed the total amount of
16 disbursements by the candidate's personal campaign committee that were made or
17 obligated after the date of the primary election shall revert to the state. All deposits
18 and refunds derived from grant moneys that are received by a candidate at any time
19 after the day of the election in which the candidate participates shall revert to the
20 state. All reversions shall be returned to the board by the candidate and shall be
21 deposited in the fund.

22 **SECTION 79.** 11.50 (9) of the statutes is renumbered 11.50 (9) (a) and amended
23 to read:

24 11.50 **(9)** (a) The total grant available to an eligible candidate ~~may not exceed~~
25 ~~that amount which, when added to all other contributions accepted from sources~~

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1 other than individuals, political party committees and legislative campaign
2 committees, is equal to 45% shall not exceed 50% of the disbursement level specified
3 for candidates for the applicable office other than first-time candidates, as
4 determined under s. 11.31 (1) and adjusted as provided under s. 11.31 (9). If the
5 combined amount otherwise payable to an eligible candidate under subs. (2s) and (4)
6 exceeds the limitation prescribed in this paragraph, the board shall reduce the total
7 grant available to that candidate by reducing first any amount to which the
8 candidate would otherwise be entitled from the general account, and thereafter any
9 amount to which the candidate would otherwise be entitled from the political party
10 account of the candidate's political party.

11 (b) The board shall scrutinize accounts and reports and records kept under this
12 chapter to assure that applicable limitations under ~~ss. 11.26 (9)~~ and s. 11.31 are not
13 exceeded and any violation is reported. No candidate or campaign treasurer may
14 accept grants exceeding the amount authorized by this subsection.

15 **SECTION 80.** 11.50 (11) (e) of the statutes is amended to read:

16 11.50 (11) (e) No candidate may expend, authorize the expenditure of or incur
17 any obligation to expend any grant if he or she violates the pledge required under
18 sub. (2) (a) as a precondition to receipt of a grant, except as authorized in sub. (2) ~~(h)~~
19 ~~or~~ (i).

20 **SECTION 81.** 11.50 (11) (g) of the statutes is amended to read:

21 11.50 (11) (g) If any person other than a candidate or candidate's campaign
22 treasurer violates pars. (a) ~~to~~, (d) or (f), such person shall be liable to the state in a
23 civil action brought by the board for conversion, for treble the amount of the moneys
24 wrongfully expended, and in addition is subject to penalties as provided in ss. 11.60
25 and 11.61. If any candidate violates pars. (a) to (f), the candidate shall be personally

SENATE BILL 111**SECTION 81**

1 liable to the state. If any candidate's campaign treasurer violates pars. (a) to (f), the
2 campaign treasurer and the candidate who appointed the treasurer shall be
3 personally liable to the state. The liability may be enforced in a civil action brought
4 by the board for conversion, for treble the amount of the moneys wrongfully
5 expended, or for not more than 4 times the amount by which any disbursements
6 made by the candidate's personal campaign committee and any contributions made
7 by the candidate to his or her own campaign exceeded the limitation prescribed in
8 s. 11.26 (10) or the limitation prescribed in s. 11.31 (1) or (1m), or both, as adjusted
9 under s. 11.31 (9), and in addition the candidate or treasurer, or both, are subject to
10 penalties as provided in ss. 11.60 and 11.61.

11 **SECTION 82.** 11.50 (14) of the statutes is created to read:

12 11.50 (14) CERTIFICATIONS TO SECRETARY OF REVENUE. (a) In each
13 even-numbered year, the board shall certify to the secretary of revenue:

14 1. No later than July 1, the name of each political party that qualifies under
15 sub. (1) (am) 1. as an eligible political party as of the preceding June 1 and whose
16 state chairperson has filed a request to establish an account for the party under sub.
17 (2s) (a).

18 2. No later than December 15, the name of each political party that qualifies
19 under sub. (1) (am) 2. as an eligible political party as of the date of the preceding
20 general election and whose state chairperson has filed a written request to establish
21 an account for the party under sub. (2s) (a).

22 (b) As soon as possible after receiving a valid application from an eligible
23 candidate under sub. (2) (a) and determining that the candidate is eligible to receive
24 a grant, the board shall certify to the secretary of revenue the full name of that
25 candidate as the name appears on the candidate's nomination papers.

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1 (c) In each certification under this subsection, the board shall specify the
2 expiration date of the certification.

3 **SECTION 83.** 11.60 (4m) of the statutes is created to read:

4 11.60 (4m) If any candidate incurs a forfeiture under this section, the candidate
5 is personally liable for payment of the forfeiture.

6 **SECTION 84.** 11.70 of the statutes is created to read:

7 **11.70 Political contribution refund. (1)** In this section:

8 (a) “Certified political party” means a party whose name is certified by the
9 board to the secretary of revenue under s. 11.50 (14) (a).

10 (b) “Certified eligible candidate” means a candidate whose name is certified by
11 the board to the secretary of revenue under s. 11.50 (14) (b).

12 **(2)** Any individual who is a resident of this state and of eligible voting age and
13 who makes any contribution or contributions of money to a certified political party
14 or a certified eligible candidate may file a claim with the secretary of revenue
15 requesting a refund of not more than \$50 for any such contribution or contributions
16 made in any calendar year. Two married individuals who are both residents of this
17 state and are of eligible voting age and who make, individually or jointly, any
18 contribution or contributions of money to a certified political party or a certified
19 eligible candidate may file a claim with the secretary of revenue requesting a refund
20 of not more than \$100 for such contributions made, including not more than \$50 for
21 such contributions made individually by each of them, in any calendar year.

22 **(3)** The secretary of revenue shall prescribe an official refund receipt form for
23 use under this section. The forms shall be numbered sequentially. Each individual
24 or married couple filing a request for a refund under sub. (2) shall attach a copy of
25 that form to the request.

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1 **(4)** All information concerning the identities of individuals and married
2 couples requesting refunds, the identities of candidates to whom contributions are
3 made and the amounts of any contributions made is confidential.

4 **(5)** A request under this section shall be filed with the secretary of revenue no
5 earlier than January 1 of the year in which any contributions are made for which a
6 refund is requested and no later than April 15 of the following year.

7 **(6)** An individual may file a request under this section no more than once for
8 any year. Married individuals may file a request under this section either
9 individually or jointly no more than once for any year.

10 **(7)** The secretary of revenue shall make refunds under this section from the
11 appropriation under s. 20.566 (3) (f).

12 **(8)** If the secretary of revenue makes any refund under this section later than
13 June 15 in the year after the contribution or contributions to be refunded were made,
14 the secretary shall pay interest on the refund at the rate provided under s. 71.82 (1)
15 (b).

16 **(9)** No later than August 1 annually, the secretary of revenue shall submit a
17 statement to the board summarizing the total number and the aggregate amount of
18 refunds made on behalf of each certified political party and each certified eligible
19 candidate during the preceding fiscal year.

20 **SECTION 85.** 13.625 (1) (b) 3. of the statutes is amended to read:

21 13.625 **(1)** (b) 3. Food, meals, beverages, money or any other thing of pecuniary
22 value, ~~except that a lobbyist may make a campaign contribution to a partisan elective~~
23 ~~state official or candidate for national, state or local office or to the official's or~~
24 ~~candidate's personal campaign committee; but a lobbyist may make a contribution~~
25 ~~to which par. (c) applies only as authorized in par. (c).~~

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1 **SECTION 86.** 13.625 (1) (c) (intro.) of the statutes is renumbered 13.625 (1) (c)
2 and amended to read:

3 13.625 (1) (c) ~~Except as permitted in this subsection, make~~ Make a campaign
4 contribution, as defined in s. 11.01 (6), to a partisan elective state official for the
5 purpose of promoting the official's election to any national, state or local office, or to
6 a candidate for a partisan elective state office to be filled at the general election or
7 a special election, or the official's or candidate's personal campaign committee. ~~A~~
8 ~~campaign contribution to a partisan elective state official or candidate for partisan~~
9 ~~elective state office or his or her personal campaign committee may be made in the~~
10 ~~year of a candidate's election between June 1 and the day of the general election,~~
11 ~~except that:~~

12 **SECTION 87.** 13.625 (1) (c) 1. and 2. of the statutes are repealed.

13 **SECTION 88.** 13.625 (2) of the statutes is amended to read:

14 13.625 (2) No principal may engage in the practices prohibited under sub. (1)
15 (b) and (c) except that a principal may make a campaign contribution, as defined in
16 s. 11.01 (6), to a partisan elective state official or candidate for partisan elective state
17 office or his or her personal campaign committee in the year of an official's or
18 candidate's election between June 1 and the day of the general election unless, in the
19 case of a member of the legislature or candidate for legislative office, the legislature
20 has not concluded its final floor period or is in special or extraordinary session. This
21 subsection does not apply to the furnishing of transportation, lodging, food, meals,
22 beverages or any other thing of pecuniary value which is also made available to the
23 general public.

24 **SECTION 89.** 13.625 (6) of the statutes is amended to read:

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1 13.625 **(6)** Subsections (1) (b) and (c), (2) and (3) do not apply to the furnishing
2 of anything of pecuniary value by an individual who is a lobbyist or principal to a
3 relative of the individual or an individual who resides in the same household as the
4 individual, nor to the receipt of anything of pecuniary value by that relative or
5 individual residing in the same household as the individual. Subsections (1) (b), (2)
6 and (3) do not apply to the furnishing of anything of pecuniary value, except a
7 campaign contribution, as defined in s. 11.01 (6), by a lobbyist to a relative of the
8 lobbyist or an individual who resides in the same household as the lobbyist, nor to
9 the receipt of any such thing by that relative or individual residing in the same
10 household as the individual.

11 **SECTION 90.** 20.510 (1) (q) of the statutes is amended to read:

12 20.510 **(1)** (q) *Wisconsin election campaign fund.* As a continuing
13 appropriation, from the Wisconsin election campaign fund, the moneys amounts
14 determined under s. 11.50 to provide for payments to eligible candidates whose
15 names are certified under s. 7.08 (2) (c) or (cm) and to eligible political parties whose
16 names are certified under s. 7.08 (2) (cs) and to provide for public information under
17 s. 11.50 (2m).

18 **SECTION 91.** 20.510 (1) (q) of the statutes, as affected by 1999 Wisconsin Act ...
19 (this act), is amended to read:

20 20.510 **(1)** (q) *Wisconsin election campaign fund.* As a continuing
21 appropriation, from the Wisconsin election campaign fund, the moneys amounts
22 determined under s. 11.50 to provide for payments to eligible candidates whose
23 names are certified under s. 7.08 (2) (c) or (cm) and to eligible political parties whose
24 names are certified under s. 7.08 (2) (cs) ~~and to provide for public information under~~
25 ~~s. 11.50 (2m).~~

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1 **SECTION 92.** 20.566 (3) (f) of the statutes is created to read:

2 20.566 **(3)** (f) *Political contribution refunds.* A sum sufficient to make political
3 contribution refunds under s. 11.70.

4 **SECTION 93.** 20.855 (4) (b) of the statutes is amended to read:

5 20.855 **(4)** (b) *Election campaign payments.* A sum sufficient equal to 97% of
6 the amounts determined under s. 71.10 (3) to be paid into the Wisconsin election
7 campaign fund ~~annually on August 15~~ as provided in s. 71.10 (3) (b).

8 **SECTION 94.** 20.855 (4) (ba) of the statutes is created to read:

9 20.855 **(4)** (ba) *Election fund annual supplement.* A sum sufficient equal to
10 \$3,000,000 in each fiscal year, plus, in each fiscal year, the amounts determined by
11 the secretary of revenue under ss. 71.80 (21) and 77.9973, to be transferred from the
12 general fund to the Wisconsin election campaign fund annually on September 16.

13 **SECTION 95.** 20.855 (4) (bb) of the statutes is created to read:

14 20.855 **(4)** (bb) *Election fund special election supplement.* A sum sufficient
15 equal to the amounts required to make full payment of grants which candidates at
16 special elections qualify to receive from the Wisconsin election campaign fund, to be
17 transferred from the general fund to the special election account of the Wisconsin
18 election campaign fund no later than the time required to make payments of grants
19 under s. 11.50 (5).

20 **SECTION 96.** 25.42 of the statutes is amended to read:

21 **25.42 Wisconsin election campaign fund.** All moneys appropriated under
22 s. 20.855 (4) (b), (ba) and (bb) together with all moneys reverting to the state under
23 s. 11.50 (8) and all gifts, bequests and devises received under s. 11.50 (13) constitute
24 the Wisconsin election campaign fund, to be expended for the purposes of s. 11.50.

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1 All moneys in the fund not disbursed by the state treasurer shall continue to
2 accumulate indefinitely.

3 **SECTION 97.** 71.05 (6) (a) 21. of the statutes is created to read:

4 71.05 **(6)** (a) 21. Any amount deducted under section 162 (e) (1) of the Internal
5 Revenue Code because of the exception contained in section 162 (e) (5) of the Internal
6 Revenue Code.

7 **SECTION 98.** 71.07 (5) (a) 8. of the statutes is created to read:

8 71.07 **(5)** (a) 8. Expenses under section 162 (e) (1) of the Internal Revenue Code
9 that are deductible because of the exception contained in section 162 (e) (5) of the
10 Internal Revenue Code.

11 **SECTION 99.** 71.10 (3) (a) of the statutes is amended to read:

12 71.10 **(3)** (a) Every individual filing an income tax return who has a tax liability
13 or is entitled to a tax refund may designate \$1 \$5 for transfer to the Wisconsin
14 election campaign fund for the use of eligible candidates under s. 11.50. If the
15 individuals filing a joint return have a tax liability or are entitled to a tax refund,
16 each individual may make a designation of \$1 \$5 under this subsection. Each
17 individual making a designation shall indicate whether the amount designated by
18 that individual shall be placed in the general account for the use of all eligible
19 candidates for state office, or in the account of an eligible political party whose name
20 is certified to the secretary of revenue under s. 11.50 (14). If an individual does not
21 indicate that the amount of his or her designation shall be placed in the account of
22 a particular eligible political party, that amount shall be placed in the general
23 account.

24 **SECTION 100.** 71.10 (3) (b) of the statutes is amended to read:

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1 71.10 (3) (b) The secretary of revenue shall provide a place for those
2 designations under par. (a) on the face of the individual income tax return and shall
3 provide next to that place a statement that a designation will not increase tax
4 liability. ~~Annually on August 15~~ The secretary shall also provide a place in the
5 instructions that accompany the return for any information submitted to the
6 secretary by the elections board under s. 11.50 (2m). No later than the 15th day of
7 each month, the secretary of revenue shall certify to the elections board, the
8 department of administration and the state treasurer ~~under s. 11.50~~ the total
9 amount of designations made on returns processed by the department of revenue
10 during the preceding fiscal year month, the amount of designations made during that
11 month for the general account and for the account of each eligible political party and,
12 within the account of each eligible political party, the amount designated during that
13 month by residents of each county. If any individual attempts to place any condition
14 or restriction upon a designation not authorized under par. (a), that individual is
15 deemed not to have made a designation on his or her tax return.

16 **SECTION 101.** 71.10 (3) (b) of the statutes, as affected by 1999 Wisconsin Act
17 (this act), is amended to read:

18 71.10 (3) (b) The secretary of revenue shall provide a place for designations
19 under par. (a) on the face of the individual income tax return and shall provide next
20 to that place a statement that a designation will not increase tax liability. ~~The~~
21 ~~secretary shall also provide a place in the instructions that accompany the return for~~
22 ~~any information submitted to the secretary by the elections board under s. 11.50~~
23 ~~(2m).~~ No later than the 15th day of each month, the secretary of revenue shall certify
24 to the elections board, the department of administration and the state treasurer the
25 total amount of designations made on returns processed by the department of

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1 revenue during the preceding month and the amount of designations made during
2 that month for the general account and for the account of each eligible political party.
3 If any individual attempts to place any condition or restriction upon a designation
4 not authorized under par. (a), that individual is deemed not to have made a
5 designation on his or her tax return.

6 **SECTION 102.** 71.26 (1) (a) of the statutes is amended to read:

7 71.26 (1) (a) *Certain corporations.* Income of corporations organized under ch.
8 185, except income of a cooperative sickness care association organized under s.
9 185.981, or of a service insurance corporation organized under ch. 613, that is derived
10 from a health maintenance organization as defined in s. 609.01 (2) or a limited
11 service health organization as defined in s. 609.01 (3), or operating under subch. I
12 of ch. 616 which are bona fide cooperatives operated without pecuniary profit to any
13 shareholder or member, or operated on a cooperative plan pursuant to which they
14 determine and distribute their proceeds in substantial compliance with s. 185.45,
15 and the income, except the unrelated business taxable income as defined in section
16 512 of the internal revenue code and except income that is derived from a health
17 maintenance organization as defined in s. 609.01 (2) or a limited service health
18 organization as defined in s. 609.01 (3), of all religious, scientific, educational,
19 benevolent or other corporations or associations of individuals not organized or
20 conducted for pecuniary profit. In computing unrelated business taxable income for
21 the purposes of this paragraph, the expenses that are deductible under section 162
22 (e) (1) of the Internal Revenue Code because of the exception contained in section 162
23 (e) (5) of the Internal Revenue Code may not be deducted. This paragraph does not
24 apply to the income of savings banks, mutual loan corporations or savings and loan
25 associations. This paragraph applies to the income of credit unions except to the

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1 income of any credit union that is derived from public deposits for any taxable year
2 in which the credit union is approved as a public depository under ch. 34 and acts as
3 a depository of state or local funds under s. 186.113 (20). For purposes of this
4 paragraph, the income of a credit union that is derived from public deposits is the
5 product of the credit union's gross annual income for the taxable year multiplied by
6 a fraction, the numerator of which is the average monthly balance of public deposits
7 in the credit union during the taxable year, and the denominator of which is the
8 average monthly balance of all deposits in the credit union during the taxable year.

9 **SECTION 103.** 71.26 (2) (b) 1g. of the statutes is created to read:

10 71.26 (2) (b) 1g. In computing the net income under this paragraph of a
11 corporation, conduit or common law trust that qualifies as a regulated investment
12 company, real estate mortgage investment conduit or real estate investment trust,
13 expenses that are deductible under section 162 (e) (1) of the Internal Revenue Code
14 because of the exception contained in section 162 (e) (5) of the Internal Revenue Code
15 may not be deducted.

16 **SECTION 104.** 71.26 (3) (e) 4. of the statutes is created to read:

17 71.26 (3) (e) 4. So that expenses that are deductible under section 162 (e) (1)
18 of the Internal Revenue Code because of the exception contained in section 162 (e)
19 (5) of the Internal Revenue Code may not be deducted.

20 **SECTION 105.** 71.34 (1) (ad) of the statutes is created to read:

21 71.34 (1) (ad) The expenses that are deductible under section 162 (e) (1) of the
22 Internal Revenue Code because of the exception contained in section 162 (e) (5) of the
23 Internal Revenue Code may not be deducted.

24 **SECTION 106.** 71.45 (2) (a) 15. of the statutes is created to read:

SENATE BILL 111**CAMPAIGN TREASURY****SURPLUS EARNINGS TAX**

SECTION 109. Subchapter XIII of chapter 77 [precedes 77.997] of the statutes is created to read:

CHAPTER 77**SUBCHAPTER XIII****CAMPAIGN TREASURY****SURPLUS EARNINGS TAX**

77.997 Definitions. In this subchapter:

(1) “Campaign treasury surplus” means the unencumbered balance in the campaign depository account of a candidate or a candidate’s personal campaign committee during the period beginning on the first day of the month following an election at which the name of the candidate appeared on the ballot, except a primary election if the candidate was nominated at that primary election to appear on an election ballot, and ending on the date that the candidate files a valid declaration of candidacy together with valid nomination papers, if required, to appear on the ballot at a succeeding election.

(2) “Candidate” has the meaning given in s. 11.01 (1).

(3) “Election” has the meaning given in s. 5.02 (4).

(4) “Personal campaign committee” has the meaning given in s. 11.01 (15).

77.9971 Imposition. A tax is imposed on each candidate and personal campaign committee at the rate of 15% on the earnings received by the candidate or personal campaign committee on any campaign treasury surplus for the 6-month period ending on each December 31 and June 30.

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1 **77.9972 Administration. (1)** The department of revenue shall levy, enforce
2 and collect the tax under this subchapter.

3 **(2)** The tax under this subchapter and a completed return prescribed by the
4 department of revenue are due on March 1 and September 1.

5 **(3)** Sections 77.59 (1) to (6), (8) and (8m), 77.60 (1) to (7), (9) and (10), 77.61 (5)
6 and (12) to (14) and 77.62, as they apply to the taxes under subch. III, apply to the
7 tax under this subchapter.

8 **77.9973 Certification.** Annually no later than September 15, the secretary
9 of revenue shall certify to the secretary of administration the amount of taxes
10 collected under this subchapter for the preceding 12-month period ending on June
11 30.

SECTION 110. Initial applicability.

12 **(1)** Except as provided in subsections (2) to (5), this act first applies to elections
13 held on the effective date of this subsection.

14 **(2)** The treatment of section 11.06 (1) (a), (d) and (L) of the statutes first applies
15 to reports covering the period beginning on July 1, 2000.

16 **(3)** The treatment of section 11.31 (9) of the statutes first applies to adjustment
17 of disbursement limitations for the biennium beginning on January 1, 2002.

18 **(4)** The treatment of sections 71.05 (6) (a) 21., 71.07 (5) (a) 8., 71.10 (3) (a) and
19 (b) (by SECTION 100), 71.26 (1) (a), (2) (b) 1g. and (3) (e) 4., 71.34 (1) (ad) and 71.45 (2)
20 (a) 15. of the statutes first applies to taxable years beginning on January 1 of the year
21 in which this subsection takes effect, except that if this subsection takes effect after
22 July 31 this act first applies to claims filed for taxable years beginning on January
23 1 of the year following the year in which this subsection takes effect.
24

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1 (5) The treatment of subchapter XIII of chapter 77 of the statutes first applies
2 to earnings received on January 1, 2001.

3 **SECTION 111. Effective dates.** This act takes effect on the day after
4 publication, except as follows:

5 (1) The treatment of section 20.510 (1) (q) (by SECTION 91) of the statutes and
6 the repeal of section 11.50 (2m) of the statutes take effect on the first day of the 7th
7 year beginning after publication.

8 (2) The treatment of section 71.10 (3) (b) (by SECTION 101) of the statutes takes
9 effect on the first day of the 7th year beginning after publication.

10 (END)