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1 been granted a suspension under s. 11.19 (2). Forms for reports shall not be sent by
2 the board to a registrant if the registrant is required to file reports with the board
3 in an electronic format. Whenever any notice of filing requirements under this
4 chapter is sent to a candidate's campaign treasurer, the board shall also send a notice
5 to the candidate if he or she has appointed a separate treasurer. Failure to receive
6 any form or notice does not exempt a registrant from compliance with this chapter.

7 **SECTION 62.** 11.21 (15) of the statutes is amended to read:

8 11.21 (15) Inform each candidate who files an application to become eligible to
9 receive a grant from the Wisconsin election campaign fund of the dollar amount of
10 the applicable disbursement limitation under s. 11.31 (1) or (1m), adjusted as
11 provided under s. 11.31 (9), which applies to the office for which such person is a
12 candidate. Failure to receive the notice required by this subsection does not
13 constitute a defense to a violation of s. 11.27 (1) or 11.31.

14 **SECTION 63.** 11.21 (16) of the statutes is amended to read:

15 11.21 (16) Require each registrant for whom the board serves as filing officer
16 and who or which accepts contributions in a total amount or value of \$20,000 or more
17 during a campaign period to file each campaign finance report that is required to be
18 filed under this chapter in an electronic format, and accept from any other registrant
19 for whom the board serves as a filing officer any campaign finance report that is
20 required to be filed under this chapter in an electronic format. A registrant who or
21 which becomes subject to a requirement to file reports in an electronic format under
22 this subsection shall initially file the registrant's report in an electronic format for
23 the period which includes the date on which the registrant becomes subject to the
24 requirement or, if the registrant is required to report transactions within 24 hours
25 of their occurrence, within 24 hours after the date on which the registrant becomes

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1 subject to the requirement. To facilitate implementation of this subsection, the board
2 shall specify, by rule, a type of software that is suitable for compliance with the
3 electronic filing requirement under this subsection. The board shall provide copies
4 of the software to registrants at a price fixed by the board that may not exceed cost.
5 Each registrant who or which files a report under this subsection in an electronic
6 format shall also file a copy of the report with the board that is recorded on a medium
7 specified by the board. The copy shall be signed by an authorized individual and filed
8 with the board by each registrant no later than the time prescribed for filing of the
9 report under this chapter. If a registrant is a committee, the copy shall be certified
10 by an authorized individual and filed with the board by the registrant no later than
11 24 hours after the occurrence of any transaction that is reportable under s. 11.06 (1).
12 If a registrant or other person becomes subject to a requirement to report
13 electronically under this subsection, the registrant or other person shall continue to
14 report electronically regardless of the amount of contributions accepted or
15 expenditures made by the registrant or other person, until a termination report is
16 filed. The board shall provide complete instructions to any registrant who or which
17 files a report under this subsection. In this subsection, the “campaign period” of a
18 candidate, personal campaign committee or support committee begins and ends with
19 the “campaign” of the candidate whose candidacy is supported, as defined in s. 11.26
20 (17), and the “campaign period” of any other registrant begins on January 1 of each
21 odd-numbered year and ends on December 31 of the following year. Section 990.001
22 (4) does not apply to the computation of time permitted for compliance with the filing
23 requirements under this subsection.

24 **SECTION 64.** 11.22 (3) of the statutes is amended to read:

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1 11.22 (3) Furnish to each registrant prescribed forms for the making of reports
2 and statements. Forms shall be sent by 1st class mail not earlier than 21 days and
3 not later than 14 days prior to the applicable filing deadline under s. 11.20 and
4 addressed to the attention of the treasurer or other person indicated on the
5 registration statement. Forms need not be sent to a registrant who has made an
6 indication that aggregate contributions, disbursements and obligations will not
7 exceed the amount specified under s. ~~11.05 (2r)~~ 11.06 (2m) or to a registrant who has
8 been granted a suspension under s. 11.19 (2). Whenever any notice of the filing
9 requirements under this chapter is sent to a candidate's campaign treasurer, the
10 filing officer shall also send a notice to the candidate if he or she has appointed a
11 separate treasurer. Failure to receive any form or notice does not exempt a registrant
12 from compliance with this chapter.

13 **SECTION 65.** 11.23 (1) of the statutes is amended to read:

14 11.23 (1) Any group or individual may promote or oppose a particular vote at
15 any referendum in this state. Before making disbursements, receiving contributions
16 or incurring obligations in excess of ~~\$25~~ \$100 in the aggregate in a calendar year for
17 such purposes, the group or individual shall file a registration statement under s.
18 11.05 (1), or (2) ~~or (2r)~~. In the case of a group the name and mailing address of each
19 of its officers shall be given in the statement. Every group and every individual
20 under this section shall designate a campaign depository account under s. 11.14.
21 Every group shall appoint a treasurer, who may delegate authority but is jointly
22 responsible for the actions of his or her authorized designee for purposes of civil
23 liability under this chapter. The appropriate filing officer shall be notified by a group
24 of any change in its treasurer within 10 days of the change under s. 11.05 (5). The

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1 treasurer of a group shall certify the correctness of each statement or report
2 submitted by it under this chapter.

3 **SECTION 66.** 11.23 (2) of the statutes is amended to read:

4 11.23 (2) Any anonymous contribution exceeding \$10 received by an individual
5 or group treasurer may not be used or expended. The contribution shall be donated
6 to the common school fund or to any charitable organization or transferred to the
7 board for deposit in the Wisconsin election campaign fund, at the option of the
8 treasurer.

9 **SECTION 67.** 11.24 (1m) of the statutes is repealed.

10 **SECTION 68.** 11.24 (1v) of the statutes is created to read:

11 11.24 (1v) No registrant may accept any contribution made by a committee or
12 group that does not maintain an office or street address within this state at the time
13 that the contribution is made unless that committee or group is registered with the
14 federal election commission under 2 USC 433 (a).

15 **SECTION 69.** 11.24 (1w) of the statutes is created to read:

16 11.24 (1w) No candidate or personal campaign committee of a candidate who
17 applies for a grant under s. 11.50 may accept any contribution from a committee
18 other than a political party committee.

19 **SECTION 70.** 11.24 (2) of the statutes is renumbered 11.24 (5).

20 **SECTION 71.** 11.24 (4) of the statutes is created to read:

21 11.24 (4) (a) No person may make a contribution to an incumbent partisan state
22 elective official or to the personal campaign committee or support committee
23 authorized under s. 11.05 (3) (p) of that official for the purpose of promoting that
24 official's nomination or reelection to the office held by the official during the period
25 beginning on the first Monday of January in each odd-numbered year and ending

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1 on the date of enactment of the biennial budget act and thereafter during any
2 legislative floorperiod, including any special or extraordinary session floorperiod.

3 (b) Notwithstanding par. (a), a person may make a contribution to an
4 incumbent partisan state elective official against whom a recall petition has been
5 filed during the period beginning on the date that the petition offered for filing is filed
6 under s. 9.10 (3) (b) and ending on the date of the recall election unless the official
7 resigns at an earlier date under s. 9.10 (3) (c).

8 **SECTION 72.** 11.26 (1) (a) to (c) of the statutes are amended to read:

9 11.26 (1) (a) Candidates for governor, lieutenant governor, secretary of state,
10 state treasurer, attorney general, state superintendent or justice, ~~\$10,000~~ \$1,000.

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

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

13 **SECTION 73.** 11.26 (2) (a) of the statutes is amended to read:

14 11.26 (2) (a) Candidates for governor, lieutenant governor, secretary of state,
15 state treasurer, attorney general, state superintendent or justice, ~~4% of the value of~~
16 ~~the disbursement level specified in the schedule under s. 11.31 (1)~~ \$45,000.

17 **SECTION 74.** 11.26 (4) of the statutes is amended to read:

18 11.26 (4) No individual may make any contribution or contributions to all
19 candidates for state and local offices and to any individuals who or committees which
20 are subject to a registration requirement under s. 11.05, including legislative
21 campaign committees and committees of a political party, to the extent of more than
22 a total of ~~\$10,000~~ \$5,000 in any calendar year.

23 **SECTION 75.** 11.26 (8) of the statutes is amended to read:

24 11.26 (8) (a) No political party as defined in s. 5.02 (13) may receive more than
25 a total of ~~\$150,000~~ \$300,000 in value of its contributions in any biennium from all

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1 other committees, excluding ~~contributions from legislative campaign committees~~
2 ~~and~~ transfers between party committees of the party. In this paragraph, a biennium
3 commences with January 1 of each odd-numbered year and ends with December 31
4 of each even-numbered year.

5 (b) No such political party may receive more than a total of \$6,000 \$12,000 in
6 value of its contributions in any calendar year from any specific committee or its
7 subunits or affiliates, excluding ~~legislative campaign and~~ political party committees.

8 (c) No committee, other than a political party ~~or legislative campaign~~
9 committee, may make any contribution or contributions, directly or indirectly, to a
10 political party under s. 5.02 (13) in a calendar year exceeding a total value of \$6,000
11 \$12,000.

12 **SECTION 76.** 11.26 (8m) of the statutes is created to read:

13 11.26 (8m) (a) Except as provided in par. (b) and sub. (8n), no committee may
14 make a contribution to any other committee except a political party, personal
15 campaign, or support committee.

16 (b) Paragraph (a) does not apply to any contribution made by a committee that
17 is affiliated with a labor organization to any other committee that is affiliated with
18 the same labor organization.

19 **SECTION 77.** 11.26 (8n) of the statutes is created to read:

20 11.26 (8n) No personal campaign committee or support committee that is
21 authorized under s. 11.05 (3) (p) may make a contribution to any other personal
22 campaign or support committee that is authorized under s. 11.05 (3) (p).

23 **SECTION 78.** 11.26 (9) (a) and (b) of the statutes are amended to read:

24 11.26 (9) (a) ~~No~~ Except as authorized under this paragraph, no individual who
25 is a candidate for state or local office may receive and accept more than 65% of the

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1 value of the total disbursement level, as determined under s. 11.31 (1) and as
2 adjusted as provided under s. 11.31 (9) but without respect to any adjustment under
3 s. 11.31 (1m), for the office for which he or she is a candidate during any primary and
4 election campaign combined from the Wisconsin election campaign fund and all
5 committees subject to a filing requirement, including political party and legislative
6 campaign committees. A candidate for state office whose grant under s. 11.50
7 exceeds the contribution limitation authorized by this paragraph may exceed the
8 contribution limitation otherwise applicable to the extent required to accept the full
9 amount of the grant received by the candidate under s. 11.50, but any contributions
10 accepted by such a candidate from political party committees reduce the amount of
11 the grant which the candidate may accept by an amount equal to such contributions.

12 (b) No Except as authorized under this paragraph, no individual who is a
13 candidate for state or local office may receive and accept more than 45% of the value
14 of the total disbursement level, as determined under s. 11.31 (1) and as adjusted as
15 provided under s. 11.31 (9) but without respect to any adjustment under s. 11.31 (1m),
16 for the office for which he or she is a candidate during any primary and election
17 campaign combined from all committees other than political party and legislative
18 campaign committees subject to a filing requirement.

19 **SECTION 79.** 11.26 (9) (c) of the statutes is repealed.

20 **SECTION 80.** 11.26 (10) of the statutes is amended to read:

21 11.26 (10) No candidate for state office who files a sworn statement and
22 application to receive a grant from the Wisconsin election campaign fund may make
23 contributions of more than 200% of the amounts specified in sub. (1) \$1,000 to the
24 candidate's own campaign from the candidate's personal funds or property or the
25 personal funds or property which are owned jointly or as marital property with the

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1 candidate's spouse, ~~unless the board determines that the candidate is not eligible to~~
2 ~~receive a grant, the candidate withdraws his or her application under s. 11.50 (2) (h),~~
3 ~~or s. 11.50 (2) (i) applies.~~ For purposes of this subsection, any contribution received
4 by a candidate or his or her personal campaign committee from a committee which
5 is registered with the federal elections commission as the authorized committee of
6 the candidate under 2 USC 432 (e) shall be treated as a contribution made by the
7 candidate to his or her own campaign. The contribution limit of sub. (4) applies to
8 amounts contributed by such a candidate personally to the candidate's own
9 campaign and to other campaigns, ~~except that a candidate may exceed the limitation~~
10 ~~if authorized under this subsection to contribute more than the amount specified to~~
11 ~~the candidate's own campaign, up to the amount of the limitation.~~

12 **SECTION 81.** 11.26 (12m) of the statutes is repealed.

13 **SECTION 82.** 11.265 of the statutes is repealed.

14 **SECTION 83.** 11.31 (1) (intro.) of the statutes is amended to read:

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

20 **SECTION 84.** 11.31 (1) (a) to (d) of the statutes are amended to read:

21 11.31 (1) (a) Candidates for governor, ~~\$1,078,200~~ \$2,000,000.

22 (b) Candidates for lieutenant governor, ~~\$323,475~~ \$500,000.

23 (c) Candidates for attorney general, ~~\$539,000~~ \$700,000.

24 (d) Candidates for secretary of state, state treasurer, ~~justice or state~~
25 ~~superintendent,~~ ~~\$215,625~~ \$250,000.

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1 **SECTION 85.** 11.31 (1) (de) of the statutes is created to read:

2 11.31 (1) (de) Candidates for justice, \$300,000.

3 **SECTION 86.** 11.31 (1) (e) and (f) of the statutes are amended to read:

4 11.31 (1) (e) Candidates for state senator, ~~\$34,500~~ \$100,000 total in the primary
5 and election, with disbursements not exceeding ~~\$21,575~~ \$60,000 for either the
6 primary or the election.

7 (f) Candidates for representative to the assembly, ~~\$17,250~~ \$50,000 total in the
8 primary and election, with disbursements not exceeding ~~\$10,775~~ \$30,000 for either
9 the primary or the election.

10 **SECTION 87.** 11.31 (1m) of the statutes is created to read:

11 11.31 (1m) DISBURSEMENT LEVEL FOR CANDIDATES IN COMPETITIVE PRIMARY
12 ELECTIONS. The total disbursement level for any candidate whose name appears on
13 the ballot as a candidate for an office at a primary election and who receives less than
14 twice as many votes at that election as another candidate for the same office is 120%
15 of the amount specified in sub. (1) for the candidate who receives the greatest number
16 of votes in the primary election, adjusted as provided in sub. (9).

17 **SECTION 88.** 11.31 (2) of the statutes is amended to read:

18 11.31 (2) LIMITATION IMPOSED. No candidate for state office at a spring or general
19 election who files a sworn statement and application to receive a grant from the
20 Wisconsin election campaign fund may make or authorize total disbursements from
21 ~~the~~ his or her campaign treasury in any campaign to the extent of more than the
22 amount prescribed in sub. (1) or (1m), whichever is applicable, adjusted as provided
23 under sub. (9), unless the board determines that the candidate is not eligible to
24 receive a grant, ~~the candidate withdraws his or her application under s. 11.50 (2) (h),~~
25 or ~~s. 11.50 (2) (i)~~ sub. (3p) applies. No candidate for state office at a special election

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1 who files a sworn statement and application to receive a grant from the Wisconsin
2 election campaign fund may make or authorize total disbursements from ~~the~~ his or
3 her campaign treasury in any campaign to the extent of more than the amount
4 prescribed under sub. (1), adjusted as provided under sub. (9), for the preceding
5 spring or general election for the same office, unless the board determines that the
6 candidate is not eligible to receive a grant, ~~the candidate withdraws his or her~~
7 ~~application under s. 11.50 (2) (h), or s. 11.50 (2) (i) sub. (3p) applies.~~

8 **SECTION 89.** 11.31 (2m) of the statutes is repealed:

9 **SECTION 90.** 11.31 (3) of the statutes is amended to read:

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

16 **SECTION 91.** 11.31 (3p) of the statutes is created to read:

17 11.31 (3p) CANDIDATES RECEIVING ADDITIONAL GRANTS; EXCEPTION. If a candidate
18 receives a grant under s. 11.50 (9) (b) or (ba), the disbursement limitation of that
19 candidate for the campaign in which the grant is received is increased by the amount
20 of that grant.

21 **SECTION 92.** 11.31 (9) of the statutes is created to read:

22 11.31 (9) ADJUSTMENT OF DISBURSEMENT LEVELS. (a) In this subsection,
23 “consumer price index” means the average of the consumer price index over each
24 12-month period, all items, U.S. city average, as determined by the bureau of labor
25 statistics of the U.S. department of labor.

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1 (b) The dollar amounts of all disbursement limitations specified in sub. (1) shall
2 be subject to a cost-of-living adjustment to be determined by rule of the board in
3 accordance with this subsection. To determine the adjustment, the board shall
4 calculate the percentage difference between the consumer price index for the
5 12-month period ending on December 31 of each odd-numbered year and the
6 consumer price index for calendar year 2003. For each biennium, the board shall
7 adjust the disbursement limitations specified under sub. (1) by that percentage to the
8 extent required to reflect any difference, rounded to the nearest multiple of \$25 in
9 the case of amounts of \$1 or more, which amount shall be in effect until a subsequent
10 rule is promulgated under this subsection. Notwithstanding s. 227.24 (1) (a), (2) (b),
11 and (3), determinations under this subsection may be promulgated as an emergency
12 rule under s. 227.24 without providing evidence that the emergency rule is necessary
13 for the public peace, health, safety, or welfare, and without a finding of emergency.

14 **SECTION 93.** 11.38 (1) (a) 2. of the statutes is amended to read:

15 11.38 (1) (a) 2. Notwithstanding subd. 1., any such corporation or association
16 may establish and administer a separate segregated fund and solicit contributions
17 from individuals to the fund to be utilized by such corporation or association, for the
18 purpose of supporting or opposing any candidate for state or local office but the
19 corporation or association may not make any contribution to the fund. The fund shall
20 appoint a treasurer and shall register as a political committee under s. 11.05. A
21 parent corporation or association engaging solely in this activity is not subject to
22 registration under s. 11.05, but shall register and file special reports on forms
23 prescribed by the board disclosing its administrative and solicitation expenses on
24 behalf of such fund. A corporation not domiciled in this state need report only its
25 expenses for administration and solicitation of contributions in this state together

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1 with a statement indicating where information concerning other administration and
2 solicitation expenses of its fund may be obtained. The reports shall be filed with the
3 filing officer for the fund specified in s. 11.02 in the manner provided under s. 11.21
4 (16), if applicable, or otherwise in the manner in which continuing reports are filed
5 under s. 11.20 (4) and (8).

6 **SECTION 94.** 11.38 (1) (a) 3. of the statutes is amended to read:

7 11.38 (1) (a) 3. No corporation or association specified in subd. 1. may expend
8 more than a combined total of \$500 annually for solicitation of contributions to a fund
9 established under subd. 2. ~~or to a conduit.~~

10 **SECTION 95.** 11.38 (6) of the statutes is amended to read:

11 11.38 (6) Any individual or campaign treasurer who receives funds in violation
12 of this section shall promptly return such funds to the contributor ~~or~~, donate the
13 funds to the common school fund or a charitable organization or transfer the funds
14 to the board for deposit in the Wisconsin election campaign fund, at the treasurer's
15 option.

16 **SECTION 96.** 11.38 (8) (b) of the statutes is amended to read:

17 11.38 (8) (b) Except as authorized in s. 11.05 (12) (b) and (13), prior to making
18 any disbursement on behalf of a political group which is promoting or opposing a
19 particular vote at a referendum and prior to accepting any contribution or making
20 any disbursement to promote ~~or~~ oppose a particular vote at a referendum, a
21 corporation or association organized under ch. 185 shall register with the
22 appropriate filing officer specified in s. 11.02 and appoint a treasurer. The
23 registration form of the corporation or association under s. 11.05 shall designate an
24 account separate from all other corporation or association accounts as a campaign
25 depository account, through which all moneys received or expended for the adoption

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1 or rejection of the referendum shall pass. The corporation or association shall file
2 periodic reports under s. 11.20 and under s. 11.21 (16), if applicable, providing the
3 information required under s. 11.06 (1).

4 **SECTION 97.** 11.50 (1) (a) 1. (intro.) of the statutes is created to read:

5 11.50 (1) (a) 1. (intro.) For purposes of qualification for a grant from the general
6 account:

7 **SECTION 98.** 11.50 (1) (a) 1. of the statutes is renumbered 11.50 (1) (a) 1. a. and
8 amended to read:

9 11.50 (1) (a) 1. a. With respect to a spring or general election, any individual
10 who is certified under s. 7.08 (2) (a) as a candidate in the spring election for justice
11 or state superintendent, or ~~an~~ any individual who receives at least ~~6%~~ 2% of the vote
12 cast for all candidates on all ballots for any state office, except district attorney, for
13 which the individual is a candidate at the September primary and who is certified
14 under s. 7.08 (2) (a) as a candidate for that office in the general election, or an
15 individual who has been lawfully appointed and certified to replace either such
16 individual on the ballot at the spring or general election; and who has qualified for
17 a grant under sub. (2).

18 **SECTION 99.** 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 2% of the vote cast for all candidates on all ballots for the office, or an individual who

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

15 **SECTION 100.** 11.50 (1) (a) 2m. of the statutes is created to read:

16 11.50 (1) (a) 2m. 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 who
21 has qualified for a grant under sub. (2).

22 **SECTION 101.** 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.

8 **SECTION 102.** 11.50 (1) (bm) and (cm) of the statutes are created to read:

9 11.50 (1) (bm) “General account” means the account in the fund created under
10 sub. (2w).

11 (cm) “Political party account” means an account in the fund created under sub.
12 (2s).

13 **SECTION 103.** 11.50 (2) (a) of the statutes is amended to read:

14 11.50 (2) (a) Any individual who desires to qualify as an eligible candidate may
15 file an application with the board requesting approval to participate in the fund. The
16 application shall be filed no later than the applicable deadline for filing nomination
17 papers under s. 8.10 (2) (a), 8.15 (1), 8.20 (8) (a) or 8.50 (3) (a), no later than 4:30 p.m.
18 on the 7th day after the primary or date on which the primary would be held if
19 required in the case of write-in candidates, or no later than 4:30 p.m. on the 7th day
20 after appointment in the case of candidates appointed to fill vacancies. The
21 application shall contain a sworn statement that the candidate and his or her
22 authorized agents have complied with the contribution limitations proscribed in s.
23 11.26 and the disbursement limitations ~~prescribed~~ imposed under s. 11.31 (2), as
24 adjusted under s. 11.31 (9), at all times to which such limitations have applied to his
25 or her candidacy and will continue to comply with the limitations at all times to

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1 which the limitations apply to his or her candidacy for the office in contest, unless
2 the board determines that the candidate is not eligible to receive a grant, the
3 candidate withdraws his or her application under par. (h), or par. (i) sub. (3p) applies.
4 The application shall also contain a sworn statement that the candidate and his or
5 her agents have not accepted any contribution made by a committee other than a
6 political party committee during the campaign, or, if any such contribution has been
7 accepted, that the contribution has been returned or donated as provided in par. (j),
8 and the candidate and his or her agents will not accept any such contribution during
9 the campaign, unless the candidate is determined by the board to be ineligible to
10 receive a grant after the date of that determination.

11 **SECTION 104.** 11.50 (2) (b) 5. of the statutes is amended to read:

12 11.50 (2) (b) 5. The financial reports filed by or on behalf of the candidate as
13 of the date of the spring or September primary, or the date that the special primary
14 is or would be held, if required, indicate that the candidate has received an amount
15 equal to at least the amount provided in this subdivision 5% of the applicable
16 authorized disbursement limitation, as determined under s. 11.31 (1) and adjusted
17 under s. 11.31 (9) but without respect to any adjustment under s. 11.31 (1m), from
18 contributions of money, other than loans, made by individuals who reside in this
19 state and, in the case of a candidate for legislative office, by individuals at least 50%
20 of whom reside in a county having territory within the legislative district in which
21 the candidate seeks office, which contributions have been received during the period
22 ending on the date of the spring primary and July 1 preceding such date in the case
23 of candidates at the spring election, or the date of the September primary and
24 January 1 preceding such date in the case of candidates at the general election, or
25 the date that a special primary will or would be held, if required, and 90 days

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1 preceding such date or the date a special election is ordered, whichever is earlier, in
2 the case of special election candidates at a special election, which contributions are
3 in the aggregate amount of \$100 or less, and which contributions are fully identified
4 and itemized as to the exact source thereof. ~~A contribution received from a conduit
5 which is identified by the conduit as originating from an individual shall be
6 considered a contribution made by the individual. Only the first \$100 of an aggregate
7 contribution of more than \$100 may be counted toward the required percentage. For
8 a candidate at the spring or general election for an office identified in s. 11.26 (1) (a)
9 or a candidate at a special election, the required amount to qualify for a grant is 5%
10 of the candidate's authorized disbursement limitation under s. 11.31. For any other
11 candidate at the general election, the required amount to qualify for a grant is 10%
12 of the candidate's authorized disbursement limitation under s. 11.31.~~

13 **SECTION 105.** 11.50 (2) (c) of the statutes is amended to read:

14 11.50 (2) (c) If a candidate has not filed financial reports as of the date of the
15 spring primary, September primary, special primary, or date that the special primary
16 would be held, if required, which indicate that he or she has met the qualification
17 under par. (b) 5., the candidate may file a special report with the board. Such report
18 shall be filed not later than the 7th day after the primary, or 7th day after the date
19 the primary would be held, if required, and shall include such supplementary
20 information as to sources of contributions which may be necessary to complete the
21 candidate's qualification. The special report shall cover the period from the day after
22 the last date covered on the candidate's most recent report, or from the date on which
23 the first contribution was received or the first disbursement was made, whichever
24 is earlier, if the candidate has not previously filed a report, to the date of such report.
25 All information included on the special report shall also be included in the

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1 candidate's next report under s. 11.20. This paragraph does not apply to a candidate
2 who files reports under s. 11.21 (16).

3 **SECTION 106.** 11.50 (2) (g) of the statutes is amended to read:

4 11.50 (2) (g) A candidate who voluntarily files an application to receive a grant
5 in accordance with this subsection accepts and agrees to comply with the
6 contribution limitations prescribed in s. 11.26 and the disbursement limitations
7 imposed under s. 11.31 (2), as adjusted under s. 11.31 (9), as binding upon himself
8 or herself and his or her agents during the campaign of that candidate as defined in
9 s. 11.31 (7), as a precondition to receipt of a grant under this section, unless the board
10 determines that the candidate is not eligible to receive a grant, ~~the candidate~~
11 ~~withdraws the application under par. (h), or par. (i) s. 11.31 (3p) applies.~~

12 **SECTION 107.** 11.50 (2) (h) of the statutes is repealed.

13 **SECTION 108.** 11.50 (2) (i) of the statutes is repealed.

14 **SECTION 109.** 11.50 (2) (j) of the statutes is created to read:

15 11.50 (2) (j) If a candidate who desires to apply for a grant has accepted, or the
16 candidate's personal campaign committee has accepted, a contribution from a
17 committee other than a political party committee during the campaign for the office
18 that the candidate seeks, the candidate shall, before filing an application to receive
19 a grant, return the contribution or its monetary equivalent to the contributor, or, at
20 the contributor's option, donate an amount equal to the contribution to the fund or
21 to the common school fund. If the board later determines that the candidate is
22 ineligible to receive a grant, the candidate may then accept contributions from
23 committees other than political party committees after the date of that
24 determination.

25 **SECTION 110.** 11.50 (2m) of the statutes is created to read:

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1 11.50 (2m) PUBLIC INFORMATION. (a) Annually, no later than September 1, the
2 board may notify the state treasurer that an amount not exceeding 5% of the amount
3 transferred to the fund in that year shall be placed in a public information account.
4 Moneys in this account shall be expended by the board for the purpose of providing
5 public information concerning the purpose and effect of this section and s. 71.10 (3).

6 (b) As part of the public information program under par. (a), the board shall
7 prepare an easily understood description of the purpose and effect of this section and
8 s. 71.10 (3).

9 (c) Any amount placed in the public information account that is not expended
10 by the board in any year shall be retained in that account.

11 **SECTION 111.** 11.50 (2s) of the statutes is created to read:

12 11.50 (2s) POLITICAL PARTY ACCOUNTS. (a) There is established a political party
13 account for each eligible political party. Each political party account consists of all
14 moneys designated by individuals for deposit in that account under s. 71.10 (3) (a).

15 (b) From the account of each eligible political party, the board shall apportion
16 moneys to eligible candidates representing that party who qualify to receive grants.
17 Whenever an eligible candidate representing an eligible political party receives a
18 grant, the state treasurer shall first make payment of the grant from the political
19 party account of that party, to the extent that sufficient moneys are available in that
20 account to make payment of the grant.

21 (c) If a political party for which an account is established under this subsection
22 ceases to be an eligible political party, the board shall transfer the unencumbered
23 balance of that account to the general account.

24 **SECTION 112.** 11.50 (2w) of the statutes is created to read:

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1 11.50 (2w) GENERAL ACCOUNT. There is established a general account within
2 the fund consisting of all moneys designated by individuals for deposit in that
3 account under s. 71.10 (3) (a).

4 **SECTION 113.** 11.50 (3) of the statutes is repealed.

5 **SECTION 114.** 11.50 (4) of the statutes is repealed and recreated to read:

6 11.50 (4) PAYMENT OF GRANT AMOUNTS. The state treasurer shall make payment
7 of each grant to an eligible candidate from the political party account of that
8 candidate's political party, if any, if there are sufficient moneys in that account to
9 make full payment of the grant, and then from the general account. If there are
10 insufficient moneys in the general account to make full payment of a grant, the state
11 treasurer shall supplement the general account from the appropriation under s.
12 20.855 (4) (ba) in an amount sufficient to make full payment of the grant. Except as
13 provided in sub. (10), the amount of each grant is the amount specified in sub. (9).

14 **SECTION 115.** 11.50 (5) of the statutes is amended to read:

15 11.50 (5) TIME OF DISBURSEMENT. The state treasurer shall make the
16 disbursements of grants under sub. (9) (a) to the campaign depository account of each
17 eligible candidate under subs. (3) and (4) by the end of the 3rd business day following
18 notice from the board under s. 7.08 (2) (c) or (cm). If an eligible candidate notifies the
19 state treasurer of the information required to make electronic transfers to the
20 candidate's campaign depository account, the state treasurer shall transfer to the
21 candidate any supplemental grants under sub. (9) (b) or (ba) for which the candidate
22 qualifies immediately following notice from the board under s. 7.08 (2) (c) or (cm).
23 Eligible candidates for governor and lieutenant governor of the same political party
24 may combine accounts if desired.

25 **SECTION 116.** 11.50 (6) of the statutes is amended to read:

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1 11.50 (6) EXCESS MONEYS. If the amounts which are to be apportioned to each
2 eligible candidate ~~under subs. (3) and (4)~~ are more than the amount which a
3 candidate may accept under sub. (9), or more than the amount which a candidate
4 elects to accept under sub. (10), the excess moneys shall be retained in the fund.

5 **SECTION 117.** 11.50 (7) of the statutes is renumbered 11.50 (7) (a).

6 **SECTION 118.** 11.50 (7) (bm) of the statutes is created to read:

7 11.50 (7) (bm) If a grant is used to purchase an advertisement from a broadcast
8 communications medium, the advertisement may not include any voice other than
9 the voice of the eligible candidate to whom the grant is provided.

10 **SECTION 119.** 11.50 (9) (title) of the statutes is amended to read:

11 11.50 (9) (title) ~~LIMITATION ON~~ AMOUNT OF GRANTS.

12 **SECTION 120.** 11.50 (9) of the statutes is renumbered 11.50 (9) (a) (intro.) and
13 amended to read:

14 11.50 (9) (a) (intro.) ~~The~~ Except as provided in pars. (b) and (ba), the total grant
15 available to an eligible candidate may not exceed an amount equal to the lesser of the
16 percentage specified in this paragraph or that amount which, when added to all other
17 contributions accepted from sources other than individuals, political party
18 committees and legislative campaign committees by the candidate, is equal to 45%
19 the disbursement level specified for the applicable office, as determined under s.
20 11.31 (1) and adjusted as provided under s. 11.31 (9) but without respect to any
21 adjustment under s. 11.31 (1m). The board shall scrutinize accounts and reports and
22 records kept under this chapter to assure that applicable limitations under ss. 11.26
23 (9) and 11.31 are not exceeded and any violation is reported. No candidate or
24 campaign treasurer may accept grants exceeding the amount authorized by this
25 subsection. The percentage is:

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1 **SECTION 121.** 11.50 (9) (a) 1. and 2. of the statutes are created to read:

2 11.50 (9) (a) 1. For an eligible candidate for the office of justice or the office of
3 state superintendent, 75% of the disbursement limitation.

4 2. For an eligible candidate for any other state office, 45% of the disbursement
5 limitation.

6 **SECTION 122.** 11.50 (9) (b) and (ba) of the statutes are created to read:

7 11.50 (9) (b) If an eligible candidate who accepts a grant is opposed by one or
8 more candidates whose names are certified under s. 7.08 (2) (a) or 8.50 (1) (d) to
9 appear on the ballot, and if a committee identified under s. 11.05 (3) (c) makes any
10 disbursement for the purpose of opposing the election of the eligible candidate who
11 accepts a grant or for the purpose of supporting a certified opponent of that candidate
12 without cooperation or consultation with any certified opposing candidate or such a
13 candidate's agent or authorized committee, and not in concert with, or at the request
14 or suggestion of any certified opposing candidate's agent or authorized committee,
15 then the board shall make an additional grant to the eligible candidate who accepts
16 a grant in an amount equal to the total amount or value of disbursements made for
17 the purpose of supporting the election of the certified opposing candidate or for the
18 purpose of opposing the election of the eligible candidate who accepts the grant,
19 exceeding 10% of the disbursement limitation for the office that the eligible
20 candidate seeks as reported by committees under s. 11.12 (6) (c).

21 (ba) If an eligible candidate who accepts a grant is opposed by one or more
22 candidates who are required, or whose personal campaign committees are required,
23 to file a report under s. 11.12 (8), then the board shall make an additional grant to
24 the eligible candidate who accepts a grant in an amount equal to the total amount
25 or value of disbursements made by the opposing candidate or candidates exceeding

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1 the amount specified under s. 11.31 (1) (a) to (de), (e), or (f) for the office which the
2 candidate seeks, as reported by the opposing candidate under s. 11.12 (8).

3 **SECTION 123.** 11.50 (11) (e) of the statutes is amended to read:

4 11.50 (11) (e) No candidate may expend, authorize the expenditure of or incur
5 any obligation to expend any grant if he or she violates the pledge required under
6 sub. (2) (a) as a precondition to receipt of a grant, ~~except as authorized in sub. (2) (h)~~
7 ~~or (i).~~

8 **SECTION 124.** 11.50 (14) of the statutes is created to read:

9 11.50 (14) CERTIFICATIONS TO SECRETARY OF REVENUE. (a) In each
10 even-numbered year, the board shall certify to the secretary of revenue:

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

15 2. No later than December 15, the name of each political party that qualifies
16 under sub. (1) (am) 2. as an eligible political party as of the date of the preceding
17 general election.

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

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

24 **SECTION 125.** 11.60 (4) of the statutes is amended to read:

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1 11.60 (4) Actions under this section arising out of an election for state office or
2 a statewide referendum may be brought by the board or by the district attorney of
3 the county where the violation is alleged to have occurred, except as specified in s.
4 11.38. Actions under this section arising out of an election for local office or local
5 referendum may be brought by the district attorney of the county where the violation
6 is alleged to have occurred. Actions under this section arising out of an election for
7 county office or a county referendum may be brought by the county board of election
8 commissioners of the county wherein the violation is alleged to have occurred. In
9 addition, whenever a candidate or personal campaign committee or agent of a
10 candidate is alleged to have violated this chapter, action may be brought by the
11 district attorney of any county any part of which is contained within the jurisdiction
12 or district in which the candidate seeks election. If a violation concerns a district
13 attorney or circuit judge or candidate for such offices, the action shall be brought by
14 the attorney general. If a violation concerns the attorney general or a candidate for
15 such office, the governor may appoint special counsel under s. 14.11 (2) to bring suit
16 in behalf of the state. The counsel shall be independent of the attorney general and
17 need not be a state employe at the time of appointment.

18 **SECTION 126.** 11.61 (1) (a) of the statutes is amended to read:

19 11.61 (1) (a) Whoever intentionally violates s. 11.05 (1), (2), or (2g) or (2r), 11.07
20 (1) or (5), 11.10 (1), 11.12 (5), 11.23 (6), or 11.24 (1) may be fined not more than \$10,000
21 or imprisoned for not more than 4 years and 6 months or both.

22 **SECTION 127.** 13.625 (1) (b) 3. of the statutes is amended to read:

23 13.625 (1) (b) 3. Food, meals, beverages, money or any other thing of pecuniary
24 value, ~~except that a lobbyist may make a campaign contribution to a partisan elective~~
25 ~~state official or candidate for national, state or local office or to the official's or~~

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1 candidate's personal campaign committee; but a lobbyist may make a contribution
2 to which par. (c) applies only as authorized in par. (e).

3 **SECTION 128.** 13.625 (1) (c) (intro.) of the statutes is renumbered 13.625 (1) (c)
4 and amended to read:

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

17 **SECTION 129.** 13.625 (1) (c) 1. and 2. of the statutes are repealed.

18 **SECTION 130.** 13.625 (2) of the statutes is amended to read:

19 13.625 (2) No principal may engage in the practices prohibited under sub. (1)
20 (b) and (e) except that a principal may make a campaign contribution, as defined in
21 s. 11.01 (6), to a partisan elective state official or candidate for partisan elective state
22 office or his or her personal campaign committee in the year of an official's or
23 candidate's election between June 1 and the day of the general election unless, in the
24 case of a member of the legislature or candidate for legislative office, the legislature
25 has not concluded its final floor period or is in special or extraordinary session. This

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1 subsection does not apply to the furnishing of transportation, lodging, food, meals,
2 beverages or any other thing of pecuniary value which is also made available to the
3 general public.

4 **SECTION 131.** 13.625 (3m) of the statutes is created to read:

5 13.625 (3m) No member of the legislature and no personal campaign
6 committee of a member of the legislature may solicit a lobbyist or principal to arrange
7 for another person to make a campaign contribution to that member or personal
8 campaign committee.

9 **SECTION 132.** 13.625 (6) of the statutes is amended to read:

10 13.625 (6) Subsections (1) (b) and (c), (2) and (3) do not apply to the furnishing
11 of anything of pecuniary value by an individual who is a lobbyist or principal to a
12 relative of the individual or an individual who resides in the same household as the
13 individual, nor to the receipt of anything of pecuniary value by that relative or
14 individual residing in the same household as the individual. Subsections (1) (b), (2)
15 and (3) do not apply to the furnishing of anything of pecuniary value, except a
16 campaign contribution, as defined in s. 11.01 (6), by a lobbyist to a relative of the
17 lobbyist or an individual who resides in the same household as the lobbyist, nor to
18 the receipt of any such thing by that relative or individual residing in the same
19 household as the individual.

20 **SECTION 133.** 15.61 of the statutes is amended to read:

21 **15.61 Elections board; creation.** There is created an elections board
22 consisting of persons who shall be appointed by the governor for 2-year terms as
23 follows: one member selected by the governor; one member each designated by the
24 chief justice of the supreme court, the speaker of the assembly, the senate majority
25 leader, the minority leader in each house of the legislature, and the chief officer of

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1 each political party ~~qualifying~~ that qualified for a separate ballot under s. 5.62 (1)
2 (b) or (2) ~~whose candidate for governor received at least 10% of the vote in the most~~
3 ~~recent gubernatorial~~ preceding September primary election.

4 **SECTION 134.** 20.510 (1) (q) of the statutes is amended to read:

5 20.510 (1) (q) *Wisconsin election campaign fund.* As a continuing
6 appropriation, from the Wisconsin election campaign fund, the moneys determined
7 under s. 11.50 to provide for payments to eligible candidates whose names are
8 certified under s. 7.08 (2) (c) and (cm) and to provide for public information as
9 authorized under s. 11.50 (2m).

10 **SECTION 135.** 20.855 (4) (ba) of the statutes is created to read:

11 20.855 (4) (ba) *Wisconsin election campaign fund supplement.* A sum sufficient
12 equal to the amounts required to make full payment of grants which candidates
13 qualify to receive from the Wisconsin election campaign fund, to be transferred from
14 the general fund to the Wisconsin election campaign fund no later than the time
15 required to make payments of grants under s. 11.50 (5).

16 **SECTION 136.** 25.42 of the statutes is amended to read:

17 **25.42 Wisconsin election campaign fund.** All moneys appropriated under
18 s. 20.855 (4) (b) and (ba) together with all moneys deposited under ss. 8.35 (4) (a),
19 11.07 (5), 11.12 (2), 11.16 (2), 11.19 (1), (1m) and (6), 11.23 (2) and 11.38 (6), all moneys
20 reverting to the state under s. 11.50 (8) and all gifts, bequests and devises received
21 under s. 11.50 (13) constitute the Wisconsin election campaign fund, to be expended
22 for the purposes of s. 11.50. All moneys in the fund not disbursed by the state
23 treasurer shall continue to accumulate indefinitely.

24 **SECTION 137.** 71.05 (6) (a) 21. of the statutes is created to read:

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

4 **SECTION 138.** 71.07 (5) (a) 9. of the statutes is created to read:

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

8 **SECTION 139.** 71.07 (6n) of the statutes is created to read:

9 71.07 (6n) CAMPAIGN CONTRIBUTION TAX CREDIT. (a) *Definitions.* In this
10 subsection:

11 1. “Candidate” means a candidate, as defined in s. 11.01 (1), for state office who
12 files an application under s. 11.50 (2) for a grant from the Wisconsin election
13 campaign fund that has been accepted by the elections board.

14 2. “Claimant” means an individual who makes a contribution to a candidate
15 and who resides within the same electoral district as the candidate to whom that
16 contribution is made.

17 3. “Contribution” means a contribution, as defined in s. 11.01 (6), made to a
18 candidate or political party committee by an individual for which the individual
19 receives a receipt on a form prescribed by the department.

20 4. “Department” means the department of revenue.

21 5. “Electoral district” means the geographical area that constitutes the
22 jurisdiction of the office that a candidate seeks.

23 6. “Political party committee” means a state or county committee of a political
24 party, as defined in s. 5.02 (13), that on the first day of the taxable year in which a

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1 contribution is made is a recognized political party as defined in s. 5.02 (16m) and
2 is registered with the elections board under s. 11.05 (1).

3 7. “State office” has the meaning given in s. 5.02 (23).

4 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
5 claimant may claim as a credit against the tax imposed under s. 71.02, up to the
6 amount of those taxes, an amount equal to the claimant’s contribution not exceeding
7 \$50 for each candidate to whom or political party committee to which the claimant
8 makes a contribution.

9 (c) *Limitation.* The total amount of the credits under this subsection shall not
10 exceed \$100 in a taxable year for each claimant.

11 (d) *Time period.* No credit may be allowed under this subsection unless it is
12 claimed within the time period under s. 71.75 (2).

13 (e) *Administration.* 1. Subsection (9e) (d), to the extent that it applies to the
14 credit under that subsection, applies to the credit under this subsection.

15 2. The department shall create and make available to candidates a form to be
16 used by candidates and political party committees in issuing receipts for
17 contributions.

18 **SECTION 140.** 71.10 (3) (a) of the statutes is amended to read:

19 71.10 (3) (a) Every individual filing an income tax return who has a tax liability
20 or is entitled to a tax refund may designate \$1 \$5 for transfer to the Wisconsin
21 election campaign fund for the use of eligible candidates under s. 11.50. If the
22 individuals filing a joint return have a tax liability or are entitled to a tax refund,
23 each individual may make a designation of \$1 \$5 under this subsection. Each
24 individual making a designation shall indicate whether the amount designated by
25 that individual shall be placed in the general account for the use of all eligible

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1 candidates for state office, or in the account of an eligible political party whose name
2 is certified to the secretary of revenue under s. 11.50 (14). If an individual does not
3 indicate that the amount of his or her designation shall be placed in the account of
4 a particular eligible political party, that amount shall be placed in the general
5 account.

6 **SECTION 141.** 71.10 (3) (b) of the statutes is amended to read:

7 71.10 (3) (b) The secretary of revenue shall provide a place for those
8 designations under par. (a) on the face of the individual income tax return and shall
9 provide next to that place a statement that a designation will not increase tax
10 liability. ~~Annually on August 15~~ The secretary shall also provide and highlight a
11 place in the instructions that accompany the return for any information submitted
12 to the secretary by the elections board under s. 11.50 (2m) without cost to the board.
13 No later than the 15th day of each month, the secretary of revenue shall certify to
14 the elections board, the department of administration and the state treasurer ~~under~~
15 ~~s. 11.50~~ the total amount of designations made on returns processed by the
16 department of revenue during the preceding fiscal year month and the amount of
17 designations made during that month for the general account and for the account of
18 each eligible political party. If any individual attempts to place any condition or
19 restriction upon a designation not authorized under par. (a), that individual is
20 deemed not to have made a designation on his or her tax return.

21 **SECTION 142.** 71.10 (4) (cn) of the statutes is created to read:

22 71.10 (4) (cn) Campaign contribution tax credit under s. 71.07 (6n).

23 **SECTION 143.** 71.26 (1) (a) of the statutes is amended to read:

24 71.26 (1) (a) *Certain corporations.* Income of corporations organized under ch.
25 185, except income of a cooperative sickness care association organized under s.

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1 185.981, or of a service insurance corporation organized under ch. 613, that is derived
2 from a health maintenance organization as defined in s. 609.01 (2) or a limited
3 service health organization as defined in s. 609.01 (3), or operating under subch. I
4 of ch. 616 which are bona fide cooperatives operated without pecuniary profit to any
5 shareholder or member, or operated on a cooperative plan pursuant to which they
6 determine and distribute their proceeds in substantial compliance with s. 185.45,
7 and the income, except the unrelated business taxable income as defined in section
8 512 of the internal revenue code and except income that is derived from a health
9 maintenance organization as defined in s. 609.01 (2) or a limited service health
10 organization as defined in s. 609.01 (3), of all religious, scientific, educational,
11 benevolent or other corporations or associations of individuals not organized or
12 conducted for pecuniary profit. In computing unrelated business taxable income for
13 the purposes of this paragraph, the expenses that are deductible under section 162
14 (e) (1) of the Internal Revenue Code because of the exception contained in section 162
15 (e) (5) of the Internal Revenue Code may not be deducted. This paragraph does not
16 apply to the income of savings banks, mutual loan corporations or savings and loan
17 associations. This paragraph does not apply to income that is realized from the sale
18 of or purchase and subsequent sale or redemption of lottery prizes if the winning
19 tickets were originally bought in this state. This paragraph applies to the income of
20 credit unions except to the income of any credit union that is derived from public
21 deposits for any taxable year in which the credit union is approved as a public
22 depository under ch. 34 and acts as a depository of state or local funds under s.
23 186.113 (20). For purposes of this paragraph, the income of a credit union that is
24 derived from public deposits is the product of the credit union's gross annual income
25 for the taxable year multiplied by a fraction, the numerator of which is the average

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1 monthly balance of public deposits in the credit union during the taxable year, and
2 the denominator of which is the average monthly balance of all deposits in the credit
3 union during the taxable year.

4 **SECTION 144.** 71.26 (2) (b) 1g. of the statutes is created to read:

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

11 **SECTION 145.** 71.26 (3) (e) 4. of the statutes is created to read:

12 71.26 (3) (e) 4. So that expenses that are deductible under section 162 (e) (1)
13 of the Internal Revenue Code because of the exception contained in section 162 (e)
14 (5) of the Internal Revenue Code may not be deducted.

15 **SECTION 146.** 71.34 (1) (ad) of the statutes is created to read:

16 71.34 (1) (ad) The expenses that are deductible under section 162 (e) (1) of the
17 Internal Revenue Code because of the exception contained in section 162 (e) (5) of the
18 Internal Revenue Code may not be deducted.

19 **SECTION 147.** 71.45 (2) (a) 16. of the statutes is created to read:

20 71.45 (2) (a) 16. By adding to federal taxable income the amount of any
21 expenses that are deductible under section 162 (e) (1) of the Internal Revenue Code
22 because of the exception contained in section 162 (e) (5) of the Internal Revenue Code.

23 **SECTION 148.** 806.04 (11m) of the statutes is created to read:

24 806.04 (11m) CAMPAIGN FINANCE REGISTRATION. Any person who proposes to
25 publish, disseminate or broadcast, or causes to be published, disseminated or

BILL

1 broadcast, any communication may commence a proceeding under this section to
2 determine the application to that person of a registration requirement under s. 11.05
3 (1), (2) or (2g).

SECTION 149. Nonstatutory provisions.

4
5 (1) ELECTIONS BOARD APPOINTMENTS. Notwithstanding sections 15.07 (1) (c) and
6 15.61 of the statutes, each political party that qualified for a separate ballot under
7 section 5.62 (1) (b) or (2) of the statutes at the September primary election preceding
8 the effective date of this subsection, but that did not designate an individual to the
9 governor for appointment to the elections board under section 15.61 of the statutes
10 may designate an individual to the governor for appointment to the elections board
11 to serve for a term expiring on May 1 of the odd-numbered year following the
12 appointment.

13 (2) NONSEVERABILITY. Notwithstanding section 990.01 (11) of the statutes, if a
14 court finds that all or any portion of section 11.01 (16) (a) 3., 11.12 (6) (c) or (8), or 11.50
15 (9) (b) or (ba) of the statutes, as created by this act, or section 11.06 (2) of the statutes,
16 as affected by this act, is unconstitutional, then sections 11.01 (16) (a) 3., 11.12 (6)
17 (c) and (8) and 11.50 (9) (b) and (ba) of the statutes, as created by this act, and the
18 treatment of section 11.06 (2) of the statutes by this act are void in their entirety.

SECTION 150. Appropriation changes; elections board.

19
20 (1) In the schedule under section 20.005 (3) of the statutes for the appropriation
21 to the elections board under section 20.510 (1) (a) of the statutes, as affected by the
22 acts of 2001, the dollar amount is increased by \$76,100 for fiscal year 2001–02 and
23 the dollar amount is increased by \$85,100 for fiscal year 2002–03 to increase the
24 authorized FTE positions for the elections board by 1.0 GPR campaign finance

BILL**SECTION 150**

1 investigator position and 1.0 GPR auditor position and to fund supporting expenses
2 for these positions.

3 **SECTION 151. Initial applicability.**

4 (1) Except as provided in subsections (1) and (2), this act first applies to
5 elections held on the day after publication.

6 (2) The treatment of sections 11.50 (2m), 71.05 (6) (a) 21., 71.07 (5) (a) 9. and
7 (6n), 71.10 (3) (a) and (4) (cn), 71.26 (1) (a), (2) (b) 1g., and (3) (e) 4., 71.34 (1) (ad), and
8 71.45 (2) (a) 16. of the statutes first applies to claims filed for taxable years beginning
9 on January 1 of the year in which this subsection takes effect, except that if this
10 subsection takes effect after July 31 this act first applies to claims filed for taxable
11 years beginning on January 1 of the year following the year in which this subsection
12 takes effect.

13 (3) The treatment of section 11.31 (9) of the statutes first applies to adjustments
14 for the biennium beginning on January 1, 2004.

15 (END)

LEGISLATIVE REFERENCE BUREAU

December 13, 2000

1. This bill accomplishes your intended treatment of conduits in a more straight-forward manner than the treatment in 1997 LRB-4577/2. Rather than leaving conduit provisions in the law while eliminating the purpose for forming a conduit, this draft simply repeals the conduit provisions altogether. Please let us know if you have any questions regarding this treatment.

2. Please be aware that since the biennial budget act repeals and recreates the appropriation schedule under s. 20.005 (3), stats., if this draft is introduced and becomes law before the biennial budget act, that act will eliminate the appropriation increase provided in this draft. Therefore, you may wish to seek incorporation of any desired appropriation increase into the biennial budget bill.

3. Concerning proposed s. 11.19 (6), you may wish to exempt candidates for partisan office at a special election that is called concurrently with the spring election from the prohibition on retention of certain campaign moneys after December 31 of even-numbered years.

4. Upon reviewing the political party funding mechanism, we noted that 1999 LRB-1184/P1 did not contain any provision for disposal of moneys allocated from the checkoff on behalf of the candidates of a political party after that party ceases to be eligible for or withdraws from participation. This draft, therefore, provides for those moneys to be transferred to the general account of the Wisconsin election campaign fund.

5. Currently, ch. 11., stats., generally requires disclosure of financial activity by individuals and committees seeking to influence the election or defeat of candidates for state or local office [see ss. 11.01 (6), (7), (11), and (16), 11.05, and 11.06, stats.], unless a disbursement is made or obligation incurred by an individual other than a candidate or by a committee which is not organized primarily for political purposes, the disbursement is not a contribution as defined in the law and the disbursement is not made to expressly advocate the election or defeat of a clearly identified candidate [see s. 11.06 (2), stats.]. This language pretty closely tracks the holding of the U.S. Supreme Court in *Buckley v. Valeo, et al.*, 96 S. Ct. 612, 656-664 (1976), which prescribes the boundaries of disclosure that may be constitutionally enforced (except as those requirements affect certain minor parties and independent candidates). Proposed s. 11.01 (16) (a) 3., which requires registration and reporting by individuals who or

committees that make certain mass communications within 60 days of an election containing a name or likeness of a candidate at that election, an office to be filled at that election or a political party, appears to extend beyond the boundaries which the court permitted in 1976. As a result, its enforceability at the current time appears to rest upon a shift by the court in its stance on this issue. In this connection, see also *North Carolina Right to Life, Inc., v. Bartlett*, 168 F.3d 705 (4th Cir. 1999), cert. denied, 120 S. Ct. 1156 (2000), in which the court voided North Carolina's attempt to regulate issue advocacy as inconsistent with *Buckley*.

I want to note briefly that a few of the provisions of this draft are innovative, and we do not yet have, to my knowledge, specific guidance from the U.S. Supreme Court concerning the enforceability of provisions of these types. It is well possible that a court may find a rational basis for these provisions that would permit them to be upheld. However, because of the concerns expressed by the U.S. Supreme Court in *Buckley v. Valeo, et al.*, 96 S. Ct. 612 (1976), and certain other cases, that attempts to regulate campaign financing activities may, in some instances, impermissibly intrude upon freedom of speech or association or upon equal protection guarantees, it is possible that enforceability problems with these provisions may occur. In particular, those provisions concerning which we do not have specific guidance at this time are:

(a) Proposed s. 11.12 (8), which requires candidates who do not accept public grants to file special reports that are not required of candidates who accept public grants.

(b) Proposed s. 11.24 (1v), which restricts the acceptance of contributions made by nonresident contributors.

(c) Proposed s. 11.50 (9) (b) and (ba), which provides public grants to qualifying candidates to match certain independent disbursements and disbursements exceeding the disbursement limitations by candidates who do not accept public grants. Although relevant case law has developed regarding this issue in the federal courts of appeal, there is no consensus among these courts on this issue. Due to the unsettled nature of the law in this area, it is not possible to predict how a court would rule if proposed s. 11.50 (9) (b) or (ba) were challenged.

(d) Proposed s. 11.19 (1m) and (6), which mandates disposal of certain campaign funds in a specified manner.

(e) Proposed s. 11.26 (8m) and (8n), which prohibits committees from making contributions to certain other committees. Although the U.S. Supreme Court has not ruled on the enforceability of a provision of this type, the court has indicated some willingness to permit limits on contributions beyond those specifically approved in *Buckley v. Valeo*, 424 U.S. 1. See *California Med. Assn. v. FEC*, 453 U.S. 182, 193-99 (1981) (\$5,000 limitation on individual-to-PAC contributions is a reasonable method of preventing individuals from evading limits on direct campaign contributions).

If you need further information or would like to make any changes based on the above information, please let us know.

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DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2614/1dn
JTK/RJM/MES/JK:kg:jf

February 22, 2001

1. Please be aware that since the biennial budget act repeals and recreates the appropriation schedule under s. 20.005 (3), stats., if this draft is introduced and becomes law before the biennial budget act, that act will eliminate the appropriation increase provided in this draft. Therefore, you may wish to seek incorporation of any desired appropriation increase into the biennial budget bill.

2. Concerning proposed s. 11.19 (6), you may wish to exempt candidates for partisan office at a special election that is called concurrently with the spring election from the prohibition on retention of certain campaign moneys after December 31 of even-numbered years.

3. Currently, ch. 11., stats., generally requires disclosure of financial activity by individuals and committees seeking to influence the election or defeat of candidates for state or local office [see ss. 11.01 (6), (7), (11), and (16), 11.05, and 11.06, stats.], unless a disbursement is made or obligation incurred by an individual other than a candidate or by a committee which is not organized primarily for political purposes, the disbursement is not a contribution as defined in the law and the disbursement is not made to expressly advocate the election or defeat of a clearly identified candidate [see s. 11.06 (2), stats.]. This language pretty closely tracks the holding of the U.S. Supreme Court in *Buckley v. Valeo, et al.*, 96 S. Ct. 612, 656-664 (1976), which prescribes the boundaries of disclosure that may be constitutionally enforced (except as those requirements affect certain minor parties and independent candidates). Proposed s. 11.01 (16) (a) 3., which requires registration and reporting by individuals who or committees that make certain mass communications within 60 days of an election containing a name or likeness of a candidate at that election, an office to be filled at that election or a political party, appears to extend beyond the boundaries which the court permitted in 1976. As a result, its enforceability at the current time appears to rest upon a shift by the court in its stance on this issue. In this connection, see also *North Carolina Right to Life, Inc., v. Bartlett*, 168 F. 3d 705 (4th Cir. 1999), cert. denied, 120 S. Ct. 1156 (2000), in which the court voided North Carolina's attempt to regulate issue advocacy as inconsistent with *Buckley*.

We want to note briefly that a few of the provisions of this draft are innovative, and we do not yet have, to my knowledge, specific guidance from the U.S. Supreme Court concerning the enforceability of provisions of these types. It is well possible that a court may find a rational basis for these provisions that would permit them to be upheld.

However, because of the concerns expressed by the U.S. Supreme Court in *Buckley v. Valeo, et al.*, 96 S. Ct. 612 (1976), and certain other cases, that attempts to regulate campaign financing activities may, in some instances, impermissibly intrude upon freedom of speech or association or upon equal protection guarantees, it is possible that enforceability problems with these provisions may occur. In particular, those provisions concerning which we do not have specific guidance at this time are:

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If you need further information or would like to make any changes based on the above information, please let us know.

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February 22, 2001

MEMORANDUM

To: Representative Musser

From: Jeffery T. Kuesel, Managing Attorney

Re: LRB-2614 Campaign finance, lobbying and income tax changes

The attached draft was prepared at your request. Please review it carefully to ensure that it is accurate and satisfies your intent. If it does and you would like it jacketed for introduction, please indicate below for which house you would like the draft jacketed and return this memorandum to our office. If you have any questions about jacketing, please call our program assistants at 266-3561. Please allow one day for jacketing.

JACKET FOR ASSEMBLY JACKET FOR SENATE

If you have any questions concerning the attached draft, or would like to have it redrafted, please contact me at (608) 266-6778 or at the address indicated at the top of this memorandum.

If the last paragraph of the analysis states that a fiscal estimate will be prepared, the LRB will request that it be prepared after the draft is introduced. You may obtain a fiscal estimate on the attached draft before it is introduced by calling our program assistants at 266-3561. Please note that if you have previously requested that a fiscal estimate be prepared on an earlier version of this draft, you will need to call our program assistants in order to obtain a fiscal estimate on this version before it is introduced.

Please call our program assistants at 266-3561 if you have any questions regarding this memorandum.

2614/1

AB-155

#. Page 72, line 4: delete
" (1) and (2) " and substitute
" (2) and (3) " .

JMG:



State of Wisconsin
2001-2002 LEGISLATURE

CORRECTIONS IN:

2001 ASSEMBLY BILL 155

Prepared by the Legislative Reference Bureau
(April 18, 2001)

1. Page 72, line 4: delete "(1) and (2)" and substitute "(2) and (3)".