

**2001 DRAFTING REQUEST**

**Bill**

Received: 09/11/2000

Received By: kuesejt

Wanted: As time permits

Identical to LRB:

For: Spencer Black (608) 266-7521

By/Representing: him

This file may be shown to any legislator: NO

Drafter: rmarchan

May Contact:

Alt. Drafters: kuesejt

Subject: Elections - campaign finance

Extra Copies:

**Pre Topic:**

No specific pre topic given

**Topic:**

Treatment of conduits

**Instructions:**

Per 99 AB 460.

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rmarchan 09/19/2000	wjackson 09/26/2000		_____			
/1			pgreensl 09/29/2000	_____	lrb_docadmin 09/29/2000	lrb_docadmin 10/10/2000	

FE Sent For:

*None*

<END>

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Subject: **Elections - campaign finance**

Extra Copies:

#### Pre Topic:

No specific pre topic given

#### Topic:

~~Issue~~ *contributions made by individuals*  
Treatment of conduits  
~~X~~

#### Instructions:

Per 99 AB 460.

#### Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rmarchan		9/27 ps	9/28 ps/ /cm			

FE Sent For:

<END>

# State Representative Spencer Black



State Capitol  
P.O. Box 8952  
Madison, WI 53708  
(608) 266-7521

TO: Peter Dykman, Chief of Legislative Reference Bureau  
FROM: Representative Spencer Black  
DATE: September 7, 2000  
RE: Redrafts of 1999 Assembly Bills for the upcoming 2001-2002 legislative session.

**Please redraft the following 1999 Assembly Bills/Resolutions (as is) for the upcoming session:**

RCT -AB 82	RACAB 145	RCT AB 162
RCT AB 165	MESAB 166	JLK AB 261
ISR-AB 397	RCTAB 457	RCTAB 458
RCT AB 459	JTKAB 460	JTKAB 461
JTK AB 462	TNFAB 463	GMMAB 510
MES-AB 511	JTKAB 644	JK-AB645
RCT AB 702	RCTAB 775	MESAB 831
PJH-AB 862	JK-AB 935	PJO AJR 50
PJO AJR 119		

**Please redraft the following 1999 Assembly Bills with simple modifications as listed below:**

AB 36: Draft Senate Substitute Amendment 1 to 1999 Senate Bill 2 as an assembly bill. On page 2 line 2 delete "2000-2001" and substitute "2001-2002"

AB 264: Redraft bill to include Senate Amendment 1 to 1999 Senate Bill 115 and Senate Amendment 2 to 1999 Senate Bill 115

AB 372: Redraft the bill to include Assembly Amendment LRBa0597/2

AB 936: Redraft the bill with the following changes.

In line 5 delete "ore processing reagent"

Delete line 6

Line 8 delete "ore processing reagents"

## 1999 ASSEMBLY BILL 460

September 14, 1999 -- Introduced by Representatives BLACK, PLOUFF, BOYLE, BOCK, POCAN and J. LEHMAN. Referred to Committee on Campaigns and Elections.

- 1 **AN ACT to repeal** 11.06 (11), 11.24 (1m) and 11.26 (12m); and **to amend** 11.50 (2)
- 2 (b) 5. of the statutes; **relating to:** treatment of contributions of money made by
- 3 individuals or organizations acting as conduits.

---

### *Analysis by the Legislative Reference Bureau*

Currently, if an individual or organization receives a political contribution consisting of money and transfers the contribution to another individual or organization without exercising discretion as to the amount to be transferred and the individual to whom or the organization to which the transfer is made, the contribution is considered to be made by the original contributor for purposes of reporting by the ultimate recipient. The contribution is also treated as an individual contribution for purposes of determining contribution limitations and qualifying contributions for public grants. The individual or organization making the transfer is called a "conduit" under the law. In most cases, a conduit is required to register and file campaign finance reports unless the conduit does not transfer any contributions to candidates or to personal campaign, legislative campaign or political party committees.

This bill treats a contribution of money transferred by a conduit as a contribution from the conduit rather than from the individual contributor for purposes of reporting by the ultimate recipient, and for purposes of determining contribution limitations and qualifying contributions for public grants. Under the bill, conduit contributions made by a committee are included within the overall contribution limitation of 45% of a candidate's spending level that may be derived

**ASSEMBLY BILL 460**

from contributions received from committees and public grants. These conduit contributions may not be used to qualify for a public grant.

---

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

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

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

3           **SECTION 3.** 11.26 (12m) of the statutes is repealed.

4           **SECTION 4.** 11.50 (2) (b) 5. of the statutes is amended to read:

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

**ASSEMBLY BILL 460**

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

5

(END)

LPS:  
Please fix  
request sheet.

2001  
1999 BILL

stay's  
RMNR  
DNOTE

REGEN

- 1 AN ACT to repeal 11.01 (5m), 11.05 (9) (b), 11.06 (11), 11.24 (1m) and 11.26 (12m);
- 2 to renumber 11.05 (9) (a); to amend 11.05 (3) (n), 11.38 (1) (a) 3. and 11.50 (2)
- 3 (b) 5.; and to repeal and recreate 11.05 (9) (title) of the statutes; relating to:
- 4 treatment of contributions of money made by individuals or organizations
- 5 acting as conduits.

**Analysis by the Legislative Reference Bureau**

Currently, if an individual or organization receives a political contribution consisting of money and transfers the contribution to another individual or organization without exercising discretion as to the amount to be transferred and the individual to whom or the organization to which the transfer is made, the contribution is considered to be made by the original contributor for purposes of reporting by the ultimate recipient. The contribution is also treated as an individual contribution for purposes of determining contribution limitations and qualifying contributions for public grants. The individual or organization making the transfer is called a "conduit" under the law. In most cases, a conduit is required to register and file campaign finance reports unless the conduit does not transfer any contributions to candidates or to personal campaign, legislative campaign, or political party committees.

This bill treats a contribution of money transferred by a conduit as a contribution from the conduit rather than from the individual contributor for purposes of reporting by the ultimate recipient and for purposes of determining



**BILL**

contribution limitations and qualifying contributions for public grants. Thus, under this bill, a contribution of money that is transferred by a conduit that is a committee is included within the overall limitation on contributions that a candidate may derive from public grants and from contributions received from committees. In addition, these contributions may not be used to qualify for a public grant.

---

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

1           **SECTION 1.** 11.01 (5m)<sup>✓</sup> of the statutes is repealed.

2           **SECTION 2.** 11.05 (3) (n)<sup>✓</sup> of the statutes is amended to read:

3           11.05 (3) (n) In the case of a labor organization, or separate segregated fund  
4 under s. 11.38 (1) (a) 2. ~~or conduit established by a labor organization,~~ a statement  
5 as to whether the organization is incorporated, and if so, the date of incorporation  
6 and whether or not such incorporation is under ch. 181.

7           **SECTION 3.** 11.05 (9) (title)<sup>✓</sup> of the statutes is repealed and recreated to read:

8           11.05 (9) (title) DEPOSIT OF CONTRIBUTIONS.

9           **SECTION 4.** 11.05 (9) (a)<sup>✓</sup> of the statutes is renumbered 11.05 (9).

10          **SECTION 5.** 11.05 (9) (b)<sup>✓</sup> of the statutes is repealed.

11          **SECTION 6.** 11.06 (11)<sup>✓</sup> of the statutes is repealed.

12          **SECTION 7.** 11.24 (1m)<sup>✓</sup> of the statutes is repealed.

13          **SECTION 8.** 11.26 (12m)<sup>✓</sup> of the statutes is repealed.

14          **SECTION 9.** 11.38 (1) (a) 3.<sup>✓</sup> of the statutes is amended to read:

15          11.38 (1) (a) 3. No corporation or association specified in subd. 1. may expend  
16 more than a combined total of \$500 annually for solicitation of contributions to a fund  
17 established under subd. 2. ~~or to a conduit.~~

18          **SECTION 10.** 11.50 (2) (b) 5.<sup>✓</sup> of the statutes is amended to read:

**BILL**

1           11.50 (2) (b) 5. The financial reports filed by or on behalf of the candidate as  
2 of the date of the spring or September primary, or the date that the special primary  
3 is or would be held, if required, indicate that the candidate has received at least the  
4 amount provided in this subdivision, from contributions of money, other than loans,  
5 made by individuals, which have been received during the period ending on the date  
6 of the spring primary and July 1 preceding such date in the case of candidates at the  
7 spring election, or the date of the September primary and January 1 preceding such  
8 date in the case of candidates at the general election, or the date that a special  
9 primary will or would be held, if required, and 90 days preceding such date or the  
10 date a special election is ordered, whichever is earlier, in the case of special election  
11 candidates, which contributions are in the aggregate amount of \$100 or less, and  
12 which are fully identified and itemized as to the exact source thereof. ~~A contribution  
13 received from a conduit which is identified by the conduit as originating from an  
14 individual shall be considered a contribution made by the individual.~~ Only the first  
15 \$100 of an aggregate contribution of more than \$100 may be counted toward the  
16 required percentage. For a candidate at the spring or general election for an office  
17 identified in s. 11.26 (1) (a) or a candidate at a special election, the required amount  
18 to qualify for a grant is 5% of the candidate's authorized disbursement limitation  
19 under s. 11.31. For any other candidate at the general election, the required amount  
20 to qualify for a grant is 10% of the candidate's authorized disbursement limitation  
21 under s. 11.31.

(END)

DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-0223/1Ln  
RJM:JTK/  
wlj

② This draft updates the treatment of conduits in 1999 AB-460 to reflect the current language we are using in other proposals that have the same purpose as yours, ~~in order~~ to consistently utilize the same language to achieve the same effects

Representative Black:

~~Please review this draft carefully to ensure that it is consistent with your intent. This bill accomplishes your intended treatment of conduits in a more straight-forward fashion than 1999 AB-460. 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.~~

Robert J. Marchant  
Legislative Attorney  
Phone: (608) 261-4454  
E-mail: robert.marchant@legis.state.wi.us

Jeffery T. Kuesel  
Managing Attorney  
Phone: (608) 266-6778

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-0223/1dn  
RJM&JTK:wlj:pg

September 29, 2000

**Representative Black:**

This draft updates the treatment of conduits in 1999 AB-460 to reflect the current language we are using in other proposals that have the same purpose as yours, to consistently utilize the same language to achieve the same effect. Please let us know if you have any questions regarding this treatment.

Robert J. Marchant  
Legislative Attorney  
Phone: (608) 261-4454  
E-mail: robert.marchant@legis.state.wi.us

Jeffery T. Kuesel  
Managing Attorney  
Phone: (608) 266-6778



# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET  
5TH FLOOR  
MADISON, WI 53701-2037

STEPHEN R. MILLER  
CHIEF

LEGAL SECTION: (608) 266-3561  
LEGAL FAX: (608) 264-6948

September 29, 2000

### MEMORANDUM

To: Representative Black

From: Robert J. Marchant, Legislative Attorney

Re: LRB-0223 Treatment of conduits

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) 261-4454 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.