

WISCONSIN STATE
LEGISLATURE
COMMITTEE HEARING
RECORDS

2001-02

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on
Campaigns &
Elections
(AC-CE)

File Naming Example:

Record of Comm. Proceedings ... RCP

- > 05hr_AC-Ed_RCP_pt01a
- > 05hr_AC-Ed_RCP_pt01b
- > 05hr_AC-Ed_RCP_pt02

Published Documents

> Committee Hearings ... CH (Public Hearing Announcements)

> **

> Committee Reports ... CR

> **

> Executive Sessions ... ES

> **

> Record of Comm. Proceedings ... RCP

> **

*Information Collected For Or
Against Proposal*

> Appointments ... Appt

> **

> Clearinghouse Rules ... CRule

**

> Hearing Records ... HR (bills and resolutions)

> **01hr_ab0018_AC-CE_pt03**

> Miscellaneous ... Misc

> **



2001 BILL

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1 AN ACT *to repeal* 11.06 (3) (b); *to amend* 11.06 (1) (intro.), 11.06 (2) and 11.12
2 (4); and *to create* 11.01 (13) and (20) and 11.01 (16) (a) 3. of the statutes;
3 **relating to:** the scope of regulation and reporting of information by
4 nonresident registrants under the campaign finance law.

Analysis by the Legislative Reference Bureau

This bill is introduced as required by s. 227.19 (5) (e), stats., in support of the objections of the assembly committee on campaigns and elections on February 16, 2000, and of the senate committee on economic development, housing and government operations on February 14, 2000, and the objection of the joint committee for review of administrative rules on April 14, 2000, to the issuance of clearinghouse rule number 99-150 by the elections board. The proposed rule relates to the subject of disclosure and record-keeping requirements under the campaign finance law.

Currently, individuals who accept contributions, organizations which make or accept contributions, or individuals who or organizations which incur obligations or make disbursements for the purpose of influencing an election for state or local office are generally required to register with the appropriate filing officer and to file financial reports with that officer, regardless of whether they act in conjunction with or independently of any candidate who is supported or opposed.

With certain exceptions, this bill imposes registration and reporting requirements, in addition, upon any individual who or organization that, within 60 days of an election and by means of a newspaper, periodical, commercial billboard,

BILL

radio station, television station, mass mailing, or telephone bank operator, makes a communication which includes the name or likeness of a candidate at that election, an office to be filled at that election, or a political party. The bill, however, does not require registration and reporting if the communication is made by a corporation, cooperative, or nonpolitical voluntary association and is limited to the corporation's, cooperative's, or association's members, shareholders, or subscribers.

Currently, with certain exceptions, registrants under the campaign finance law are required to file regular reports with the appropriate filing officer or agency. The reports must identify contributors of more than \$20 cumulatively within a calendar year; the occupation and principal place of employment, if any, of each contributor whose cumulative contributions within a calendar year exceed \$100; the registrants from whom or to whom funds are transferred; other income exceeding \$20; contributions donated to a charitable organization or the common school fund; loans exceeding \$20 together with the identity of the lenders and guarantors, if any; disbursements (expenditures) and obligations exceeding \$20; and certain information from registrants making disbursements independently of candidates. However, if a registrant does not maintain an office or street address within this state, the registrant need only identify contributions, transfers, loans, and other income received from sources in this state and disbursements and obligations incurred with respect to elections for state or local office in this state.

This bill deletes the exception for registrants who or which do not maintain an office or street address within this state, so that these registrants are required to report the same information as other registrants.

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

1 **SECTION 1.** 11.01 (13) and (20) of the statutes are created to read:

2 11.01 (13) "Mass mailing" means the distribution of 50 or more pieces of
3 substantially identical material.

4 (20) "Telephone bank operator" means any person who places or directs the
5 placement of telephone calls to individuals.

6 **SECTION 2.** 11.01 (16) (a) 3. of the statutes is created to read:

7 11.01 (16) (a) 3. A communication that is made by means of one or more
8 communications media or a mass mailing, or through a telephone bank operator,
9 other than a communication that is exempt from reporting under s. 11.29, that is
10 made during the period beginning on the 60th day preceding an election and ending

BILL

1 on the date of that election and that includes a name or likeness of a candidate whose
2 name is certified under s. 7.08 (2) (a) or 8.50 (1) (d) to appear on the ballot at that
3 election, the name of an office to be filled at that election, or the name of a political
4 party.

5 **SECTION 3.** 11.06 (1) (intro.) of the statutes is amended to read:

6 11.06 (1) CONTENTS OF REPORT. (intro.) Except as provided in subs. (2), ~~(3)~~ and
7 (3m) and ss. 11.05 (2r) and 11.19 (2), each registrant under s. 11.05 shall make full
8 reports, upon a form prescribed by the board and signed by the appropriate
9 individual under sub. (5), of all contributions received, contributions or
10 disbursements made, and obligations incurred. Each report shall contain the
11 following information, covering the period since the last date covered on the previous
12 report, unless otherwise provided:

13 **SECTION 4.** 11.06 (2) of the statutes is amended to read:

14 11.06 (2) DISCLOSURE OF CERTAIN INDIRECT DISBURSEMENTS. Notwithstanding
15 sub. (1), if a disbursement is made or obligation incurred by an individual other than
16 a candidate or by a committee or group which is not primarily organized for political
17 purposes, and the disbursement does not constitute a contribution to any candidate
18 or other individual, committee or group, the disbursement or obligation is required
19 to be reported only if the purpose is to expressly advocate the election or defeat of a
20 clearly identified candidate or the adoption or rejection of a referendum or if the
21 disbursement is made or the obligation incurred to make a communication that is
22 specified in s. 11.01 (16) (a) 3. The exemption provided by this subsection shall in no
23 case be construed to apply to a political party, legislative campaign, personal
24 campaign or support committee.

25 **SECTION 5.** 11.06 (3) (b) of the statutes is repealed.

BILL

1 **SECTION 6.** 11.12 (4) of the statutes is amended to read:

2 11.12 (4) Each registrant shall report contributions, disbursements and
3 incurred obligations in accordance with s. 11.20. Except as permitted under s. 11.06
4 (2),~~(3)~~ and (3m), each report shall contain the information which is required under
5 s. 11.06 (1).

6 **SECTION 7. Initial applicability.**

7 (1) The treatment of sections 11.06 (1) (intro.) and (3) (b) and 11.12 (4) of the
8 statutes first applies with respect to reporting periods which begin on or after the
9 effective date of this subsection.

10

(END)

Office of Sen. Judith Robson
Office of Rep. Glenn Grothman
Phone 608-266-2253
Phone 608-264-8486

**Joint Committee for
Review of
Administrative Rules**

**Report to the Legislature on
Clearinghouse Rule 99-150**

Produced pursuant to s. 227.19(6)(a), Stats.

Description of the Rule

Clearinghouse Rule 99-150 was written by the State Elections Board under the authority provided in s. 11.01(3), (6), (7) and (16), Stats. According to the Elections Board, the rule "attempts to define more specifically those communications that are to be considered express advocacy subject to regulation by ch. 11 of the Wisconsin Statutes." The rule was written by the Elections Board to implement the decision of the Wisconsin Supreme Court in Wisconsin Manufacturers & Commerce, et al. v. State of Wisconsin Elections Board, 227 Wis.2d 650, 597 N.W.2d 721 (1999). The proposed rule amends s. El Bd. 1.28(1)(intro.) and (2)(c) of the Wisconsin Administrative Code.

CR 99-150 was submitted to the Senate Committee on Economic Development, Housing and Government Operations on December 22, 1999 for standing committee review. A public hearing was held on February 9, 2000. The Senate Committee met in executive session February 14 and unanimously objected to the rule.

Simultaneously, the proposed rule was submitted to the Assembly Committee on Campaigns and Elections on December 30, 1999. A public hearing was held on

January 27. The proposed rule was unanimously objected to at an executive session held on February 16.

Because of the objections of the standing committees, CR 99-150 was referred to the Joint Committee for Review of Administrative Rules.

Action by the Joint Committee for Review of Administrative Rules

One of the statutory duties with which the Joint Committee for Review of Administrative Rules is charged is the review of partial or complete objections to Clearinghouse Rules by standing committees of the Assembly and Senate.

Generally, the Joint Committee may take one of three executive actions in response to a standing committee objection:

- The Joint Committee may vote to concur in the objection of a standing committee. Should this occur, the Clearinghouse Rule will be suspended. The Joint Committee must then introduce bills into both houses of the Legislature to codify the objection.
- The Joint Committee may vote to nonconcur in the objection of a standing committee. In that event, the Clearinghouse Rule will go into effect.
- The Joint Committee may vote to request that the agency make modifications to the Clearinghouse Rule.

In this case, the Joint Committee held a public hearing and executive session on April 11, 2000 at which the objections of the Senate and Assembly Committees to

CR 99-150 were discussed. The Joint Committee voted unanimously to *concur in* the objections of both standing committees to Clearinghouse Rule 99-150.

On May 10, 2000, the Joint Committee voted to introduce 1999 LRB 4936 (or its 2001 equivalent, introduced here as 2001 LRB 1764) to uphold the Legislature's objection to CR 99-150. The Joint Committee vote was 8-2.

Arguments Presented For and Against the Proposed Rule

The Joint Committee upheld the objections of the standing committees to CR 99-150 after hearing the following arguments at the public hearing.

Arguments in Favor of Concurring in the Objection

■ *The rule is not necessary.* The rule merely reiterates a list of words used by the U.S. Supreme Court in a footnote as examples of speech that constitute express advocacy. Because the rule does not create a new standard, it is redundant and therefore unnecessary.

■ *The rule is not strong enough.* The rule should make it clear that the requirements of ch. 11 of the Wisconsin Statutes (governing campaign finance) apply to all political speech that advocates the election or defeat of a clearly identified candidate, regardless of whether specific words are used. Political speech may advocate a specific vote even if certain "magic" words are not used. Because the proposed rule uses specific words as the standard for determining whether a communication is subject to state campaign finance laws, the rule may not be able to regulate communications that avoid the use of specific words or phrases but nevertheless advocate for a particular electoral result.

Arguments Against Concurrence in the Objection

■ *The Elections Board lacks statutory authority to write a stronger rule.* The Elections Board testified that it did not have statutory authority to write a stronger rule and that such regulation must come directly from the Legislature.

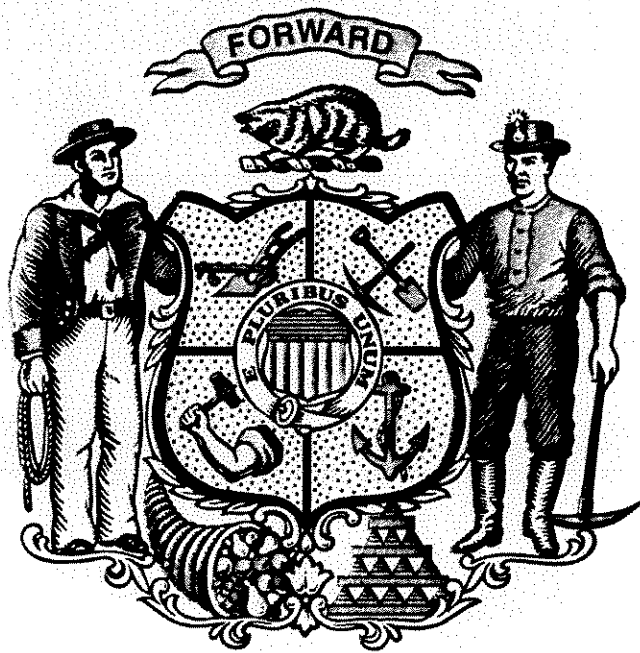
■ *A stronger rule would violate the First Amendment.* The rule uses language taken directly from the U.S. Supreme Court's Decision in Buckley v. Valeo. Re-writing the court's definition of express advocacy would be a violation of First Amendment rights to freedom of speech.

■ *The proposed rule adequately defines express advocacy.* The proposed rule does not just list specific words, it also regulates "functional equivalents." Therefore, the rule is flexible enough to adequately regulate express advocacy in future situations.

Statutory Basis for the Joint Committee's Objection

The Joint Committee voted to concur in the objections of the standing committees to Clearinghouse Rule 99-150 pursuant to s. 227.19(5)(d), Stats., and for the reason enumerated in s. 227.19(4)(d)6, Stats., "arbitrariness and capriciousness, or imposition of an undue hardship."

The proposed rule is arbitrary and capricious because it regulates some speech and not other speech on the basis of specific words, even though the intent of both communications is the same – the election or defeat of a given candidate.





State of Wisconsin
2001 - 2002 LEGISLATURE

LRBs0033/1
JTK&RJM:hmh&cjs:jf

ASSEMBLY SUBSTITUTE AMENDMENT ,
TO 2001 ASSEMBLY BILL 18

1 AN ACT *to repeal* 11.06 (3) (b); *to amend* 11.06 (1) (intro.), 11.12 (4) and 11.61
2 (1) (a) to (c); and *to create* 11.01 (13) and (20), 11.01 (16) (a) 3., 11.38 (1) (a) 4.,
3 11.60 (3s) and 11.61 (1) (d) of the statutes; **relating to:** the scope of regulation
4 and reporting of information by nonresident registrants under the campaign
5 finance law and providing a penalty.

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

6 SECTION 1. 11.01 (13) and (20) of the statutes are created to read:

7 11.01 (13) "Mass mailing" means the distribution of 50 or more pieces of
8 substantially identical material.

9 (20) "Telephone bank operator" means any person who places or directs the
10 placement of 50 or more substantially identical telephone calls to individuals.

11 SECTION 2. 11.01 (16) (a) 3. of the statutes is created to read:

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b5827

1 11.01 (16) (a) 3. A communication that is made by means of one or more
2 communications media or a mass mailing, or through a telephone bank operator,
3 other than a communication that is exempt from reporting under s. 11.29, that is
4 made during the period beginning on the 60th day preceding an election and ending
5 on the date of that election and that includes a name or likeness of a candidate whose
6 name is certified under s. 7.08 (2) (a) or 8.50 (1) (d) to appear on the ballot at that
7 election or the name of an office to be filled at that election.

8 **SECTION 3.** 11.06 (1) (intro.) of the statutes is amended to read:

9 11.06 (1) CONTENTS OF REPORT. (intro.) Except as provided in subs. (2), (3) and
10 (3m) and ss. 11.05 (2r) and 11.19 (2), each registrant under s. 11.05 shall make full
11 reports, upon a form prescribed by the board and signed by the appropriate
12 individual under sub. (5), of all contributions received, contributions or
13 disbursements made, and obligations incurred. Each report shall contain the
14 following information, covering the period since the last date covered on the previous
15 report, unless otherwise provided:

16 **SECTION 4.** 11.06 (3) (b) of the statutes is repealed.

17 **SECTION 5.** 11.12 (4) of the statutes is amended to read:

18 11.12 (4) Each registrant shall report contributions, disbursements and
19 incurred obligations in accordance with s. 11.20. Except as permitted under s. 11.06
20 (2), (3) and (3m), each report shall contain the information which is required under
21 s. 11.06 (1).

22 **SECTION 6.** 11.38 (1) (a) 4. of the statutes is created to read:

23 11.38 (1) (a) 4. Notwithstanding subd. 1., a corporation or association specified
24 in subd. 1. may make a disbursement for the purpose of making a communication

1 specified in s. 11.01 (16) (a) 3. if the act of making that communication does not
2 constitute an act for a political purpose under any other provision of s. 11.01 (16).

3 SECTION 7. 11.60 (3s) of the statutes is created to read:

4 11.60 (3s) Notwithstanding sub. (1), if any person, including any committee,
5 group, or corporation, fails to register or to report a contribution, disbursement, or
6 incurred obligation, makes an unlawful contribution or disbursement, or incurs an
7 unlawful obligation, and the violation results from a communication made for a
8 political purpose described under s. 11.01 (16) (a) 3. but not from an act for a political
9 purpose described under any other provision of s. 11.01 (16), the person may be
10 required to forfeit not more than 3 times the amount or value of the contribution,
11 disbursement, or incurred obligation.

12 SECTION 8. 11.61 (1) (a) to (c) of the statutes are amended to read:

13 11.61 (1) (a) ~~Whoever~~ Except as provided in par. (d), whoever intentionally
14 violates s. 11.05 (1), (2), (2g) or (2r), 11.07 (1) or (5), 11.10 (1), 11.12 (5), 11.23 (6) or
15 11.24 (1) may be fined not more than \$10,000 or imprisoned for not more than 4 years
16 and 6 months or both.

17 (b) ~~Whoever~~ Except as provided in par. (d), whoever intentionally violates s.
18 11.25, 11.26, 11.27 (1), 11.30 (1) or 11.38 where the intentional violation does not
19 involve a specific figure, or where the intentional violation concerns a figure which
20 exceeds \$100 in amount or value may be fined not more than \$10,000 or imprisoned
21 for not more than 4 years and 6 months or both.

22 (c) ~~Whoever~~ Except as provided in par. (d), whoever intentionally violates any
23 provision of this chapter other than those provided in par. (a) and whoever
24 intentionally violates any provision under par. (b) where the intentional violation

9/20/11
to SB 2

1 concerns a specific figure which does not exceed \$100 in amount or value may be fined
2 not more than \$1,000 or imprisoned not more than 6 months or both.

3 **SECTION 9.** 11.61 (1) (d) of the statutes is created to read:

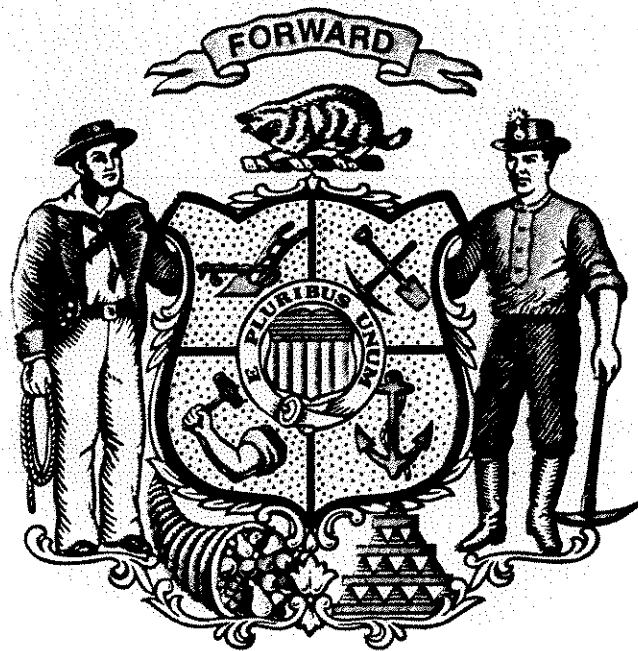
4 11.61 (1) (d) Paragraphs (a) to (c) do not apply to any violation that is
5 punishable under s. 11.60 (3s).

6 **SECTION 10. Initial applicability.**

7 (1) The treatment of sections 11.06 (1) (intro.) and (3) (b) and 11.12 (4) of the
8 statutes first applies with respect to reporting periods which begin on or after the
9 effective date of this subsection.

10

(END)





State of Wisconsin
2001 - 2002 LEGISLATURE

LRBa0236/1
JTK&RJM:wlj:rs

ASSEMBLY AMENDMENT ⁽²⁾
TO 2001 ASSEMBLY BILL 18

GOP & OLCC

Handwritten initials and a checkmark.

1 At the locations indicated, amend the bill as follows:

2 1. Page 1, line 3: before "the" insert "acceptance of contributions and".

3 2. Page 4, line 5: after that line insert:

4 "SECTION 6c. 11.24 (1v) of the statutes is created to read:

5 11.24 (1v) No registrant may accept any contribution made by a committee or
6 group that does not maintain an office or street address within this state at the time
7 that the contribution is made unless that committee or group is registered with the
8 federal election commission under 2 USC 433 (a)."

9 (END)



State of Wisconsin
2001 - 2002 LEGISLATURE

50 pieces

LRBa0237/1
RJM&JTK:kmg:km

ASSEMBLY AMENDMENT, 3
TO 2001 ASSEMBLY BILL 18

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1 At the locations indicated, amend the bill as follows:

2 1. Page 2, line 5: after "of" insert "50 or more substantially identical".

3 (END)



State of Wisconsin
2001 - 2002 LEGISLATURE

people
Budget

LRBa0257/1

JTK&RJM:cjs:kjf

ASSEMBLY AMENDMENT , 4
TO 2001 ASSEMBLY BILL 18

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1 At the locations indicated, amend the bill as follows:

2 1. Page 1, line 4: delete "law" and substitute "law and making an
3 appropriation".

4 2. Page 4, line 5: after that line insert:

5 "SECTION 6t. Appropriation changes.

6 (1) In the schedule under section 20.005 (3) of the statutes for the appropriation
7 to the elections board under section 20.510 (1) (a) of the statutes, as affected by the
8 acts of 2001, the dollar amount is increased by \$67,400 for fiscal year 2001-02 and
9 the dollar amount is increased by \$67,400 for fiscal year 2002-03 to increase the
10 authorized FTE positions for the elections board by 1.0 GPR position and to provide
11 for supporting expenses and to provide for limited term staffing needs for the purpose
12 of implementing this act."

13

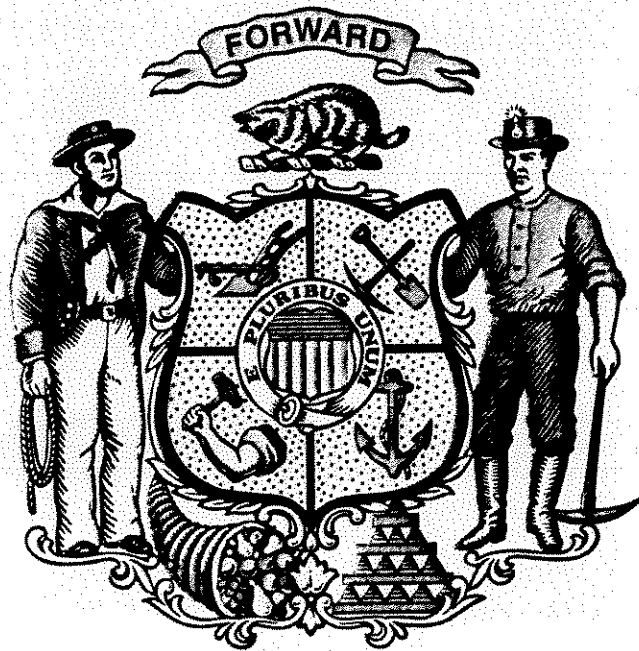
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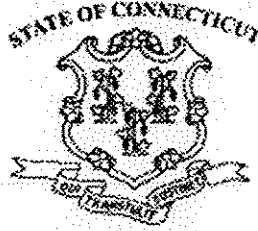


ASSEMBLY AMENDMENT, 6
TO 2001 ASSEMBLY BILL 18

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- 1 At the locations indicated, amend the bill as follows:
- 2 1. Page 1, line 4: after "law" insert "and providing a penalty".
- 3 2. Page 4, line 5: after that line insert:
- 4 "SECTION 6e. 11.60 (3s) of the statutes is created to read:
- 5 11.60 (3s) Notwithstanding sub. (1), if any person, including any committee,
- 6 group, or corporation, fails to register or to report a contribution, disbursement, or
- 7 incurred obligation, makes an unlawful contribution or disbursement, or incurs an
- 8 unlawful obligation, and the violation results from a communication made for a
- 9 political purpose described under s. 11.01 (16) (a) 3. but not from an act for a political
- 10 purpose described under any other provision of s. 11.01 (16), the person may be
- 11 required to forfeit not more than 3 times the amount or value of the contribution,
- 12 disbursement, or incurred obligation.
- 13 SECTION 6m. 11.61 (1) (a) to (c) of the statutes are amended to read:





Substitute House Bill No. 6665

Public Act No. 99-275

An Act Concerning Candidate Related Advertisements.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Subsection (a) of section 9-333c of the general statutes is repealed and the following is substituted in lieu thereof:

(a) As used in this chapter, the term "expenditure" means:

(1) Any purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value, when made for the purpose of influencing the nomination for election, or election, of any person or for the purpose of aiding or promoting the success or defeat of any referendum question or on behalf of any political party;

(2) Any advertisement that (A) refers to one or more clearly identified candidates, (B) is broadcast by radio or television other than on a public access channel, or appears in a newspaper, magazine or on a billboard, and (C) is broadcast or appears during the ninety-day period preceding the date of an election, other than a commercial advertisement that refers to an owner, director or officer of a business entity who is also a candidate and that had previously been broadcast

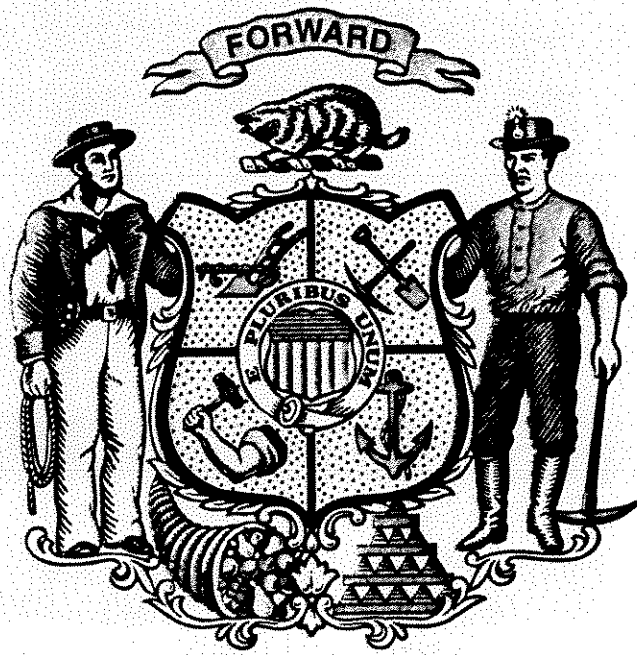
or appeared when the owner, director or officer was not a candidate; or

[(2)] (3) The transfer of funds by a committee to another committee.

Sec. 2. This act shall take effect July 1, 1999.

Approved June 29, 1999

TOP



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MONDAY, MAY 22, 2000

EDITORIAL

Let's close this loophole

It didn't get much attention. Maybe that's because this Legislature, now in its final days, has done, and probably will do, nothing about campaign finance reform in Wisconsin.

Unless the governor orders a special session this month to consider reform, January is the Legislature's next chance. That's because on a strongly bipartisan vote, the Joint Committee on Administrative Rules recommended closing a loophole in existing law big enough for every special interest in the state to drive through.

Essentially, what the committee did was recommend curtailing so-called "issue ads," which profess to educate voters but actually are thinly disguised dodges around campaign disclosure laws.

It might be too late for the full Legislature. But the committee's action — and legislative protocol — does guarantee that reform will be high on the list for consideration early in the Legislature's next session.

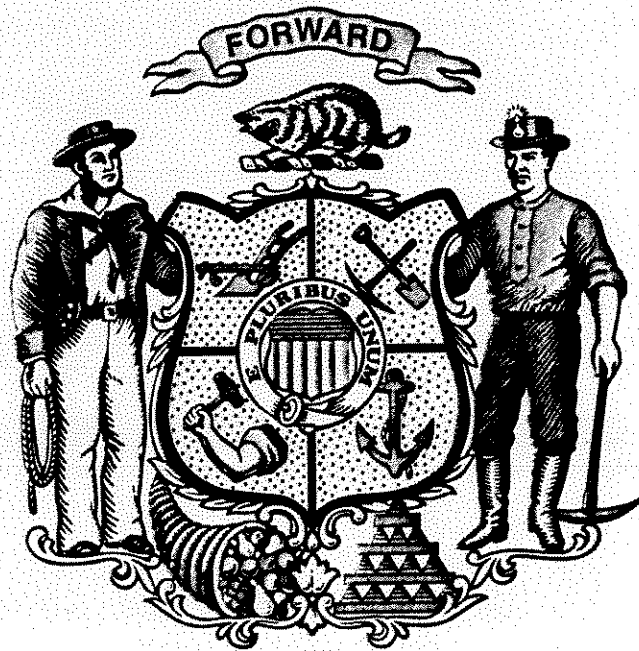
Any political observer knows that issue

ads are really fronts for groups that support a specific candidate for election. Because the ads refrain from using words such as "vote for" and "elect," even if they are clearly designed to elect or defeat someone, special interests are permitted to spend virtually unlimited amounts and still avoid disclosing the source of the money.

It's the kind of information voters might want. The fact that those special interests indulging in issue ads may not want their identities known is in itself disturbing.

So what the committee has recommended is quite simple: Groups that run television ads with the name or image of a candidate within 60 days of an election must register with the State Elections Board and list all their contributors, just as candidates and campaign committees do.

If the rule becomes law, no First Amendment guarantees will be broken. Rather, corporations, unions and the very wealthy will no longer be permitted to hide behind phony issue advocacy ads. The change would level the playing field all around.



Phony issue ads pollute elections

Wisconsin was once known for progressive government. Now it's gaining a reputation as the Mecca of phony issue ads.

Phony issue ads are campaign ads masquerading as issue advocacy. Although they mention candidates' names and talk about their records, they evade election campaign laws by not specifically telling people how to vote. These evasions have been upheld by both the U.S. and Wisconsin Supreme Courts.

Phony issue ads are a problem because they're not subject to the rules for political contributions. The amount spent on the ads is not limited to \$10,000 as a political action committee (PAC) contribution is. There's no requirement for disclosure of who paid for the ads.

There are two indirect problems, too. First, anonymous contributors usually feel freer to sling mud since voters won't know who to hold accountable for the negativity.

Second, the candidates, even the ones helped by the ads, lose control of the campaigns. They no longer pick the issues on which the election will be determined.

Common Cause, the citizens' watchdog group, says \$160,000 has been spent on phony issue ads in the state

since September. The pace is likely to quicken in the last few days before the Nov. 7 elections.

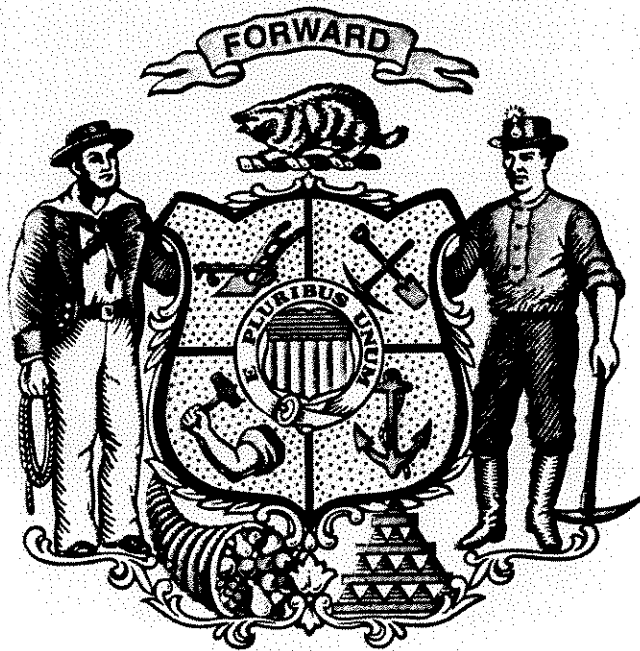
Controlling phony issue ads is very difficult because it's unconstitutional to quash free speech guarantees of the First Amendment to combat them.

A suitable answer was a proposed rule that failed to pass the state Elections Board last summer. It would have required independent groups to disclose who is paying for ads featuring the names or likenesses of candidates for state office that appear within 60 days of an election, regardless of whether the ads specifically advocate the election or defeat of the candidates.

The rule failed on a 4-4 vote with all four Republicans' members of the board voting against it and three Democrats and an independent voting for it.

While nothing can be done for this election, there's still a good opportunity early next session for the rule to become law. Republican Rep. Stephen Freese of Dodgeville and Democratic Sen. Judy Robson of Beloit have proposed incorporating the language of the election rule into a bill.

Such legislation would be a step toward restoring Wisconsin as a place of progressive government.



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State has chance to make campaign finance reform a reality

The Daily Press

With the start of its 2001 session, the Wisconsin Legislature has an opportunity to quickly take an important step in real campaign finance reform.

Last fall the bipartisan Joint Committee for Review of Administrative Rules developed new rules regulating issue advocacy ads -- ads that clearly advocate one candidate over another, but because they don't use the words "vote for" are exempt from state campaign finance regulations.

Since 1996, groups on both sides of the political aisle have increasingly used issue advocacy ads as a means of supporting candidates without having to disclose who paid for the advertisements.

"It's a bipartisan problem," said Jay Heck, the executive director of Common Cause In Wisconsin, a campaign finance reform advocacy organization.

Heck correctly notes that the spending on issue advocacy ads by "phantom groups" has contributed to spiraling campaign spending -- seen this past election in a \$3 million state senate race.

The JCRAR is proposing that any issue advocacy ads running 60 days prior to an election must be regulated like any campaign advertising -- that means full disclosure of who is paying for the advertisement and those paying for the ads would be subject to campaign contribution limits.

Under Wisconsin statutes, the JCRAR must introduce its proposal in January as part of the regular legislative session. Each standing



committee then has 30 days to review the proposed rules, and within 40 days the measure must be placed on the calendar of both the Assembly and the Senate for consideration.

Heck said Senate Majority Leader Chuck Chvala has promised to place measure on the Senate calendar. So far, he has received no such acknowledgement from House Speaker Scott Jensen.

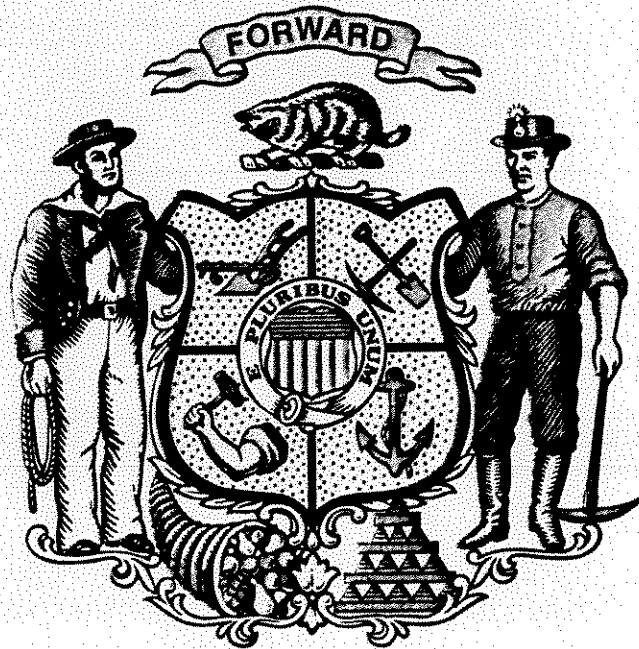
It's clear the time is now to enact this critical piece of campaign finance reform legislation -- in a November advisory referendum, 90 percent of Wisconsin voters in 52 counties said they favored enacting campaign finance reform in the state.

Heck says Wisconsin has gone from being a leader in campaign finance to an "also-ran." This measure will go a long way to making Wisconsin a state where campaigns have no hint of underhandedness.

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No organization has done more to corrupt Wisconsin politics than the Wisconsin Manufacturers & Commerce special interest lobby. Using loopholes in state election law, the organization has poured millions of dollars in illegal corporate-linked dollars into the state's political process, tipping the balance in debates over tax policy, education, worker safety and dozens of other issues toward the rewarding of campaign contributors as opposed to the service of public interest.

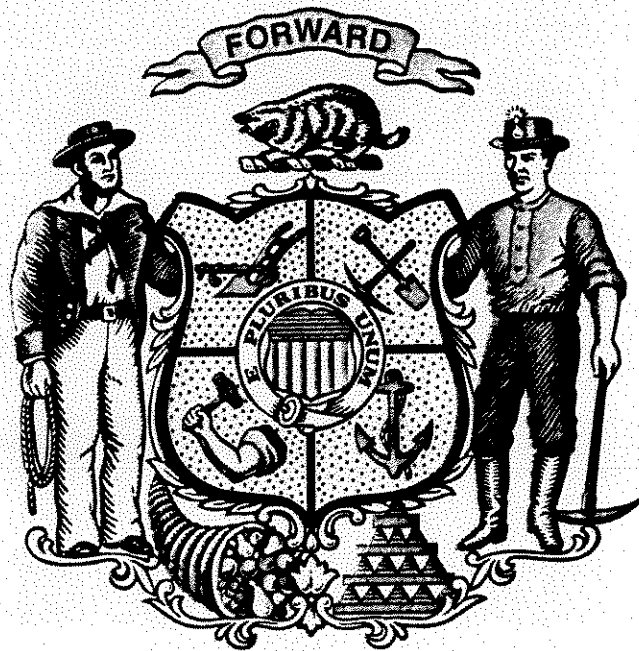
Now, WMC is flexing its considerable political muscle in an attempt to undermine efforts to clean up the process. In doing so, James Buchen, the WMC vice president who has been in the forefront of the group's legal and legislative efforts to block the public will for campaign finance reform, is employing classic Orwellian tactics.

Buchen claims a mild reform proposal under consideration by the Legislature would censor free speech.

The "censorship" Buchen decries is, in fact, a simple move to require special interest groups such as WMC to live by the rules that ordinary citizens and candidates must respect. A bipartisan coalition of responsible Republican and Democratic legislators is moving to enact a simple set of limits on so-called "issue ads." The legislation would require groups such as WMC to register with the state Elections Board and disclose the sources of money they use to sponsor ads attacking or supporting political candidates within 60 days of an election.

There is no censorship involved. This bill would create greater openness — allowing all Wisconsinites

(- over -)



Senate passes bill regulating issue ads

By RICHARD P. JONES
of the Journal Sentinel staff

Madison — The Legislature took a step toward passing campaign finance reform this session with bipartisan Senate approval Tuesday of a bill to require financial disclosure of groups that run issue ads within 60 days before an election.

Five Republicans joined the Democrats controlling the Senate to pass the bill on a 23-10 vote, despite warnings from organizations running such ads that the courts would rule the measure unconstitutional.

Under the bill, any group running a TV or radio ad with the name or likeness of a candidate within 60 days before an election would have to register with the state Elections Board, identify contributors and list expenditures.

The measure's fate in the Assembly, however, was uncertain.

"We are heartened by the progress on campaign finance reform," Assembly Speaker Scott Jensen (R-Town of Brookfield) said. "The test in this house will be whether or not the bill is constitutional and fair."

Wisconsin Manufacturers and Commerce, the state's largest business organization, and other groups, such as Wisconsin Realtors Association and Wisconsin Right to Life, maintained that the bill would abridge free speech rights.

Besides constitutional arguments against the bill, Jensen raised a question of fairness.

"This legislation would wipe out the ability of business groups to influence the issues discussed in elections while leaving intact the ability of labor unions to influence the outcome of elections,"

Jensen said. "Any legislation that would pass this house would have to be fair to all groups."

Unions run ads as independent expenditures and register with the Elections Board. To counter their influence, businesses started running issue ads in the 1996 election but maintained they were exercising free speech rights and were free from regulation.

Wisconsin Manufacturers and Commerce and others cite a 1976 U.S. Supreme Court ruling, which they maintain set a so-called magnetic words test. As long as their TV ads, radio spots or mass mailings don't use words such as "vote for," "elect" or "defeat," their ads are protected free speech.

However, some lawmakers and advocates for campaign finance reform have labeled the TV spots as phony issue ads, more often than not, negative ads attacking a candidate. Under the guise of issue ads, businesses have been able to skirt a ban on corporate involvement in campaigns dating to 1905, according to proponents of the measure.

Financial disclosure has uncertain fate in Assembly

every citizen in Wisconsin."

During Senate debate, Sen. Judy Robson (D-Beloit), who proposed the 60-day rule last spring, said that with

"This was a strong bipartisan vote in favor of closing the biggest loophole in Wisconsin's campaign finance law," said Jay Heck, executive director of Common Cause in Wisconsin.

"It's a beginning step," Heck said. "There's more to be done. But it demonstrates a commitment to making sure the voters of Wisconsin know who's paying for these attack ads" and that the money that is utilized to pay for them comes from sources that are regulated, not unlimited corporate or union treasury money."

However, Manufacturers and Commerce spokesman Jim Pugh said the legislation was doomed in the courts, if not the Assembly.

"The bill is patently unconstitutional," he said. "Similar schemes have never been upheld by any federal court. This bill is a censorship bill, plain and simple. It violates the free speech rights of

Jay Heck,

Common Cause

she said the legislation was unfair because it would prevent corporations from running issue ads, while other businesses, such as partnerships, and labor unions could run ads.

She and other Republicans

maintained the measure did not, as proponents argued, make everyone play by the same rules and level the playing field.

"What does this bill do? It bans corporations from issue advertising, but it doesn't do anything about unions," Sen. Bob Welch (R-Redgranite) said.

In other action Tuesday, the Senate passed by unanimous vote a bipartisan measure to avoid a deficit in BadgerCare, Wisconsin's popular health insurance plan for the working poor. Jensen said he expected the Assembly to act on the BadgerCare bill today.

The bill would provide \$11 million in emergency funding to keep the program afloat through June 30, the remainder of the current fiscal year.

BadgerCare provides health care insurance to working families who earn too much to qualify for Medicaid coverage but cannot get insurance through their employers. For example, a family of three earning less than \$26,178 a year would qualify.

When lawmakers passed the state budget two years ago, they assumed BadgerCare enrollment would not exceed 67,500 individuals by this July. However, enrollment could hit 81,700 by July.