ø	1	(11) "Mass mailing" means a districtwide or statewide mailing of newsletters,
	2	pamphlets, brochures or other similar items of more than 100 pieces in which the
	3	content of the matter mailed is substantially identical. "Mass mailing" does not
	4	include a mailing made in direct response to communications from persons to whom
	5	the matter is mailed, a mailing to a federal, state or local government official or a
	6	news release to communications media.
	7	(12) "Noncomplying randidate" means a candidate for the office of justice who
	8	does not apply for a public financing benefit or who otherwise is ineligible or fails to
	9	qualify for a public financing benefit under ss. 11.502 to 11.522.
1	0	(13) "Personal funds" means funds contributed by a candidate or a member of
1	1	a candidate's immediate family.
1	2	(14) "Primary election campaign period" means the period beginning 30-days
1	3	after the last day prescribed by law for filing nomination papers for that office and
1	4	ending on the day of the spring primary election for that office or the day on which
1	5	the primary election would be held, if required.
1	6	(15) "Public financing qualifying period" means the period beginning on the
1	7	first day of July of any year and ending on the day before the beginning of the primary
1	8	election campaign period for that office.
1	9	(15) "Qualifying contribution" means a contribution made to a candidate by an
2	0	elector of the jurisdiction or district in which the candidate seeks office during the
2	1	public financing qualifying period, which is acknowledged by written receipt
2	2	identifying the contributor.
2	3	(17) "Seed money contribution" means a contribution in an amount of not more
2	4	than \$100 made to a candidate by an elector of the jurisdiction or district in which
2	5	the candidate seeks office during the exploratory period or the public financing

qualifying period, or a contribution made to a candidate consisting of personal funds
of that candidate in an amount not more than the amount authorized under s. 11.507
during the exploratory period or the public financing qualifying period.
11.502 Qualification; certification. (1) Before a candidate for justice in the

primary election may be certified as an eligible candidate to receive a public financing benefit for the primary election campaign period, the candidate shall apply to the board for a public financing benefit and file a sworn statement that the this section and candidate has complied and will comply with all requirements of ss. 11.502 to 11.522 throughout the applicable campaign, which includes the primary and election for that office. A candidate shall file the application and statement no later than the beginning of the primary election campaign period for the office that the candidate seeks.

- (2) A candidate shall be certified by the board as an eligible candidate for receipt of public financing for a primary election if the candidate complies with sub.

  (1) and receives at least 1,000 qualifying contributions in amounts equal to not less than \$5 nor more than \$100 and in an aggregate amount of not less than \$5,000 nor more than \$15,000 before the close of the public financing qualifying period.
- (3) The board shall verify a candidate's compliance with the requirements of sub. (2) by such verification and sampling techniques as the board considers appropriate.
  - **(4)** Each candidate shall:
- (a) Acknowledge each qualifying contribution by a receipt to the contributor which contains the contributor's name and home address.
- (b) No later than the 15th or the last day of the month which immediately follows the date of receipt of a qualifying contribution, whichever comes first, file a

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	copy of the receipt under par. (a) with the board, except that during July, August and
. 2	September a copy need only be filed on the last day of the month.
3	(5) A qualifying contribution may be utilized only for the purpose of making
4	a disbursement authorized by law.
5	11.503 Time of application. (1) Before a candidate may be certified as
6	eligible for receipt of public financing for a spring election, the candidate shall apply
7	to the board and file a sworn statement that the candidate has fulfilled all the
8	requirements of ss. $11.502$ to $11.522$ during the primary election campaign period
99	and will comply with such requirements during the election campaign period. The Execute as authorized in $5,8,35(4)(6)$ , the application shall be filed no later than the 7th day after the date of the spring primary
<b>T</b> 1	election or the day on which the primary election would be held if a primary were
12	required.
13	(2) The board shall certify a candidate as an eligible candidate for receipt of
14	public financing for a spring election if the candidate complies with sub. (1) and the
15	candidate was an eligible candidate during the primary election campaign period.
16	11.505 Agreement by candidate. An eligible candidate who accepts a public
17	financing benefit under ss. 11.502 to 11.522 during the primary election campaign
18	period shall agree to comply with all requirements of ss. 11.502 to 11.522 throughout
19	the election campaign period during the same campaign as a precondition to receipt
20	of public financing. An eligible candidate who accepts a public financing benefit
21	during a primary election campaign period may not elect to accept private
22	contributions in violation of ss. 11.502 to 11.522 during the corresponding election
23	campaign period.

11.506 Requirements imposed upon candidates. (1) An eligible candidate may not accept private contributions other than seed money contributions

and qualifying contributions that the candidate accepts during the exploratory period and the public financing qualifying period.

- (2) In addition to reports required to be filed under ss. 11.12 (5) and 11.20, a candidate who receives a public financing benefit shall furnish complete financial records, including records of seed money contributions, qualifying contributions and disbursements, to the board on the 15th or the last day of the month that immediately follows the receipt of the contribution or the making of the disbursement, whichever comes first, except that during July, August and September records need only be furnished on the last day of the month. Each such candidate shall cooperate with any audit or examination by the board.
- (3) In addition to adhering to requirements imposed under ss. 11.06 (5) and 11.12 (3), a candidate who receives a public financing benefit shall maintain records of all contributions received by the candidate of more than \$5 but less than \$50, including seed money contributions and qualifying contributions, which shall contain the full name of the contributor and the contributor's full home address. In addition, if a contributor's aggregate contributions to any candidate exceed \$50 for any campaign, the candidate shall also maintain a record of the contributor's principal occupation and the name and business address of the contributor's place of employment.
- (4) The failure to record or provide the information specified in sub. (3) disqualifies a contribution from counting as a qualifying contribution.
- (5) No eligible candidate and no person acting on a candidate's behalf may deposit any contribution that is not recorded in accordance with sub. (3) in a candidate's campaign depository account.

1	(6) No eligible candidate may accept more than \$25 in cash from any
2	contributor and no such candidate may accept cash from all sources in a total amount
$\sqrt{3}$	greater than one-tenth of 1% of the public financing benefit for the office that the
$\underbrace{4}$	candidate seeks or \$500, whichever is greater.
5	11.507 Personal funds of candidates. (1) The personal funds of a candidate
6	contributed as seed money contributions may not exceed an aggregate amount of
7	\$5,000.
8	(2) No eligible candidate may make any disbursement derived from personal
9	funds after the close of the public financing qualifying period.
10	11.508 Seed money contributions. (1) An eligible candidate may accept
11	seed money contributions from any individual or committee prior to the end of the
(12)	public financing qualifying period, provided the total contributions from one
13	contributor, except personal funds and qualifying contributions otherwise permitted
14	under ss. 11.502 to 11.522, do not exceed \$100, and the aggregate contributions,
15	including personal funds, but not including qualifying contributions, do not exceed
16	\$5,000.
17	(2) An eligible candidate may make disbursements derived from seed money
18	contributions only during the exploratory period and the public financing qualifying
19	period.
20	11.509 Excess contributions. If an eligible candidate receives excess seed
21	money contributions or qualifying contributions on an aggregate basis, the
22	candidate may retain the contributions and make disbursements derived from the
23	contributions, in an amount not exceeding \$15,000. An amount equivalent to the
24	excess contributions shall be deducted by the board from the candidate's public
25	financing benefit. A candidate shall return to the board all seed money and

qualifying contributions that exceed the limits prescribed in this section within 48 hours after the end of the exploratory period. The board shall deposit all contributions returned under this section in the democracy trust fund.

- 11.51 Certification by candidate. (1) To apply for a public financing benefit, a candidate shall certify to the board that the candidate has complied and will comply, throughout the applicable campaign, with all requirements of ss. 11.502 to 11.522 and that all disclosures required as of the time of application have been made, and shall present evidence of the requisite number of qualifying contributions received by the candidate. The candidate's request for certification shall be signed by the candidate and the candidate's campaign treasurer.
- (2) The board shall distribute to each eligible candidate at the spring primary election a check for the amount of the public financing benefit payable to the candidate promptly after the candidate demonstrates his or her eligibility and, in any event, not later than 5 days after the end of the public financing qualifying period; however, no candidate may utilize a check received under this subsection until the beginning of the primary election campaign period.
- (3) The board shall distribute to each eligible candidate for justice at a spring election a check for the amount of the public financing benefit payable to the candidate not later than 48 hours after the date of the spring primary election for the office of justice, or the date that the primary election would be held if a primary were required. However, no candidate for a particular office shall receive a check until all candidates for the same office who apply and qualify for a public financing benefit have been certified as eligible candidates.
- (4) If any candidate who receives a public financing benefit violates the requirements of ss. 11.502 to 11.522, the board shall require the candidate to repay

all public funds received by the candidate to the board. The board shall deposit all
repayments received under this subsection in the democracy trust fund.
11.511 Public financing benefits. (1) The board shall provide to each
eligible candidate who qualifies to receive a public financing benefit for the primary

eligible candidate who qualifies to receive a public financing benefit for the primary or election campaign period separate checks for the public financing benefits payable to the candidate for the primary and election campaign periods in the amounts specified in this section, subject to any required adjustment under s. 11.509, 11.512 (2) or 11.519 (2). An eligible candidate may use this public financing benefit to finance any lawful disbursements during the primary and election campaign periods to further the election of the candidate in that primary or election. An eligible candidate may not use this public financing benefit to repay any loan, or in violation of ss. 11.502 to 11.522 or any other applicable law.

- (2) Except as provided in ss. 11.512 (2) and 11.519 (2), the public financing benefit for a primary election campaign period is \$100,000.
- (3) Except as provided in ss. 11.512 (2) and 11.519 (2), the public financing benefit for an election campaign period is \$300,000.
- (4) If there is no spring primary election for the office of justice, no eligible candidate may receive a public financing benefit for the primary election campaign period.
- (5g) An eligible candidate who receives a public financing benefit in the primary election campaign period and whose name is certified to appear on the ballot at the election following that primary may utilize any unencumbered balance of the public financing benefit received by the candidate in the primary election campaign period for the election campaign period.

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- (5r) Except as permitted in sub. (5g), an eligible candidate who receives a public financing benefit and who does not encumber or expend some portion of the benefit for a purpose described in sub. (1) shall return any unencumbered portion of the benefit to the board within 30 days after the primary or election in which the candidate participates.
- (6) Notwithstanding subs. (2) and (3), beginning on July 1, 2002, and every 2 years thereafter, the board shall modify the public financing benefits provided for in subs. (2) and (3) to adjust for the change in the consumer price index, all items, U.S. city average, published by the U.S. department of labor for the preceding 2–year period ending on December 31.

11.512 Financial activity by force emplying candidates. (1) In addition to other reports required by law, a proceeding single candidate for an office at a primary or election who receives contributions or makes or obligates to make disbursements in an amount more than 50 greater than the public financing benefit applicable to an eligible candidate for the same office at the same primary or election shall file a report with the board itemizing the total contributions received and disbursements made or obligated to be made by the candidate as of the date of the report. The board shall transmit copies of the report to all candidates for the same office at the same election. A pose implying candidate shall file additional reports after the candidate receives each additional \$1,000 of contributions, or the candidate makes or obligates to make each additional \$1,000 of disbursements. If such contributions are received or such disbursements are made or obligated to be made more than 6 weeks prior to the date of the primary election at which the name of the candidate appears on the ballot, or prior to the date that the primary election would be held, if a primary were required, such reports shall be made at the next regular reporting interval under s.

11.506. If such contributions are received or such disbursements made or obligated
to be made within 6 weeks prior to the date of the primary election at which the name
of the candidate appears on the ballot, or within 6 weeks prior to the date that the
primary election would be held, if a primary were required, such reports shall be
made within 24 hours after each instance in which such contributions are received,
or such disbursements are made or obligated to be made.
(2) Upon receipt of such information, the state treasurer shall immediately
issue a check to an opposing eligible candidate in an additional amount equivalent

**11.515 Democracy trust fund.** The democracy trust fund shall be administered by the state treasurer.

to the total excess disbursements made or obligated to be made, but not to exceed 3

times the public financing benefit for the applicable office.

11.516 Administration. Except as otherwise specifically provided in ss. 11.501 to 11.522, the duties of and authority for administering and enforcing ss. 11.501 to 11.522 are vested in the board.

11.517 Penalties; enforcement. (1) If an eligible candidate makes disbursements that exceed the total amount of the public financing benefit allocated to the candidate for any campaign and the total qualifying and seed money contributions lawfully accepted by the candidate, the candidate may be required to forfeit not more than 10 times the amount by which the disbursements exceed the allocation.

(2) Any eligible candidate who accepts contributions in excess of any limitation imposed under ss. 11.502 to 11.522 may be required to forfeit not more than 10 times the amount by which the contributions exceed the applicable limitation.

- (3) If the board finds that there is probable cause to believe that a candidate has made excess disbursements or has accepted excess contributions contrary to sub. (1) or (2), the board shall attempt for a period of not more than 14 days after its finding to correct the matter by informal methods of conference and conciliation and to enter into a settlement and conciliation agreement under s. 5.05 (1) (c) with the person involved. A settlement and conciliation agreement made pursuant to this subsection shall be a matter of public record. Unless violated, a settlement and conciliation agreement is a bar to any civil action under sub. (4).
- (4) If the board has probable cause to believe that a candidate has made excess disbursements or has accepted excess contributions and the board is unable to correct the matter by informal methods within the time prescribed in sub. (3), the board shall make a public finding of probable cause in the matter. After making a public finding, the board shall bring an action in the circuit court for Dane County to impose a forfeiture under sub. (1) or (2).
- (5) If an elector believes that a candidate has violated ss. 11.502 to 11.522 and the elector is entitled to vote for or against the candidate in the election in connection with which the violation is alleged to occur, the elector may file a complaint with the board requesting it to take remedial action. If the board refuses to take remedial action or, within 30 days after the filing of such a complaint, fails to take remedial action, the elector may commence a civil action in the appropriate circuit court under sub. (4) requesting the court to impose a forfeiture under sub. (1) or (2).
- (6) The board and courts shall expedite all proceedings under ss. 11.502 to 11.522 so that all complaints brought prior to an election are resolved, to the extent possible, before the election is held.

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1	(7) If a complaint brought under ss. 11.502 to 11.522 is resolved against the
2	complainant and is found to have been brought in bad faith and without reasonable
3	basis therefor, the board or court may assess costs, including reasonable attorney
4	fees, against the complainant.
5	11.518 Prohibited acts. (1) If a candidate or agent of a candidate knowingly
6	accepts more contributions than the candidate is entitled to receive, or makes
7	disbursements exceeding the total amount of the public financing benefit received
8	by the candidate and the qualifying and seed money contributions lawfully received
9	by the candidate, the candidate or agent may be fined not more than \$25,000 or
10	imprisoned for not more than 5 years or both.
11	(3) If, in connection with the receipt or disbursement of a public financing
12	benefit for an election campaign, any person knowingly provides false information
13	to the board, or knowingly conceals or withholds information from the board, that
14	person may be fined not more than \$25,000 or imprisoned for not more than 5 years
15	or both.
16	11.519 Mass mailings. (1) No person may conduct any mass mailing using
17	state funds on behalf of any person who is a candidate for the office of justice at the
18	spring election during the period between December 1 preceding that election and
19	May 31 following that election.
20	(2) If any person uses state funds to conduct a mass mailing on behalf of any
21	person who is a candidate for the office of justice at the spring election during the
22	period between September 1 and November 30 preceding that election, the state
23	treasurer shall immediately issue a check to all other eligible candidates for justice

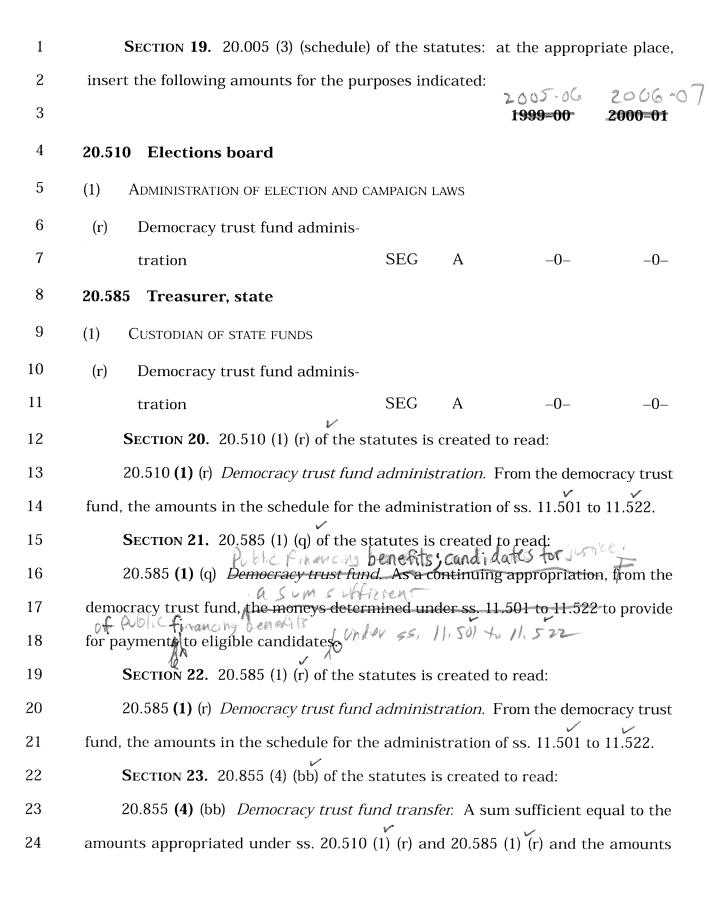
on behalf of whom the mailing is conducted in an amount equal to the cost of printing

1	and mailing of that mass mailing. The additional check may be used solely to fund
2	a mailing promoting the candidacy of the candidate who receives the check.
3	(3) A candidate for justice at the spring election who plans to use state funds
4	for a mass mailing shall notify the board in writing of his or her intent to do so no later
5	than September 1 preceding the spring election, and shall complete the mailing no
6	later than the following November 30.
7	(4) All mass mailings funded by the state on behalf of any person who is a
8	candidate for justice at the spring election during the period between September 1
9	and November 30 preceding that election and all mass mailings authorized under
10	sub. (2) shall be issue oriented and nonpolitical, shall not mention any of a
11	candidate's opponents by name and shall be reviewed and approved by the board for
12	compliance with such requirements in advance of the mailing.
13	(5) Except as permitted under sub. (2), no state funds may be used by any
14	incumbent individual holding the office of justice to conduct a mass mailing on behalf
15	of a candidate for that office at the spring election after November 30 preceding that
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	11.522 Contributions to noncomplying candidates; attributions. (1) A
18	noncomplying candidate may accept contributions from private sources without
19	limitation, except that no person may make any contribution or contributions to a
20	moncomplying candidate exceeding a total of \$1,000 during any campaign.
21	(2) Any electronic or print communication paid for or authorized by a
22	noncomplying candidate shall contain the following sentence: "This communication

is paid for with money raised from private sources. This candidate has not agreed

to abide by campaign contribution and spending limits."

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1	required to provide public financing benefits that candidates qualify to receive from
2	the democracy trust fund, to be transferred from the general fund to the democracy
3	trust fund no later than the time required to make payments of grants under s. 11.51
4	(2) and (3).
5	<b>Section 24.</b> 25.17 (1) (cm) of the statutes is created to read:
6	25.17 <b>(1)</b> (cm) Democracy trust fund (s. 25.421);
7	<b>Section 25.</b> 25.421 of the statutes is created to read:
8	<b>25.421 Democracy trust fund.</b> All moneys appropriated under s. 20.855 (4)
9	(bb) and all moneys deposited in the state treasury under ss. 11.509, 11.51 (4) and
10	11.511 (5r) constitute the democracy trust fund, to be expended for the purposes of
11	ss. 11.501 to 11.522.
12	(END)

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### 2005–2006 DRAFTING INSERT FROM THE

LRB-4240/1ins3 JTK...:...

### LEGISLATIVE REFERENCE BUREAU

FINSZOA & note jater ill end of bill

**SECTION 1.** 895.46 (1) (an) of the statutes is created to read:

895.46 (1) (an) A defendant who is charged with or convicted of a criminal violation of ch. 11 or subch. III of ch. 19 shall not be considered to be acting within the scope of employment under this subsection.

Payment of defense costs

Currently, if a public officer or employee is a defendant in a legal action or proceeding in his or her official capacity or in connection with his or her official duties, the governmental unit that the officer or employee serves must, at its option, either provide representation to the defendant or pay the defendant's defense costs unless the jury finds that the defendant was not acting within the scope of employment.

This bill provides specifically that a defendant who is charged with or convicted of a criminal violation of the campaign finance law or the statutory code of ethics for public officials and employees shall not be considered to be acting within the scope of employment.



JW52-6

LRB-0863/1 JTK:kmg:jf

### **ASSEMBLY BILL 462**

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than treble the amount of the contribution. Intentional violators are guilty of a misdemeanor and may be punished by a fine of not more than \$1,000 or imprisonment for not more than six months or both.

Currently, there is no restriction under the campaign finance law on the period during which committees may make contributions.

The bill also prohibits a lobbyist or principal from making a contribution to a legislative campaign or political party committee, except during the period between June 1 and the day of the general election if the legislature has concluded its final floorperiod and is not in special or extraordinary session during that period. Legislative campaign and political party committees are similarly prohibited from accepting such contributions. Any lobbyist who or committee which violates the prohibition is subject to a forfeiture of not more than \$1,000. Any principal which violates the prohibition is subject to a forfeiture of not more than \$5,000.

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

SECTION 1. 11.01 (13) and (14) of the statutes are created to read:

11.01 (13) "Nonpartisan state office" means the office of state superintendent,

justice, court of appeals judge or circuit judge.

4 Partisan state office" means the office of governor, lieutenant governor,

secretary of state, state treasurer, attorney general, state senator, state representative to the assembly or district attorney.

**Section 2.** 11.39 of the statutes is created to read:

11.39 Certain committee contributions prohibited. (1) No committee other than a personal campaign or support committee may make or transfer a contribution to an individual who is a candidate for a partisan state office, personal campaign committee of such a candidate or support committee of such a candidate authorized under s. 11.05 (3) (p), except during the period commencing on June 1 of an even–numbered year and ending with the day of the general election, if the individual is a candidate for a partisan state office at the general election to be held in that year.

### 1999 - 2000 LEGISLATURE

ANS 15-10:1

# SENATE AMENDMENT 2, TO SENATE SUBSTITUTE AMENDMENT 1, TO 1999 SENATE BILL 181

March 28, 2000 - Offered by Senator Ellis.

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At the locations indicated, amend the substitute amendment as follows:

1. Page 15, line 10: after that line insert:

obligated to make, by oral or written agreement, an independent disbursement in excess of \$1,000 with respect to a candidate for the office of justice at a spring primary or election, that person shall file with the board a notice of such disbursement or obligation to make such a disbursement. Any such person shall file reports of such disbursements or obligations to make such disbursements on the 15th or last day of the month that immediately follows the date of the disbursement or the obligation to make the disbursement, whichever comes first, except that, within 6 weeks prior to the date of the spring primary election, the person shall file such reports within 24 hours after each independent disbursement is made or obligated to be made. Any

such	person	shall	file	additional	reports	after	each	additional	\$1,000	of
disbu	rsement	s are m	ade (	or obligated	to be ma	de.				

(2) When the aggregate independent disbursements against an eligible candidate for an office or for the opponents of that candidate exceed 20% of the public financing benefit for that office in any campaign, the board shall immediately credit that candidate's account with an additional line of credit equivalent to the total disbursements made or obligated to be made, but not to exceed 3 times the public financing benefit for the applicable office.

(END)

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### **BILL**

report concerning the proposed penalty and the costs or savings that are likely to result if the bill is enacted.

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

- elective state official or to the personal campaign committee or support committee authorized under s. 11.05 (3) (p) of that official for the purpose of promoting that official's nomination or reelection to the office held by the official during the period beginning on the date of introduction of the executive budget bill under s. 16.47 (1m) and ending on the date of enactment of the biennial budget act.
- (b) If in any year there is more than one executive budget bill, par. (a) applies beginning on the date of introduction of the first such bill and ending on the date of enactment of the last such bill.

Notwithstanding par. (a), a person may make a contribution to an incumbent partisan elective state official against whom a recall petition is circulated during the period beginning on the date that a petitioner registers an intent to circulate a petition under s. 9.10 (2) (d) and ending on the date of the recall election, except that if the circulation period expires without offering of the recall petition for filing, the filing officer determines not to file the petition, or the official resigns at an earlier date under s. 9.10 (3) (c), the period ends on the date of that event.

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### **ASSEMBLY BILL 462**

1	(2) No committee other than a personal campaign or support committee may
(2	make or transfer a contribution to an individual who is a candidate for a nonpartisan
3	state office, personal campaign committee of such a candidate or support committee
4	of such a candidate authorized under s. 11.05 (3) (p), except during the period
5	commencing on December 1 and ending on the day of the succeeding spring election,
6	if the individual is a candidate for a nonpartisan state office at that spring election.
7	(3) This section does not apply to an individual who is a candidate for state
8	office at a special election or a personal campaign committee of such a candidate
9	during the period commencing on the date that the special election is ordered and
10	ending on the date of the special election.
1/1	SECTION 3. 13.62 (8e) and (11w) of the statutes are created to read:
12	13.62 <b>(8e)</b> "Legislative campaign committee" has the meaning given in s. 11.01
13	(12s).
14	(11w) "Political party committee" means a committee of a political party, as
15	defined in s. 5.02 (13).
16	SECTION 4. 13.625 (1) (c) (intro.) and 1. and (3) of the statutes are amended to
17	read:
18	13.625 (1) (c) (intro.) Except as permitted in this subsection, make a campaign
19	contribution, as defined in s. 11.01 (6), to a partisan elective state official for the
20	purpose of promoting the official's election to any national, state or local office, or to
21	a condidate for a participa elective state office to be filled at the general election of
00	a candidate for a partisan elective state office to be filled at the general election or
22	a special election, or the to such an official's or candidate's personal campaign
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	a special election, or the to such an official's or candidate's personal campaign

### 2005–2006 DRAFTING INSERT FROM THE LEGISLATIVE REFERENCE BUREAU

### INS 2-15:

NOTE: NOTE: Sub. (2) was amended eff. 7–1–03 by 2001 Wis. Act 109 to read as shown below. Act 109, s. 9115, provided that if any treatments by Act 109 listed in s. 9115, including the treatment of this prevision, was held to be unconstitutional by a court, then all of the listed treatments are void. The United States District Court for the Western District of Wisconsin Realtons Assoc. v. Ponto, 233 E. Supp. 20 1078 (2002), found the treatment of certain listed provisions unconstitutional, rendering the treatment of this provision void.NOTE:

**SECTION 1.** 11.12 (2) of the statutes, as affected by 2001 Wisconsin Act 109, is repealed and recreated to read:

benefit from the democracy trust fund, may accept an anonymous contribution exceeding \$10. No registrant who accepts a public financing benefit from the democracy trust fund may accept an anonymous contribution exceeding \$5. Any anonymous contribution that may not be accepted under this subsection shall be donated to the common school fund or to a charitable organization or transferred to the board for deposit in the Wisconsin election campaign fund, at the option of registrant's treasurer.

History: 1973 c. 334; 1975 c. 93 ss. 59, 60, 119 (2); 1975 c. 199; 1979 c. 328 ss. 53, 69 to 71, 146; 1985 a. 303; 1987 a. 370; 2001 a. 109.

### INS 2-23:

NOTE: NOTE: Sub. (2) was amended eff. 7-1-03 by 2001-Wis. Act 109 to read as shown below. Act 109, s. 9115, provided that if any treatments by Act 109 listed in s. 9115, including the treatment of this provision, was held to be unconstitutional by a court, then all of the listed treatments are void. The United States District Court for the Western District of Wisconsin in Wisconsin Realtors Assoc. v. Ronto, 233 f. Supp. 2d 1078 (2002), found the treatment of certain listed provisions unconstitutional, rendering the treatment of this provision void.NOTE:

**SECTION 2.** 11.16 (2) of the statutes, as affected by 2001 Wisconsin Act 109, is repealed and recreated to read:

11.16 (2) Limitation on Cash contributions. Except as provided in s. 11.506 (6), every contribution of money exceeding \$50 shall be made by negotiable instrument or evidenced by an itemized credit card receipt bearing on the face the name of the remitter. No treasurer may accept a contribution made in violation of this subsection. The treasurer shall promptly return the contribution, donate the

contribution to the common school fund or to a charitable organization, or transfer the contribution to the board for deposit in the Wisconsin election campaign fund in the event that the donor cannot be identified.

History: 1973 c. 334; 1975 c. 93, 199; 1979 c. 328; 1985 a. 303; 2001 a. 109.

### INS 3-18:

**SECTION 3.** 11.26 (2) (as) of the statutes, as affected by 2001 Wisconsin Act 109, is repealed and recreated to read:

11.26 (2) (as) Candidates for state superintendent, \$10,000.

NOTE: NOTE: Par. (as) was created eff. 7-1-03 by 2001 Wis. Act 109. Act 109, s. 9115, provided that if any treatments by Act 109 listed in s. 9115, including the treatment of this provision, was held to be unconstitutional by a court, then all of the listed treatments are void. The United States District Court for the Western District of Wisconsin in Wisconsin Realtors Assoc. v. Ponto, 233 F. Supp. 2d 1078 (2002), found the treatment of certain listed provisions unconstitutional, rendering the treatment of this provision void.NOTE:

History: 1973 c. 334/1975 c. 93 ss. 89 to 95, 1/9 (1); 1975 c. 200; 1977 c. 707, 187; 1977 c. 427 s. 142; 1979 c. 263, 328; 1979 c. 355 s. 32; 1983 a. 183, 186; 1985 a. 303 ss. 44 to 55m, 86; 1987 a. 27, 370; 1989 a. 31, 192; 1995 a. 27 s. 9145 (1); 1995 a. 219, 225; 1999 a. 32; 2001 a. 109.

### INS 4-2:

NOTE: NOTE: Sub. (9) (a) is renumbered sub. (9) (a) (intro.) and amended eff. 7-1-03 by 2001 Wis. Act 109 to read as shown below. Act 109, s. 9115, provided that if any treatments by Act 109 listed in s. 9115, including the treatment of this provision, was held to be unconstitutional by a court, then all of the listed treatments are void. The United States District Court for the Western District of Wisconsin in Wisconsin Realtors Assoc. v. Ponto, 233 F. Supp. 2d 1078 (2002), found the treatment of certain listed provisions unconstitutional, rendering the treatment of this provision void: NOTE:

**SECTION 4.** 11.26 (9) (a) (intro.) of the statutes, as affected by 2005 Wisconsin Act 109, is repealed and recreated to read:

11.26 (9) (a) (intro.) Except as provided in par. (ba) and sub. (9m), no individual who is a candidate for state or local office may receive and accept more than 65% of the value of the total disbursement level determined under s. 11.31 (1), adjusted as provided under s. 11.31 (9), for the office for which he or she is a candidate during any primary and election campaign combined from all committees subject to a filing requirement, including political party committees, except as follows:

**History:** 1973 c. 334; 1975 c. 93 ss. 89 to 95, 119 (1); 1975 c. 200; 1977 c. 107, 187; 1977 c. 427 s. 132; 1979 c. 263, 328; 1979 c. 355 s. 32; 1983 a. 183, 186; 1985 a. 303 ss. 44 to 55m, 86; 1987 a. 27, 370; 1989 a. 31, 192; 1995 a. 27 s. 9145 (1); 1995 a. 219, 225; 1999 a. 32; 2001 a. 109.



**Section 5.** 11.26 (9) (b) of the statutes, as affected by 2001 Wisconsin Act 109, is repealed and recreated to read:

NOTE: NOTE: Par. (b) was amended eff. 7-1-03 by 2001 Wis. Act 109 to read as shown below. Act 109, s. 9115, provided that if any treatments by Act 109 listed in s. 9115, including the treatment of this provision, was held to be unconstitutional by a court, then all of the listed treatments are void. The United States District Court for the Western District of Wisconsin Realton Assoc v. Ponto, 233 F. Supp. 2d 1078 (2002), found the treatment of certain listed provisions unconstitutional, rendering the treatment of this provision void.NOTE:

11.26 (9) (b) Except as provided in par. (ba), no individual who is a candidate for state office, other than a state office described in par. (am), or local office may receive and accept more than 45% of the value of the total disbursement level determined under s. 11.31 (1), adjusted as provided under s. 11.31 (9), for the office for which he or she is a candidate during any primary and election campaign combined from all committees other than political party committees subject to a filing requirement.

**History:** 1973 c. 334; 1975 c. 93 ss. 89 to 95, 119 (1); 1975 c. 200; 1977 c. 107, 187; 1977 c. 427 s. 132; 1979 c. 263, 328; 1979 c. 355 s. 32; 1983 a. 183, 186; 1985 a. 303 ss. 44 to 55m, 86; 1987 a. 27, 370; 1989 a. 31, 192; 1995 a. 27 s. 9145 (1); 1995 a. 219, 225; 1999 a. 32; 2001 a. 109.

INS 4-19:

SECTION 6. 11.31 (1) (de) of the statutes, as created by 2001 Wisconsin Act 109, is repealed.

**History:** 1973 c. 334; 1975 c. 93 ss. 97 to 102, 119 (1), (2); 1975 c. 199, 422; 1977 c. 107, 187, 272, 449; 1979 c. 263, 328; 1981 c. 314; 1983 a. 51; 1985 a. 182 s. 57; 1985 a. 303; 1985 a. 332 s. 251 (1); 1987 a. 370; 1989 a. 192; 1993 a. 184; 1995 a. 225; 1997 a. 230; 1999 a. 83; 2001 a. 109.

INS 5-10:

SECTION 7. 11.50 (1) (a) 1. a. of the statutes, as affected by 2001 Wisconsin Act 109, is repealed and recreated to read:

11.50 (1) (a) 1. a. With respect to a spring or general election, any individual who is certified under s. 7.08 (2) (a) as a candidate in the spring election for state superintendent, or an individual who receives at least 6% of the vote cast for all candidates on all ballots for any state office, except district attorney, for which the individual is a candidate at the September primary and who is certified under s. 7.08

(2) (a) as a candidate for that office in the general election, or an individual who has been lawfully appointed and certified to replace either such individual on the ballot at the spring or general election; and who has qualified for a grant under sub. (2).

**History:** 1977 c. 107, 272; 1979 c. 328; 1983 a. 51; 1983 a. 484 s. 174; 1985 a. 303 ss. 73 to 79, 86; 1987 a. 370, 391, 403; 1989 a. 31; 1989 a. 192 s. 75; 2001 a. 109; 2003 a. 321.

INS 18-24:

**SECTION 8.** 11.64 (2) of the statutes is amended to read:

11.64 (2) No person may utilize a contribution received from a contributor to a campaign fund for a purpose for which a defense fund is authorized under sub. (1) unless the authorization of the contributor is obtained. Notwithstanding s. 11.25 (2) (a), any contributor may authorize the transfer of all or part of a contribution from a campaign fund to a defense fund.

History: 1973 c. 334; 1975 c. 93; 1987 a. 370.

SECTION 9. 19.45 (8) (d) of the statutes is created to read:

19.45 (8) (d) No former governor or former state public official who was appointed to his or her state public office by the governor, for 12 months following the date on which he or she ceases to occupy the office of governor or the position to which he or she was appointed by the governor, may for compensation, on behalf of any person other than a governmental entity, make any formal or informal appearance before, or negotiate with, any employee of a department in the executive branch of state government.

LRB-2916/1 JTK:cmh:rs 2005 - 2006 Legislature **ASSEMBLY BILL 524** SECTION 1 SECTION # CK; 19.45 (8M) 19.45 **(8m)** No individual who serves as a member of the legislature, for 12 ths following the date on which the individual was a member of the legislature. 1 months following the date on which the individual ceases to hold office, may be 2 employed as a lobbyist as defined in s. 13.62 (11). 3 4

(END)



LRB-2364/1ins JTK....

Section 35. Nonstatutory provisions.

(EW)

0-Note

## DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

- 4 24 0/1 LRBs0368/1dn JTK....

Date

Amy Kasper:

2005-06 and 2006-07

This draft includes two appropriations for which we have specified "\$-0-" for expenditure in fiscal years 1999-00 and 2000-01. When you know the dollar amounts that you need to include in the proposal, contact me and I will either redraft the proposal or draft an amendment, whichever is appropriate.

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

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

May 6, 1999

199900 LRB-3024/16

Ches the voingents

In McIntyre v. Ohio Elections Commission, 115 S.Ct. 1151 (1995), the U.S. Supreme Court found unconstitutional, under the First Amendment, a statute that prohibited publication or distribution of any material designed to promote the nomination or election of a candidate or the adoption or defeat of any issue or to influence the voters at any election without identification of the name and address of the person who publishes or distributes the material. The court, however, indicated that a state's interest in preventing fraud might justify a more limited disclosure requirement (115 S.Ct. at 1522). Further, the court indicated that it still approved of requirements to disclose independent expenditures, which it upheld in Buckley v. Valeo, et. al., 96 S.Ct. 612, 661–662 (1976), (McIntyre, 115 S.Ct. at 1523). In view of this opinion, the constitutionality of disclosure statutes such as proposed s. 11.522, relating to labeling of certain political communications by candidates for the office of justice of the supreme court who fail to qualify for a public financing benefit is not clear at this point. We will have to await further decisions from the court before we know the exact

limits of a state's ability to regulate in this field.

The Supreme Your + 2. Proposed ss. 11.512 (2) and 11.513 (2), which increase the public financing benefit available to a candidate for the office of justice when independent disbursements are made against the candidate or for his or her opponents, or when the candidate's opponents make disbursements exceeding a specified level, may result in an abridgement of the First Amendment rights of the persons making the disbursements. See Day v. Holahan, 34F.3d 1356 (8th Cir., 1994), in which a Minnesota law that included provisions similar to proposed ss. 11.512 (2) and 11.513 (2) was voided. It should be noted that there are viable arguments to be made on both sides of this issue, this case is not binding in Wisconsin because it did not arise in the circuit that includes

Wisconsin and the U.S. Supreme Court has not yet spoken on this issue.

\_\_ 3. Proposed s. 11.512 (1), which imposes additional reporting requirements upon candidates for the office of justice of the supreme court who fail to qualify for a public financing benefit, may raise an equal protection issue under the 14th Amendment to the U.S. Constitution.

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

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

LRB-4240/1dn JTK:kif:ch

January 17, 2006

### Amy Kasper:

- 1. This draft includes two appropriations for which I have specified "\$-0-" for expenditure in fiscal years 2005-06 and 2006-07. When you know the dollar amounts that you need to include in the proposal, contact me and I will either redraft the proposal or draft an amendment, whichever is appropriate.
- 2. In McIntyre v. Ohio Elections Commission, 115 S. Ct. 1151 (1995), the U.S. Supreme Court found unconstitutional, under the First Amendment, a statute that prohibited publication or distribution of any material designed to promote the nomination or election of a candidate or the adoption or defeat of any issue or to influence the voters at any election without identification of the name and address of the person who publishes or distributes the material. The court, however, indicated that a state's interest in preventing fraud might justify a more limited disclosure requirement (115 S. Ct. at 1522). Further, the court indicated that it still approved of requirements to disclose independent expenditures, which it upheld in Buckley v. Valeo, et. al., 96 S. Ct. 612, 661–662 (1976), (McIntyre, 115 S. Ct. at 1523). In view of this opinion, the constitutionality of disclosure statutes such as proposed s. 11.522, relating to labeling of certain political communications by candidates for the office of justice of the supreme court who fail to qualify for a public financing benefit is not clear at this point. We will have to await further decisions from the court before we know the exact limits of a state's ability to regulate in this field.
- 3. Some courts have held that statutes such as proposed ss. 11.512 (2) and 11.513 (2), which increase the public financing benefit available to a candidate for the office of justice of the supreme court when independent disbursements are made against the candidate or for his or her opponents, or when the candidate's opponents make disbursements exceeding a specified level, may result in an abridgement of the First Amendment rights of the persons making the disbursements. See *Day v. Holahan*, 34 F. 3d 1356 (8th Cir., 1994), in which a Minnesota law that included provisions similar to proposed ss. 11.512 (2) and 11.513 (2) was voided. It should be noted that there are viable arguments to be made on both sides of this issue, this case is not binding in Wisconsin because it did not arise in the circuit that includes Wisconsin and the U.S. Supreme Court has not yet spoken on this issue.
- 4. Proposed s. 11.512 (1), which imposes additional reporting requirements upon candidates for the office of justice of the supreme court who fail to qualify for a public

financing benefit, may raise an equal protection issue under the 14th Amendment to the  $U.S.\ Constitution.$ 

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

### Kuesel, Jeffery

To: Subject: Kasper, Amy - Office of Governor Jim Doyle RE: Expansive view of separation of powers

Amy,

As I read the Attorney General's views in the 2003 press release, I think they are quite possibly correct. The agreement she describes seems to forbid payment of criminal defense costs for guilty criminal defendants and requires that any payments that are advanced prior to conviction be repaid if a defendant is convicted. Therefore, the major effect of our draft would be to forbid payments to innocent criminal defendants for violations of ch. 11 and subch. III of ch 19.

I would also note in this connection that the legislature argued in Custodian of Records v. State, 272 Wis. 2d 208 (2004) that because of the separation of powers, only the legislature can interpret the scope of its constitutional authority and laws relating to the legislative branch. The supreme court rejected that argument at pp. 226-229. As I read it, the court said the courts will determine the bounds of the separation of powers and will determine whether a particular dispute is a nonjusticiable "political question".

### Jeffery Kuesel

Managing Attorney Wisconsin Legislative Reference Bureau P.O.Box 2037 Madison WI 53701-2037 (608) 266-6778 jeffery.kuesel@legis.state.wi.us

From:

Kasper, Amy - Office of Governor Jim Doyle

Sent:

Monday, January 30, 2006 3:23 PM

To:

Kuesel, Jeffery

Subject:

<< File: 0130152149 001.pdf >>



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### Dispute over legal fees settled

### Lautenschlager says public funds can pay the bills up front

By RICHARD P. JONES rjones@journalsentinel.com

Last Updated: Jan. 31, 2003

Madison - Attorney General Peg Lautenschlager said Friday the state Legislature has the legal power to charge taxpayers the attorney fees of individuals drawn into a political misconduct scandal.

But under an agreement reached with legislative leaders, Lautenschlager said, the payment of legal fees must stop when a legislator or aide is charged, and the money must be recovered if that person is convicted.

Though the agreement set a formal policy, the practice in both houses has been not to pay fees of an individual charged with a crime.

The deal appears to mark the end of more than a year of wrangling over whether taxpayers should foot the bill for outside attorneys hired by those drawn into the criminal investigation of illegal campaigning and misconduct in office.

So far, taxpayers have paid nearly \$700,000 in legal fees, charged by lawmakers and aides. As of Friday, the Assembly has paid \$564,791 and the Senate has spent \$134,226 on behalf of individuals since the inquiry began in 2000.

When he was attorney general and campaigning for governor, Democrat Jim Doyle wanted to file suit to stop payment of legal fees. But then-GOP Gov Scott McCallum refused to authorize the lawsuit, saying it would only cost taxpayers more money.

Doyle defeated McCallum in November, and shortly after taking office, he authorized Lautenschlager to take legal action to halt payment

But instead of filing suit, Lautenschlager announced the agreement Friday Flanked by legislative leaders at a press conference, Lautenschlager said she and Department of Justice attorneys concluded the state had no grounds for successful legal action.

She said that under the constitution, the Legislature, as a separate branch of government, could provide legal assistance in advance to members and aides. But as soon as a lawmaker or aide is charged with a crime, she said, payments must stop. And upon a lawmaker's conviction, the state must be reimbursed, she said

### Legal Fees Settled

Attorney General Peg Lautenschlager and legislative leaders announced an agreement Friday that settles the issue of whether the state should pay the outside legal fees for legislators and aides in connection the Capitol corruption investigation. Under that agreement:

- The state will continue to pay legal fees for legislators and staffers.
- If an individual is criminally charged, payments will cease
- Lawmakers and employees who are convicted will have to repay the state for any legal fees

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### Conditional agreement

Lautenschlager said her agreement with legislative leaders reflected that and another condition. From now on, before any lawmaker or aide can receive legal assistance in the investigation, that person must sign a form agreeing to pay back the state if ultimately charged and convicted

"Essentially, our position is this: that indeed separation of powers does exist, and that there are times when the Legislature may legitimately pay legal fees," Lautenschlager said

That view directly conflicts with what Doyle has been saying for more than a year: that the state should not pay the legal fees for employees up front.

Doyle said lawmakers and aides should be treated no differently from other state employees involved in job-related litigation. Other employees must wait until their cases are resolved, and, if exonerated, they can seek reimbursement through the state claims process

"I'm not very happy with that," Doyle said Friday when told payments would continue "My view is that the state legislators and aides should be treated like every other state employee ... They should have to pay their own fees up front. That's the rule "

Lautenschlager said the claims process Doyle talked about applied, by law, to other state employees in the executive branch. But as a separate branch, the Legislature could provide legal aid as long as it did not violate the public purpose clause of the state constitution, she said The clause states that public money should be spent for public purposes.

When asked whether Doyle was wrong on the law, Lautenschlager, also a Democrat, said: "I didn't say that. I said that I don't agree with his analysis on the statutory argument based on several cases"

She said she and Justice Department attorneys reached the conclusion after doing additional research on the issue She also noted that a judge had ruled against Common Cause in Wisconsin when the watchdog group went to court last year to try to stop the legal fees

"Unfortunately, as we researched it and had a little more time to look into case law, it became more clear to us that the theory was a tough one to uphold in court," she said "You could see that from the Common Cause action. The judge was very clear in that case."

### Common Cause satisfied

Common Cause had filed suit, arguing that payment of legal fees for lawmakers and aides in a criminal investigation was not a proper use of public funds But Dane County Circuit Judge David Flanagan rejected that argument on Oct. 7

Jay Heck, Common Cause executive director, said he supported the agreement announced Friday.

"In sort of a roundabout way, this settlement is what we were seeking in our lawsuit: a mechanism that requires legislators or staff who are convicted to reimburse the state," he said. "Currently, there's no force of law to require any of these legislators or staff to have to pay it back."

Assembly Speaker John Gard (R-Peshtigo), Senate Majority Leader Mary Panzer (R-West Bend) and Senate Minority Leader Jon Erpenbach (D-Middleton) praised the attorney general for focusing on the law, avoiding politics and balancing the interests of legislative staff and taxpayers

"This ought to serve as a model," Panzer said

Three lawmakers, a former legislator and a legislative aide face felony charges. They are:

- Sen Chuck Chvala (D-Madison), who faces 20 counts, including extortion. Taxpayers paid \$10,000 for his legal fees but Chvala later reimbursed the state.
- Former Sen Brian Burke (D-Milwaukee), who is charged with 18 felonies, including fund raising in the Capitol Taxpayers paid \$9,496 in legal fees for Burke, who has not reimbursed the state
- Former Assembly Speaker Scott Jensen (R-Town of Brookfield), who is charged with three felonies He has the biggest legal tab: \$95,542
- Assembly Majority Leader Steven Foti (R-Oconomowoc), who is charged with one felony, misconduct in public office Foti's legal fees were \$27,981.

• Sherry Schultz, charged with one count of misconduct in office. The state paid lawyers for the former Foti aide \$68,629 in legal fees before she was charged.

Lautenschlager said she had asked lead prosecutors in the investigation, Dane County District Attorney Brian Blanchard and Milwaukee County District Attorney E. Michael McCann to seek a legal fee refund as part of sentencing if anyone is convicted.

Three individuals with ties to Lautenschlager also have been drawn into the caucus investigation and have had legal fees paid by the state: Rich Judge, who managed her campaign early in the race, \$9,193; Scott Ross, her campaign spokesman, \$3,985; and Paul Vornholt, currently a top aide to the attorney general, \$3,075

Judge directed the Assembly Democratic Caucus staff when Rep. Shirley Krug (D-Milwaukee) was Assembly minority leader. Citing the investigation, he quit the campaign in January 2002. Vornholt became caucus director when Rep Spencer Black (D-Madison) succeeded Krug as minority leader. Ross was a caucus worker.

When asked Friday whether their involvement and legal fees influenced her in any way, Lautenschlager replied, "No."

Sarah Carr of the Journal Sentinel staff contributed to this report

A version of this story appeared in the Milwaukee Journal Sentinel on Feb 1, 2003