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1 **SECTION 93.** 11.26 (10) of the statutes is renumbered 11.26 (10) (a) and amended
2 to read:

3 11.26 **(10)** (a) ~~No Except as provided in par. (b). no~~ candidate for state office who
4 files a sworn statement and application to receive a grant from the Wisconsin election
5 campaign fund may make contributions of more than 200 percent of the amounts
6 specified in sub. (1) to the candidate's own campaign from the candidate's personal
7 funds or property or the personal funds or property which are owned jointly or as
8 marital property with the candidate's spouse, unless the board determines that the
9 candidate is not eligible to receive a grant, or the candidate withdraws his or her
10 application under s. 11.50 (2) (h), ~~or s. 11.50 (2) (i)~~ applies. For purposes of this
11 subsection paragraph, any contribution received by a candidate or his or her
12 personal campaign committee from a committee which is registered with the federal
13 elections commission as the authorized committee of the candidate under 2 USC 432
14 (e) shall be treated as a contribution made by the candidate to his or her own
15 campaign. The contribution limit of sub. (4) applies to amounts contributed by such
16 a candidate personally to the candidate's own campaign and to other campaigns,
17 except that a candidate may exceed the limitation if authorized under this ~~subsection~~
18 paragraph to contribute more than the amount specified to the candidate's own
19 campaign, up to the amount of the limitation.

20 **SECTION 94.** 11.26 (10) (b) of the statutes is created to read:

21 11.26 **(10)** (b) If a candidate is authorized to make disbursements under s. 11.31
22 (3p) exceeding the limitation otherwise applicable to the candidate as prescribed
23 under s. 11.31 (1) and adjusted under s. 11.31 (9), then the limitation otherwise
24 applicable to that candidate under par. (a) is increased by an amount equal to the
25 ratio that the amount specified in par. (a) bears to the disbursement limitation

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1 specified for that candidate under s. 11.31 (1), as adjusted under s. 11.31 (9),
2 multiplied by the amount of the increased disbursement limitation authorized for
3 that candidate under s. 11.31 (3p).

4 **SECTION 95.** 11.26 (13) of the statutes is amended to read:

5 11.26 (13) Except as provided in sub. (9), contributions received from the
6 Wisconsin election campaign fund and public financing benefits received from the
7 democracy trust fund are not subject to limitation by this section.

8 **SECTION 96.** 11.265 of the statutes is repealed.

9 **SECTION 97.** 11.30 (4) of the statutes is amended to read:

10 11.30 (4) No owner or other person with a financial interest in a
11 communications medium may utilize such medium in support of or in opposition to
12 a candidate or referendum, except as provided in this chapter.

13 **(4m)** This chapter shall not be construed to restrict fair coverage of bona fide
14 news stories, interviews with candidates and other politically active individuals,
15 editorial comment or endorsement. Such activities need not be reported as a
16 contribution or disbursement.

17 **SECTION 98.** 11.31 (1) (intro.) of the statutes is amended to read:

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

23 **SECTION 99.** 11.31 (1) (a) to (d) of the statutes are amended to read:

24 11.31 (1) (a) Candidates for governor, \$1,078,200 \$4,000,000.

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

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

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

4 **SECTION 100.** 11.31 (1) (d) of the statutes, as affected by 2007 Wisconsin Act ...
5 (this act), is amended to read:

6 11.31 (1) (d) Candidates for secretary of state, state treasurer, justice or state
7 superintendent, \$250,000.

8 **SECTION 101.** 11.31 (1) (e) and (f) of the statutes are amended to read:

9 11.31 (1) (e) Candidates for state senator, ~~\$34,500~~ \$150,000 total in the primary
10 and election, with disbursements not exceeding ~~\$21,575~~ \$108,000 for either the
11 primary or the election.

12 (f) Candidates for representative to the assembly, ~~\$17,250~~ \$75,000 total in the
13 primary and election, with disbursements not exceeding ~~\$10,775~~ \$54,000 for either
14 the primary or the election.

15 **SECTION 102.** 11.31 (2) of the statutes is amended to read:

16 11.31 (2) LIMITATION IMPOSED. No candidate for state office at a spring or general
17 election who files a sworn statement and application to receive a grant from the
18 Wisconsin election campaign fund may make or authorize total disbursements from
19 the campaign treasury in any campaign to the extent of more than the amount
20 prescribed in sub. (1), adjusted as provided under sub. (9), unless the board
21 determines that the candidate is not eligible to receive a grant, the candidate
22 withdraws his or her application under s. 11.50 (2) (h), or ~~s. 11.50 (2) (i)~~ applies sub.
23 (3p) applies to that candidate. No candidate for state office at a special election who
24 files a sworn statement and application to receive a grant from the Wisconsin election
25 campaign fund may make or authorize total disbursements from the campaign

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1 treasury in any campaign to the extent of more than the amount prescribed under
2 sub. (1), adjusted as provided under sub. (9), for the preceding spring or general
3 election for the same office, unless the board determines that the candidate is not
4 eligible to receive a grant, the candidate withdraws his or her application under s.
5 11.50 (2) (h), or ~~s.11.50 (2) (i)~~ applies sub. (3p) applies to that candidate.

6 **SECTION 103.** 11.31 (2m) of the statutes is repealed:

7 **SECTION 104.** 11.31 (3) of the statutes is amended to read:

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

14 **SECTION 105.** 11.31 (3p) of the statutes is created to read:

15 11.31 **(3p)** CANDIDATES RECEIVING SUPPLEMENTAL GRANTS; EXCEPTION. If a
16 candidate receives a supplemental grant under s. 11.50 (9) (ba) or (bb), the
17 disbursement limitation of that candidate for the campaign in which the grant is
18 received is increased by the amount of the supplemental grant.

19 **SECTION 106.** 11.31 (9) of the statutes is created to read:

20 11.31 **(9)** ADJUSTMENT OF DISBURSEMENT LEVELS. (a) In this subsection,
21 “consumer price index” means the average of the consumer price index over each
22 12-month period, all items, U.S. city average, as determined by the bureau of labor
23 statistics of the U.S. department of labor.

24 (b) The dollar amounts of all disbursement limitations specified in sub. (1) shall
25 be subject to a cost-of-living adjustment to be determined by rule of the board in

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1 accordance with this subsection. To determine the adjustment, the board shall
2 calculate the percentage difference between the consumer price index for the
3 12-month period ending on December 31 of each odd-numbered year and the
4 consumer price index for calendar year 2007. For each biennium, the board shall
5 adjust the disbursement limitations specified under sub. (1) by that percentage to the
6 extent required to reflect any difference, rounded to the nearest multiple of \$25 in
7 the case of amounts of \$1 or more, which amount shall be in effect until a subsequent
8 rule is promulgated under this subsection. Notwithstanding s. 227.24 (1) (a), (2) (b),
9 and (3), determinations under this subsection may be promulgated as an emergency
10 rule under s. 227.24 without providing evidence that the emergency rule is necessary
11 for the public peace, health, safety, or welfare, and without a finding of emergency.

12 **SECTION 107.** 11.38 (1) (a) 2. of the statutes is amended to read:

13 11.38 (1) (a) 2. Notwithstanding subd. 1., any such corporation or association
14 may establish and administer a separate segregated fund and solicit contributions
15 from individuals to the fund to be utilized by such corporation or association, for the
16 purpose of supporting or opposing any candidate for state or local office but the
17 corporation or association may not make any contribution to the fund. The fund shall
18 appoint a treasurer and shall register as a political committee under s. 11.05. A
19 parent corporation or association engaging solely in this activity is not subject to
20 registration under s. 11.05, but shall register and file special reports on forms
21 prescribed by the board disclosing its administrative and solicitation expenses on
22 behalf of such fund. A corporation not domiciled in this state need report only its
23 expenses for administration and solicitation of contributions in this state together
24 with a statement indicating where information concerning other administration and
25 solicitation expenses of its fund may be obtained. The reports shall be filed with the

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1 filing officer for the fund specified in s. 11.02 in the manner in which continuing
2 reports are filed under s. 11.20 (4) and (8), and s. 11.21 (16), if applicable.

3 **SECTION 108.** 11.38 (2m) of the statutes is created to read:

4 11.38 (2m) (a) Notwithstanding subd. 1., a corporation or association specified
5 in subd. 1. may make a disbursement that is authorized under par. (b) for the purpose
6 of making a communication specified in s. 11.01 (16) (a) 3. unless the communication
7 is susceptible of no reasonable interpretation other than as an appeal to vote for or
8 against a candidate whose name is certified under s. 7.08 (2) (a) or 8.50 (1) (d) to
9 appear on the ballot at an election.

10 (b) A disbursement is permitted under par. (a) if the communication:

11 1. Does not mention an election, candidacy, opposing candidate, political party,
12 or voting by the general public; and

13 2. Does not take a position on a candidate's or officeholder's character,
14 qualifications, or fitness for office; and either:

15 a. Focuses on a legislative or executive matter or issue and urges a candidate
16 to take a particular position or action with respect to the matter or issue or urges the
17 public to contact a candidate with respect to the matter or issue; or

18 b. Proposes a commercial transaction, such as the purchase of a book, video, or
19 other product or service.

20 (b) A corporation that makes a disbursement under par. (a) is subject to
21 applicable registration requirements under s. 11.05 (1) and reporting requirements
22 under ss. 11.06 (1) and 11.12 (6) (c).

23 **SECTION 109.** 11.38 (6) of the statutes is amended to read:

24 11.38 (6) Any individual or campaign treasurer who receives funds in violation
25 of this section shall promptly return such funds to the contributor or, donate the

1 funds to the common school fund or a charitable organization, or transfer the funds
2 to the board for deposit in the Wisconsin election campaign fund, at the treasurer's
3 option.

4 **SECTION 110.** 11.38 (8) (b) of the statutes is amended to read:

5 11.38 **(8)** (b) Except as authorized in s. 11.05 (12) (b) and (13), prior to making
6 any disbursement on behalf of a political group which is promoting or opposing a
7 particular vote at a referendum and prior to accepting any contribution or making
8 any disbursement to promote or oppose a particular vote at a referendum, a
9 corporation or association organized under ch. 185 or 193 shall register with the
10 appropriate filing officer specified in s. 11.02 and appoint a treasurer. The
11 registration form of the corporation or association under s. 11.05 shall designate an
12 account separate from all other corporation or association accounts as a campaign
13 depository account, through which all moneys received or expended ~~for the adoption~~
14 ~~or rejection of~~ to promote or oppose a particular vote at the referendum shall pass.
15 The corporation or association shall file periodic reports under s. 11.20, and under
16 s. 11.21 (16), if applicable, providing the information required under s. 11.06 (1).

17 **SECTION 111.** 11.50 (1) (a) 1. (intro.) of the statutes is created to read:

18 11.50 **(1)** (a) 1. (intro.) For purposes of qualification for a grant from the general
19 account:

20 **SECTION 112.** 11.50 (1) (a) 1. of the statutes is renumbered 11.50 (1) (a) 1. a.

21 **SECTION 113.** 11.50 (1) (a) 1. a. of the statutes, as affected by 2007 Wisconsin
22 Act (this act), is amended to read:

23 11.50 **(1)** (a) 1. a. With respect to a spring or general election, any individual
24 who is certified under s. 7.08 (2) (a) as a candidate in the spring election for justice
25 ~~or~~ state superintendent, or an individual who receives at least 6% of the vote cast for

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1 all candidates on all ballots for any state office, except district attorney, for which the
2 individual is a candidate at the September primary and who is certified under s. 7.08
3 (2) (a) as a candidate for that office in the general election, or an individual who has
4 been lawfully appointed and certified to replace either such individual on the ballot
5 at the spring or general election; and who has qualified for a grant under sub. (2).

6 **SECTION 114.** 11.50 (1) (a) 2. of the statutes is renumbered 11.50 (1) (a) 1. b.

7 **SECTION 115.** 11.50 (1) (a) 2m. of the statutes is created to read:

8 11.50 (1) (a) 2m. For purposes of qualification for a grant from a political party
9 account, an individual who is certified under s. 7.08 (2) (a) in the general election or
10 under s. 8.50 (1) (d) in a special election as the candidate of an eligible political party
11 for a state office, other than district attorney, or an individual who has been lawfully
12 appointed and certified to replace such an individual on the ballot at the general or
13 a special election and who has qualified for a grant under sub. (2).

14 **SECTION 116.** 11.50 (1) (am) of the statutes is created to read:

15 11.50 (1) (am) “Eligible political party” means any of the following:

16 1. A party qualifying under s. 5.62 (2) for a separate ballot or one or more
17 separate columns or rows on a ballot for the period beginning on the preceding June
18 1, or, if that June 1 is in an odd-numbered year, the period beginning on June 1 of
19 the preceding even-numbered year, and ending on May 31 of the 2nd year following
20 the beginning of that period.

21 2. A party qualifying under s. 5.62 (1) (b) for a separate ballot or one or more
22 separate columns or rows on a ballot for the period beginning on the date of the
23 preceding general election and ending on the day before the general election that
24 follows that election.

25 **SECTION 117.** 11.50 (1) (bm) and (cm) of the statutes are created to read:

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

3 (cm) “Political party account” means an account in the fund created under sub.
4 (2s).

5 **SECTION 118.** 11.50 (1) (e) of the statutes is created to read:

6 11.50 (1) (e) “Qualifying period” means the period beginning on July 1
7 preceding the date of the spring primary and ending on the date of the spring primary
8 in the case of candidates at the spring election; the period beginning on January 1
9 preceding the date of the September primary and ending on the date of the
10 September primary in the case of candidates at the general election; or the period
11 beginning on the 90th day beginning before the date on which a special primary will
12 or would be held, if required, or the date on which a special election is ordered,
13 whichever is earlier, and ending on the date of a special election, in the case of
14 candidates at a special election.

15 **SECTION 119.** 11.50 (2) (a) of the statutes is amended to read:

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

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1 under s. 11.31 (9), at all times to which such limitations have applied to his or her
2 candidacy and will continue to comply with the limitations at all times to which the
3 limitations apply to his or her candidacy for the office in contest, unless the board
4 determines that the candidate is not eligible to receive a grant, the candidate
5 withdraws his or her application under par. (h), or ~~par (i)~~ s. 11.31 (3p) applies.

6 **SECTION 120.** 11.50 (2) (b) 5. of the statutes is amended to read:

7 11.50 (2) (b) 5. The financial reports filed by or on behalf of the candidate as
8 of the date of the spring or September primary, or the date that the special primary
9 is or would be held, if required, indicate that the candidate has received at least ~~the~~
10 amount provided in this subdivision an amount equal to 5 percent of the applicable
11 authorized disbursement limitation, as determined under s. 11.31 (1) and adjusted
12 under s. 11.31 (9), from contributions of money, other than loans, made by individuals
13 who reside in this state and, in the case of a candidate for legislative office, except
14 as provided in par. (bm), at least 50 percent of the amount of which are made by
15 individuals who reside within the legislative district in which the candidate seeks
16 office, which have been received during the qualifying period ending on the date of
17 the spring primary and July 1 preceding such date in the case of candidates at the
18 spring election, or the date of the September primary and January 1 preceding such
19 date in the case of candidates at the general election, or the date that a special
20 primary will or would be held, if required, and 90 days preceding such date or the
21 date a special election is ordered, whichever is earlier, in the case of special election
22 candidates, which contributions are in the aggregate amount of \$100 or less, and
23 which are fully identified and itemized as to the exact source thereof. A contribution
24 received from a conduit which is identified by the conduit as originating from an
25 individual shall be considered a contribution made by the individual. Only Except

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1 ~~as authorized in par. (bm), only~~ the first \$100 of an aggregate contribution of more
2 than \$100 may be counted toward the required percentage. ~~For a candidate at the~~
3 ~~spring or general election for an office identified in s. 11.26 (1) (a) or a candidate at~~
4 ~~a special election, the required amount to qualify for a grant is 5 percent of the~~
5 ~~candidate's authorized disbursement limitation under s. 11.31. For any other~~
6 ~~candidate at the general election, the required amount to qualify for a grant is 10~~
7 ~~percent of the candidate's authorized disbursement limitation under s. 11.31.~~

8 **SECTION 121.** 11.50 (2) (bm) of the statutes is created to read:

9 11.50 (2) (bm) A candidate for legislative office may substitute contributions
10 received by the candidate from political party committees for not more than 50
11 percent of the contributions that are required under par. (b) 5. to be received from
12 individuals who reside within the legislative district in which the candidate seeks
13 office.

14 **SECTION 122.** 11.50 (2) (c) of the statutes is amended to read:

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

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1 All information included on the special report shall also be included in the
2 candidate's next report under s. 11.20 or 11.21 (16).

3 **SECTION 123.** 11.50 (2) (f) of the statutes is amended to read:

4 11.50 (2) (f) The board shall inform each candidate in writing of the approval
5 or disapproval of the candidate's application, as promptly as possible after the date
6 of the spring primary, September primary, special primary, or date that the primary
7 would be held, if required. With respect to a candidate at a special election who
8 applies for a postelection grant under sub. (1) (a) ~~2. 1. b.~~, the board shall inform the
9 candidate in writing of the conditional approval or disapproval of the candidate's
10 application at the same time.

11 **SECTION 124.** 11.50 (2) (g) of the statutes is amended to read:

12 11.50 (2) (g) A candidate who voluntarily files an application to receive a grant
13 in accordance with this subsection accepts and agrees to comply with the
14 contribution limitations prescribed in s. 11.26 and the disbursement limitations
15 imposed under s. 11.31 (2), as adjusted under s. 11.31 (9), as binding upon himself
16 or herself and his or her agents during the campaign as defined in s. 11.31 (7), as a
17 precondition to receipt of a grant under this section, unless the board determines
18 that the candidate is not eligible to receive a grant, the candidate withdraws the
19 application under par. (h), or ~~par. (i)~~ s. 11.31 (3p) applies.

20 **SECTION 125.** 11.50 (2) (i) of the statutes is repealed.

21 **SECTION 126.** 11.50 (2s) of the statutes is created to read:

22 11.50 (2s) POLITICAL PARTY ACCOUNTS. (a) There is established a political party
23 account for each eligible political party whose state chairperson files a written
24 request with the board to establish an account for the party under this subsection.

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1 Each political party account consists of all moneys designated by individuals for
2 deposit in that account under s. 71.10 (3) (a).

3 (b) From the account of each eligible political party, the board shall apportion
4 moneys to eligible candidates representing that party who qualify to receive grants.
5 If at any election there are insufficient moneys in the account of any eligible political
6 party to make full payment of all grants for which candidates of that political party
7 qualify, the board shall apportion the available moneys in the account to candidates
8 of the political party in the proportion that the available moneys bear to the total
9 amount required to make full payment of all grants payable to candidates of that
10 political party. If any candidate of a political party qualifies to receive a
11 supplemental grant under sub. (9) (ba) or (bb) the board shall first make payment
12 of the supplemental grant from the account of that political party using the method
13 of apportionment provided in this paragraph if necessary.

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

17 **SECTION 127.** 11.50 (2w) of the statutes is created to read:

18 11.50 (2w) GENERAL ACCOUNT. There is established a general account within
19 the fund consisting of all moneys in the fund not designated by individuals for deposit
20 in a political party account under s. 71.10 (3) (a).

21 **SECTION 128.** 11.50 (3) of the statutes is repealed.

22 **SECTION 129.** 11.50 (4) of the statutes is repealed.

23 **SECTION 130.** 11.50 (4e) of the statutes is created to read:

24 11.50 (4e) PAYMENT OF GRANT AMOUNTS. The state treasurer shall make payment
25 of each grant to an eligible candidate from the political party account of that

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1 candidate's political party, if any, if there are sufficient moneys in that account to
2 make full payment of the grant, and then from the general account. If there are
3 insufficient moneys in the general account to make full payment of a grant, the state
4 treasurer shall supplement the general account from the appropriation under s.
5 20.855 (4) (ba) in an amount sufficient to make full payment of the grant. Except as
6 provided in sub. (10), the amount of each grant is the amount specified in sub. (9).

7 **SECTION 131.** 11.50 (5) (title) of the statutes is amended to read:

8 11.50 (5) (title) TIME OF DISBURSEMENT GRANT PAYMENTS.

9 **SECTION 132.** 11.50 (5) of the statutes is renumbered 11.50 (5) (a) and amended
10 to read:

11 11.50 (5) (a) The Except as provided in par. (b), the state treasurer shall make
12 the disbursements to the campaign depository account of each eligible candidate
13 under subs. (3) and (4) by the end of the 3rd business day following notice from the
14 board under s. 7.08 (2) (c) or (cm). Eligible candidates for governor and lieutenant
15 governor of the same political party may combine accounts if desired.

16 **SECTION 133.** 11.50 (5) (b) and (c) of the statutes are created to read:

17 11.50 (5) (b) If an eligible candidate notifies the state treasurer of the
18 information required to make electronic transfers to the candidate's campaign
19 depository account, the state treasurer shall transfer to the campaign depository
20 account of that candidate any grant payment that becomes payable to the candidate
21 under sub. (9) as soon as possible following notice from the board under s. 7.08 (2)
22 (c) or (cm), but no later than the time specified in par. (a).

23 (c) Eligible candidates for governor and lieutenant governor of the same
24 political party may combine campaign depository accounts if desired.

25 **SECTION 134.** 11.50 (6) of the statutes is amended to read:

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

6 **SECTION 135.** 11.50 (9) (title) of the statutes is amended to read:

7 11.50 (9) (title) ~~LIMITATION ON~~ AMOUNT OF GRANTS.

8 **SECTION 136.** 11.50 (9) of the statutes is renumbered 11.50 (9) (a) and amended
9 to read:

10 11.50 (9) (a) The Except as provided in this paragraph and pars. (ba) and (bb),
11 the total grant available to an eligible candidate may not exceed that amount which,
12 when added to all other contributions accepted from sources other than individuals,
13 and political party committees ~~and legislative campaign committees~~, is equal to 45
14 35 percent of the disbursement level specified for the applicable office that the
15 candidate seeks, as determined under s. 11.31 (1) and adjusted as provided under s.
16 11.31 (9). The board shall scrutinize accounts and reports and records kept under
17 this chapter to assure that applicable limitations under ss. 11.26 (9) and 11.31 are
18 not exceeded and any violation is reported. No candidate or campaign treasurer may
19 accept grants exceeding the amount authorized by this subsection.

20 **SECTION 137.** 11.50 (9) (ba) and (bb) of the statutes are created to read:

21 11.50 (9) (ba) If an eligible candidate at a primary or election, or both, who
22 accepts a grant is opposed by one or more candidates who are required, or whose
23 personal campaign committees are required, to file a report under s. 11.12 (8), then
24 the board shall make an additional grant to the eligible candidate who accepts a
25 grant in an amount equal to the total amount or value of disbursements, as reported

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1 under s. 11.12 (8), made by the opposing candidate or candidates exceeding the
2 amount specified under s. 11.31 (1) (a) to (d), (e), or (f) for the office which the
3 candidate seeks, as adjusted under s. 11.31 (9), but not more than, together with any
4 additional grant provided under par. (bb), an amount equal to 3 times for the amount
5 specified in s. 11.31 (1) (a) to (d), (e), or (f) for the office that the eligible candidate
6 seeks, as adjusted under s. 11.31 (9).

7 (bb) If the sum of the aggregate disbursements made by committees against an
8 eligible candidate and the aggregate disbursements made by committees for that
9 candidate's opponent, as reported under s. 11.12 (6) (c), exceeds 10 percent of the
10 amount specified under s. 11.31 (1) (a) to (d), (e), or (f), for the office that the eligible
11 candidate seeks as adjusted under s. 11.31 (9), then the board shall make an
12 additional grant to the eligible candidate in an amount equal to that sum but not
13 more than, together with any additional grant provided under par. (ba), an amount
14 equal to 3 times the amount specified in s. 11.31 (1) (a) to (d), (e) or (f) for the office
15 that the eligible candidate seeks, as adjusted under s. 11.31 (9).

16 **SECTION 138.** 11.50 (11) (e) of the statutes is amended to read:

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

21 **SECTION 139.** 11.50 (13) of the statutes is amended to read:

22 11.50 (13) DONATIONS TO FUND. Any committee or other person may make an
23 unrestricted contribution to the general account of the fund by gift, bequest or devise.

24 **SECTION 140.** 11.50 (14) of the statutes is created to read:

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1 11.50 (14) CERTIFICATIONS TO SECRETARY OF REVENUE. (a) In each
2 even-numbered year, the board shall certify to the secretary of revenue:

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

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

11 (b) In each certification under this subsection, the board shall specify the
12 expiration date of the certification.

13 **SECTION 141.** 11.501 to 11.522 of the statutes are created to read:

14 **11.501 Definitions.** In ss. 11.501 to 11.522:

15 (1) “Allowable contribution” means a qualifying contribution, seed money
16 contribution, or personal contribution authorized under ss. 11.502 to 11.522.

17 (2) “Campaign” has the meaning given in s. 11.26 (17).

18 (3) “Election campaign period” means the period beginning on the day after the
19 spring primary election or the day on which a primary election would be held, if
20 required, and ending on the day of the succeeding spring election.

21 (4) “Eligible candidate” means a candidate for the office of justice who has an
22 opponent who has qualified to have his or her name certified for placement on the
23 ballot at the spring primary or election and who qualifies for public financing by
24 collecting the required number of qualifying contributions, making all required

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1 reports and disclosures, and being certified by the board as being in compliance with
2 ss. 11.502 to 11.522.

3 (5) “Excess disbursement amount” means the amount of disbursements made
4 by a nonparticipating candidate in excess of the public financing benefit available to
5 an eligible candidate for the same office that the nonparticipating candidate seeks.

6 (6) “Excess qualifying contribution amount” means the amount of qualifying
7 contributions accepted by a candidate beyond the number or dollar amount of
8 contributions required to qualify a candidate for a public financing benefit.

9 (7) “Exploratory period” means the period that begins after the date of a spring
10 election and ends on the first day of the public financing qualifying period for the next
11 election for justice.

12 (9) “Immediate family,” when used with reference to a candidate, includes the
13 candidate’s spouse and children.

14 (10) “Independent disbursement” means a disbursement by a person expressly
15 advocating the election or defeat of a clearly identified candidate which is made
16 without cooperation or consultation with a candidate, or any authorized committee
17 or agent of a candidate, and which is not made in concert with, or at the request or
18 suggestion of, any candidate, or any authorized committee or agent of a candidate.

19 (11) “Nonparticipating candidate” means a candidate for the office of justice
20 who does not apply for a public financing benefit or who is otherwise ineligible or fails
21 to qualify for a public financing benefit under ss. 11.502 to 11.522.

22 (12) “Personal funds” means funds contributed by a candidate or a member of
23 a candidate’s immediate family.

24 (13) “Primary election campaign period” means the period beginning on the
25 day after the last day prescribed by law for filing nomination papers for that office

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1 and ending on the day of the spring primary election for that office or the day on
2 which the primary election would be held, if required.

3 (14) “Public financing qualifying period” means the period beginning on the
4 first day of July of any year and ending on the day before the beginning of the primary
5 election campaign period for that office.

6 (15) “Qualifying contribution” means a contribution made to a candidate by an
7 elector of this state during the public financing qualifying period, which is
8 acknowledged by written receipt identifying the contributor.

9 (16) “Seed money contribution” means a contribution in an amount of not more
10 than \$100 made to a candidate by an elector of the jurisdiction or district in which
11 the candidate seeks office during the exploratory period or the public financing
12 qualifying period, or a contribution made to a candidate consisting of personal funds
13 of that candidate in an amount not more than the amount authorized under s. 11.507
14 during the exploratory period or the public financing qualifying period.

15 **11.502 Qualification; certification. (1)** Before a candidate for justice in the
16 primary election may be certified as an eligible candidate to receive a public
17 financing benefit for the primary election campaign period, the candidate shall apply
18 to the board for a public financing benefit and file a sworn statement that the
19 candidate has complied and will comply with all requirements of this section and ss.
20 11.503 to 11.522 throughout the applicable campaign, which includes the primary
21 and election for that office. A candidate shall file the application and statement no
22 later than the beginning of the primary election campaign period for the office that
23 the candidate seeks.

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

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1 (1) and receives at least 1,000 qualifying contributions in amounts equal to not less
2 than \$5 nor more than \$100 and in an aggregate amount of not less than \$5,000 nor
3 more than \$15,000 before the close of the public financing qualifying period.

4 (3) The board shall verify a candidate's compliance with the requirements of
5 sub. (2) by such verification and sampling techniques as the board considers
6 appropriate.

7 (4) Each candidate shall:

8 (a) Acknowledge each qualifying contribution by a receipt to the contributor
9 which contains the contributor's name and home address.

10 (b) No later than the 15th or the last day of the month which immediately
11 follows the date of receipt of a qualifying contribution, whichever comes first, file a
12 copy of the receipt under par. (a) with the board, except that during July, August, and
13 September a copy need only be filed on the last day of the month.

14 (5) A qualifying contribution may be utilized only for the purpose of making
15 a disbursement authorized by law.

16 **11.503 Time of application.** (1) Before a candidate may be certified as
17 eligible for receipt of public financing for a spring election, the candidate shall apply
18 to the board and file a sworn statement that the candidate has fulfilled all the
19 requirements of ss. 11.502 to 11.522 during the primary election campaign period
20 and will comply with such requirements during the election campaign period.
21 Except as authorized in s. 8.35 (4) (b), the application shall be filed no later than the
22 7th day after the date of the spring primary election or the day on which the primary
23 election would be held if a primary were required.

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1 **(2)** The board shall certify a candidate as an eligible candidate for receipt of
2 public financing for a spring election if the candidate complies with sub. (1) and the
3 candidate was an eligible candidate during the primary election campaign period.

4 **11.505 Agreement by candidate.** An eligible candidate who accepts a public
5 financing benefit under ss. 11.502 to 11.522 during the primary election campaign
6 period shall agree to comply with all requirements of ss. 11.502 to 11.522 throughout
7 the election campaign period during the same campaign as a precondition to receipt
8 of public financing. An eligible candidate who accepts a public financing benefit
9 during a primary election campaign period may not elect to accept private
10 contributions in violation of ss. 11.502 to 11.522 during the corresponding election
11 campaign period.

12 **11.506 Requirements imposed upon candidates. (1)** An eligible
13 candidate may not accept private contributions other than seed money contributions
14 and qualifying contributions that the candidate accepts during the exploratory
15 period and the public financing qualifying period.

16 **(2)** In addition to reports required to be filed under ss. 11.12 (5) and 11.20, a
17 candidate who receives a public financing benefit shall furnish complete financial
18 records, including records of seed money contributions, qualifying contributions, and
19 disbursements, to the board on the 15th or the last day of the month that
20 immediately follows the receipt of the contribution or the making of the
21 disbursement, whichever comes first, except that during July, August, and
22 September records need only be furnished on the last day of the month. Each such
23 candidate shall cooperate with any audit or examination by the board.

24 **(3)** In addition to adhering to requirements imposed under ss. 11.06 (5) and
25 11.12 (3), a candidate who receives a public financing benefit shall maintain records

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1 of all contributions received by the candidate of more than \$5 but less than \$50,
2 including seed money contributions and qualifying contributions, which shall
3 contain the full name of the contributor and the contributor's full home address. In
4 addition, if a contributor's aggregate contributions to any candidate exceed \$50 for
5 any campaign, the candidate shall also maintain a record of the contributor's
6 principal occupation and the name and business address of the contributor's place
7 of employment.

8 (4) The failure to record or provide the information specified in sub. (3)
9 disqualifies a contribution from counting as a qualifying contribution.

10 (5) No eligible candidate and no person acting on a candidate's behalf may
11 deposit any contribution that is not recorded in accordance with sub. (3) in a
12 candidate's campaign depository account.

13 (6) No eligible candidate may accept more than \$25 in cash from any
14 contributor and no such candidate may accept cash from all sources in a total amount
15 greater than one-tenth of 1 percent of the public financing benefit for the office that
16 the candidate seeks or \$500, whichever is greater.

17 **11.507 Personal funds of candidates.** (1) The personal funds of a candidate
18 contributed as seed money contributions may not exceed an aggregate amount of
19 \$5,000.

20 (2) No eligible candidate may make any disbursement derived from personal
21 funds after the close of the public financing qualifying period.

22 **11.508 Seed money contributions.** (1) An eligible candidate may accept
23 seed money contributions from any individual or committee prior to the end of the
24 public financing qualifying period, provided the total contributions received from one
25 contributor, except personal funds and qualifying contributions otherwise permitted

1 under ss. 11.502 to 11.522, do not exceed \$100, and the aggregate contributions,
2 including personal funds, but not including qualifying contributions, do not exceed
3 \$5,000.

4 (2) An eligible candidate may make disbursements derived from seed money
5 contributions only during the exploratory period and the public financing qualifying
6 period.

7 **11.509 Excess contributions.** If an eligible candidate receives excess seed
8 money contributions or qualifying contributions on an aggregate basis, the
9 candidate may retain the contributions and make disbursements derived from the
10 contributions, in an amount not exceeding \$15,000. An amount equivalent to the
11 excess contributions shall be deducted by the board from the candidate's public
12 financing benefit. A candidate shall return to the board all seed money and
13 qualifying contributions that exceed the limits prescribed in this section within 48
14 hours after the end of the exploratory period. The board shall deposit all
15 contributions returned under this section in the democracy trust fund.

16 **11.51 Certification by candidate. (1)** To apply for a public financing benefit,
17 a candidate shall certify to the board that the candidate has complied and will
18 comply, throughout the applicable campaign, with all requirements of ss. 11.502 to
19 11.522 and that all disclosures required as of the time of application have been made,
20 and shall present evidence of the requisite number of qualifying contributions
21 received by the candidate. The candidate's request for certification shall be signed
22 by the candidate and the candidate's campaign treasurer.

23 (2) The board shall distribute to each eligible candidate at the spring primary
24 election a check for the amount of the public financing benefit payable to the
25 candidate promptly after the candidate demonstrates his or her eligibility and, in

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1 any event, not later than 5 days after the end of the public financing qualifying
2 period; however, no candidate may utilize a check received under this subsection
3 until the beginning of the primary election campaign period.

4 (3) The board shall distribute to each eligible candidate for justice at a spring
5 election a check for the amount of the public financing benefit payable to the
6 candidate not later than 48 hours after the date of the spring primary election for the
7 office of justice, or the date that the primary election would be held if a primary were
8 required. However, no candidate for a particular office shall receive a check until all
9 candidates for the office of justice who apply and qualify for a public financing benefit
10 have been certified as eligible candidates.

11 (4) If any candidate who receives a public financing benefit violates the
12 requirements of ss. 11.502 to 11.522, the board shall require the candidate to repay
13 all public funds received by the candidate to the board. The board shall deposit all
14 repayments received under this subsection in the democracy trust fund.

15 **11.511 Public financing benefits.** (1) The board shall provide to each
16 eligible candidate who qualifies to receive a public financing benefit for the primary
17 or election campaign period separate checks for the public financing benefits payable
18 to the candidate for the primary and election campaign periods in the amounts
19 specified in this section, subject to any required adjustment under s. 11.509, 11.512
20 (2) or 11.513 (2). An eligible candidate may use this public financing benefit to
21 finance any lawful disbursements during the primary and election campaign periods
22 to further the election of the candidate in that primary or election. An eligible
23 candidate may not use this public financing benefit to repay any loan, or in violation
24 of ss. 11.502 to 11.522 or any other applicable law.

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1 (2) Except as provided in ss. 11.512 (2) and 11.513 (2), the public financing
2 benefit for a primary election campaign period is \$100,000.

3 (3) Except as provided in ss. 11.512 (2) and 11.513 (2), the public financing
4 benefit for an election campaign period is \$300,000.

5 (4) If there is no spring primary election for the office of justice, no eligible
6 candidate may receive a public financing benefit for the primary election campaign
7 period.

8 (5g) An eligible candidate who receives a public financing benefit in the
9 primary election campaign period and whose name is certified to appear on the ballot
10 at the election following that primary may utilize any unencumbered balance of the
11 public financing benefit received by the candidate in the primary election campaign
12 period for the election campaign period.

13 (5r) Except as permitted in sub. (5g), an eligible candidate who receives a
14 public financing benefit and who does not encumber or expend some portion of the
15 benefit for a purpose described in sub. (1) shall return any unencumbered portion of
16 the benefit to the board within 30 days after the primary or election in which the
17 candidate participates.

18 (6) Notwithstanding subs. (2) and (3), beginning on July 1, 2010, and every 2
19 years thereafter, the board shall modify the public financing benefits provided for in
20 subs. (2) and (3) to adjust for the change in the consumer price index, all items, U.S.
21 city average, published by the U.S. department of labor for the preceding 2-year
22 period ending on December 31.

23 **11.512 Financial activity by nonparticipating candidates.** (1) In
24 addition to other reports required by law, a nonparticipating candidate for an office
25 at a primary or election who receives contributions or makes or obligates to make

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1 disbursements in an amount more than 5 percent greater than the public financing
2 benefit applicable to an eligible candidate for the same office at the same primary or
3 election shall file a report with the board itemizing the total contributions received
4 and disbursements made or obligated to be made by the candidate as of the date of
5 the report. The board shall transmit copies of the report to all candidates for the
6 same office at the same election. A nonparticipating candidate shall file additional
7 reports after the candidate receives each additional \$1,000 of contributions, or the
8 candidate makes or obligates to make each additional \$1,000 of disbursements. If
9 such contributions are received or such disbursements are made or obligated to be
10 made more than 6 weeks prior to the date of the primary election at which the name
11 of the candidate appears on the ballot, or prior to the date that the primary election
12 would be held, if a primary were required, such reports shall be made at the next
13 regular reporting interval under s. 11.506. If such contributions are received or such
14 disbursements made or obligated to be made within 6 weeks prior to the date of the
15 primary election at which the name of the candidate appears on the ballot, or within
16 6 weeks prior to the date that the primary election would be held, if a primary were
17 required, such reports shall be made within 24 hours after each instance in which
18 such contributions are received, or such disbursements are made or obligated to be
19 made.

20 (2) Upon receipt of such information, the state treasurer shall immediately
21 issue a check to an opposing eligible candidate in an additional amount equivalent
22 to the total excess disbursements made or obligated to be made, but not to exceed 3
23 times the public financing benefit for the applicable office.

24 **11.513 Independent disbursements.** (1) If any person makes, or becomes
25 obligated to make, by oral or written agreement, an independent disbursement in

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1 excess of \$1,000 with respect to a candidate for the office of justice at a spring primary
2 or election, that person shall file with the board a notice of such disbursement or
3 obligation to make such a disbursement. Any such person shall file reports of such
4 disbursements or obligations to make such disbursements on the 15th or last day of
5 the month that immediately follows the date of the disbursement or the obligation
6 to make the disbursement, whichever comes first, except that, within 6 weeks prior
7 to the date of the spring primary election, the person shall file such reports within
8 24 hours after each independent disbursement is made or obligated to be made. Any
9 such person shall file additional reports after each additional \$1,000 of
10 disbursements are made or obligated to be made.

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

17 **11.515 Democracy trust fund.** The democracy trust fund shall be
18 administered by the state treasurer.

19 **11.516 Administration.** Except as otherwise specifically provided in ss.
20 11.501 to 11.522, the duties of and authority for administering and enforcing ss.
21 11.501 to 11.522 are vested in the board.

22 **11.517 Penalties; enforcement. (1)** Notwithstanding s. 11.60 (1), if an
23 eligible candidate makes disbursements that exceed the total amount of the public
24 financing benefit allocated to the candidate for any campaign and the total
25 qualifying and seed money contributions lawfully accepted by the candidate, the

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1 candidate may be required to forfeit not more than 10 times the amount by which the
2 disbursements exceed the allocation.

3 (2) Notwithstanding s. 11.60 (1), any eligible candidate who accepts
4 contributions in excess of any limitation imposed under ss. 11.502 to 11.522 may be
5 required to forfeit not more than 10 times the amount by which the contributions
6 exceed the applicable limitation.

7 (3) If the board finds that there is probable cause to believe that a candidate
8 has made excess disbursements or has accepted excess contributions contrary to sub.
9 (1) or (2), the board shall attempt for a period of not more than 14 days after its
10 finding to correct the matter by informal methods of conference and conciliation and
11 to enter into a settlement and conciliation agreement under s. 5.05 (1) (c) with the
12 person involved. A settlement and conciliation agreement made pursuant to this
13 subsection shall be a matter of public record. Unless violated, a settlement and
14 conciliation agreement is a bar to any civil action under sub. (4).

15 (4) If the board has probable cause to believe that a candidate has made excess
16 disbursements or has accepted excess contributions and the board is unable to
17 correct the matter by informal methods within the time prescribed in sub. (3), the
18 board shall make a public finding of probable cause in the matter. After making a
19 public finding, the board may bring a civil action against the candidate as provided
20 in s. 5.05 (1) (c).

21 (5) If an elector believes that a candidate has violated ss. 11.502 to 11.522 and
22 the elector is entitled to vote for or against the candidate in the election in connection
23 with which the violation is alleged to occur, the elector may file a complaint with the
24 board requesting it to take remedial action. If the board refuses to take remedial
25 action or, within 30 days after the filing of such a complaint, fails to take remedial

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1 action, the elector may commence a civil action requesting the court to impose a
2 forfeiture under sub. (1) or (2) in circuit court for the county where the board is
3 authorized to bring an action under s. 5.05 (1) (c).

4 (6) The board and courts shall expedite all proceedings under ss. 11.502 to
5 11.522 so that all complaints brought prior to an election are resolved, to the extent
6 possible, before the election is held.

7 (7) If a complaint brought under ss. 11.502 to 11.522 is resolved against the
8 complainant and is found to have been brought in bad faith and without reasonable
9 basis therefor, the board or court may assess costs, including reasonable attorney
10 fees, against the complainant.

11 **11.518 Prohibited acts. (1)** Notwithstanding s. 11.61 (1) (c) if a candidate
12 or agent of a candidate knowingly accepts more contributions than the candidate is
13 entitled to receive, or makes disbursements exceeding the total amount of the public
14 financing benefit received by the candidate and the qualifying and seed money
15 contributions lawfully received by the candidate, the candidate or agent is guilty of
16 a Class G felony.

17 (2) Notwithstanding s. 11.61 (1) (c), if in connection with the receipt or
18 disbursement of a public financing benefit for an election campaign, any person
19 knowingly provides false information to the board, or knowingly conceals or
20 withholds information from the board, that person is guilty of a Class G felony.

21 **11.522 Contributions to nonparticipating candidates; attributions. (1)**
22 A nonparticipating candidate may accept contributions from private sources without
23 limitation, except that no person may make any contribution or contributions to a
24 nonparticipating candidate exceeding a total of \$1,000 during any campaign.

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1 **(2)** In addition to the attribution required under s. 11.30 (2), any electronic or
2 print communication paid for or authorized by a nonparticipating candidate shall
3 contain the following sentence: “This communication is paid for with money raised
4 from private sources. This candidate has not agreed to abide by campaign
5 contribution and spending limits.”

6 **SECTION 142.** 11.60 (3s) and (3u) of the statutes are created to read:

7 **11.60 (3s)** Notwithstanding sub. (1), if any candidate or committee, other than
8 a conduit, makes a disbursement for the purpose of supporting or opposing a
9 candidate for an office specified in s. 11.31 (1) (a) to (d), (e), or (f) without reporting
10 the information required under s. 11.12 (6) (c) or (8) or 11.20 (3) or (4) with respect
11 to that disbursement, to the extent required under ss. 11.12 (6) (c) and (8) and 11.20
12 (3) and (4) and 11.21 (16), the candidate or committee may be required to forfeit not
13 more than \$500 per day for each day of continued violation.

14 **(3u)** Notwithstanding sub. (1), if any person, including any candidate or
15 committee to whom s. 11.12 (6) (c) or (8) applies, makes any disbursement for the
16 purpose of supporting or opposing a candidate for an office specified in s. 11.31 (1)
17 (a) to (d), (e), or (f) in an amount or value that differs from the amount reported by
18 that person under s. 11.12 (6) (c) or (8), 11.20 (3) or (4), or 11.21 (16):

19 (a) By more than 5 percent but not more than 10 percent cumulatively, the
20 person shall forfeit 4 times the amount or value of the difference.

21 (b) By more than 10 percent but not more than 15 percent cumulatively, the
22 person shall forfeit 6 times the amount or value of the difference.

23 (c) By more than 15 percent cumulatively, the person shall forfeit 8 times the
24 amount of the difference.

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1 **SECTION 143.** 11.60 (4) of the statutes, as affected by 2007 Wisconsin Act 1, is
2 amended to read:

3 11.60 **(4)** Except as otherwise provided in ss. 5.05 (2m) (c) 15. and 16. and (h),
4 5.08, and 5.081, actions under this section or 11.517 may be brought by the board or
5 by the district attorney for the county where the defendant resides or, if the
6 defendant is a nonresident, by the district attorney for the county where the violation
7 is alleged to have occurred. For purposes of this subsection, a person other than a
8 natural person resides within a county if the person's principal place of operation is
9 located within that county.

10 **SECTION 144.** 11.61 (1) (a) of the statutes is amended to read:

11 11.61 **(1)** (a) Whoever intentionally violates s. 11.05 (1), (2), or (2g) or (2r), 11.07
12 (1) or (5), 11.10 (1), 11.12 (5), 11.23 (6), or 11.24 (4) is guilty of a Class I felony.

13 **SECTION 145.** 11.61 (2) of the statutes, as affected by 2007 Wisconsin Act 1, is
14 amended to read:

15 11.61 **(2)** Except as otherwise provided in ss. 5.05 (2m) (c) 15. and 16. and (i),
16 5.08, and 5.081, all prosecutions under this section or s. 11.518 shall be conducted
17 by the district attorney for the county where the defendant resides or, if the
18 defendant is a nonresident, by the district attorney for the county where the violation
19 is alleged to have occurred. For purposes of this subsection, a person other than a
20 natural person resides within a county if the person's principal place of operation is
21 located within that county.

22 **SECTION 146.** 20.005 (3) (schedule) of the statutes: at the appropriate place,
23 insert the following amounts for the purposes indicated:

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20.511 Government accountability board

(1) ADMINISTRATION OF ELECTION, ETHICS, AND
LOBBYING LAWS

(r) Democracy trust fund adminis-
tration

SEG A -0- -0-

20.585 Treasurer, state

(1) CUSTODIAN OF STATE FUNDS

(r) Democracy trust fund adminis-
tration

SEG A -0- -0-

SECTION 147. 20.511 (1) (q) of the statutes, as affected by 2007 Wisconsin Act 1, is amended to read:

20.511 **(1)** (q) *Wisconsin election campaign fund.* As a continuing appropriation, from the Wisconsin election campaign fund, the moneys determined under s. 11.50 to provide for payments to eligible candidates certified under s. 7.08 (2) (c) and (cm).

SECTION 148. 20.511 (1) (r) of the statutes is created to read:

20.511 **(1)** (r) *Democracy trust fund administration.* From the democracy trust fund, the amounts in the schedule for the administration of ss. 11.501 to 11.522.

SECTION 149. 20.585 (1) (q) of the statutes is created to read:

20.585 **(1)** (q) *Public financing benefits; candidates for justice.* From the democracy trust fund, a sum sufficient to provide for payment of public financing benefits to eligible candidates under ss. 11.501 to 11.522.

SECTION 150. 20.585 (1) (r) of the statutes is created to read:

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1 20.585 (1) (r) *Democracy trust fund administration.* From the democracy trust
2 fund, the amounts in the schedule for the administration of ss. 11.501 to 11.522.

3 **SECTION 151.** 20.855 (4) (b) of the statutes is amended to read:

4 20.855 (4) (b) (title) *Election campaign fund payments.* A sum sufficient equal
5 to one-third of the amounts determined designated under s. 71.10 (3) for the general
6 account of the Wisconsin election campaign fund to be paid into the Wisconsin
7 election campaign fund annually on August 15.

8 **SECTION 152.** 20.855 (4) (ba) of the statutes is created to read:

9 20.855 (4) (ba) *Wisconsin election campaign fund supplement.* A sum sufficient
10 equal to the amount required to make full payment of grants which candidates
11 qualify to receive from the Wisconsin election campaign fund, to be transferred from
12 the general fund to the Wisconsin election campaign fund whenever candidates
13 qualify to receive grants under s. 11.50 (9) no later than the time required to make
14 payments of grants under s. 11.50 (5).

15 **SECTION 153.** 20.855 (4) (bb) of the statutes is created to read:

16 20.855 (4) (bb) *Democracy trust fund payments.* A sum sufficient equal to
17 two-thirds of the amounts designated under s. 71.10 (3) for the general account of
18 the Wisconsin election campaign fund to be paid into the democracy trust fund
19 annually on August 15.

20 **SECTION 154.** 20.855 (4) (bc) of the statutes is created to read:

21 20.855 (4) (bc) *Democracy trust fund transfer.* A sum sufficient equal to the
22 difference between the amount appropriated under par. (bb) and the sum of the
23 amounts appropriated under ss. 20.511 (1) (r) and 20.585 (1) (r) and the amounts
24 required to provide public financing benefits that candidates qualify to receive from
25 the democracy trust fund, to be transferred from the general fund to the democracy

BILL

SECTION 154

1 trust fund no later than the time required to make payments of grants under s. 11.51
2 (2) and (3).

3 **SECTION 155.** 25.17 (1) (cm) of the statutes is created to read:

4 25.17 (1) (cm) Democracy trust fund (s. 25.421);

5 **SECTION 156.** 25.42 of the statutes is amended to read:

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

13 **SECTION 157.** 25.421 of the statutes is created to read:

14 **25.421 Democracy trust fund.** All moneys appropriated under s. 20.855 (4)
15 (bb) and (bc) and all moneys deposited in the state treasury under ss. 11.509, 11.51
16 (4), and 11.511 (5r) constitute the democracy trust fund, to be expended for the
17 purposes of ss. 11.501 to 11.522.

18 **SECTION 158.** 71.07 (6n) of the statutes is created to read:

19 71.07 (6n) PUBLIC INTEGRITY ENDOWMENT TAX CREDIT. (a) *Definitions.* In this
20 subsection:

21 1. "Claimant" means an individual who makes a contribution and files a claim
22 under this subsection.

23 2. "Contribution" means a contribution, as defined in s. 11.01 (6), made to the
24 Public Integrity Endowment created under 2007 Wisconsin Act (this act), section
25 164 (1).

BILL

1 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
2 claimant may claim as a credit against the tax imposed under s. 71.02, up to the
3 amount of those taxes, an amount equal to the claimant's contribution in the taxable
4 year to which the claim relates.

5 (c) *Limitations.* No credit may be allowed under this subsection unless it is
6 claimed within the time period under s. 71.75 (2).

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

9 **SECTION 159.** 71.10 (3) (a) of the statutes is amended to read:

10 71.10 (3) (a) Every individual filing an income tax return who has a tax liability
11 or is entitled to a tax refund may designate \$1 ~~\$5~~ for transfer to the Wisconsin
12 election campaign fund for the use of eligible candidates under s. 11.50. If the
13 individuals filing a joint return have a tax liability or are entitled to a tax refund,
14 each individual may make a designation of \$1 ~~\$5~~ under this subsection. Each
15 individual making a designation shall indicate whether the amount designated by
16 the individual shall be placed in the general account for the use of all eligible
17 candidates for state office, or in the account of an eligible political party whose name
18 is certified to the secretary of revenue under s. 11.50 (14). If an individual does not
19 indicate that the amount of his or her designation shall be placed in the account of
20 a particular eligible political party, that amount shall be placed in the general
21 account.

22 **SECTION 160.** 71.10 (3) (a) of the statutes, as affected by 2007 Wisconsin Act
23 (this act), is amended to read:

24 71.10 (3) (a) Every individual filing an income tax return who has a tax liability
25 or is entitled to a tax refund may designate \$5 for transfer to the Wisconsin election

BILL

SECTION 160

1 campaign fund and the democracy trust fund for the use of eligible candidates under
2 s. 11.50. If the individuals filing a joint return have a tax liability or are entitled to
3 a tax refund, each individual may make a designation of \$5 under this subsection.
4 Each individual making a designation shall indicate whether the amount designated
5 by the individual shall be placed in the general account for the use of all eligible
6 candidates for state office, or in the account of an eligible political party whose name
7 is certified to the secretary of revenue under s. 11.50 (14). If an individual does not
8 indicate that the amount of his or her designation shall be placed in the account of
9 a particular eligible political party, that amount shall be placed in the general
10 account.

11 **SECTION 161.** 71.10 (3) (b) of the statutes, as affected by 2007 Wisconsin Act 1,
12 is amended to read:

13 71.10 (3) (b) The secretary of revenue shall provide a place for those
14 designations under par. (a) on the face of the individual income tax return and shall
15 provide place next to that place a statement that a designation will not increase tax
16 liability. ~~Annually on August 15, the secretary of revenue shall certify to the~~
17 ~~government accountability board, the department of administration and the state~~
18 ~~treasurer under s. 11.50 the total amount of designations made during the preceding~~
19 ~~fiscal year. No later than the 15th day of each month, the secretary of revenue shall~~
20 certify to the government accountability board, the department of administration,
21 and the state treasurer the total amount of designations made on returns processed
22 by the department of revenue during the preceding month and the amount of
23 designations made during that month for the general account and for the account of
24 each eligible political party. If any individual attempts to place any condition or

BILL

1 restriction upon a designation not authorized under par. (a), that individual is
2 deemed not to have made a designation on his or her tax return.

3 **SECTION 162.** 71.10 (4) (ds) of the statutes is created to read:

4 71.10 (4) (ds) The Public Integrity Endowment tax credit under s. 71.07 (6n).

5 **SECTION 163.** 806.041 of the statutes is created to read:

6 **806.041 Campaign finance registration.** Any person who proposes to
7 publish, disseminate, or broadcast, or causes to be published, disseminated, or
8 broadcast, any communication may commence a proceeding under s. 806.04 to
9 determine the application to that person of a registration requirement under s. 11.05
10 (1), (2), or (2g).

11 **SECTION 164. Nonstatutory provisions.**

12 (1) PUBLIC INTEGRITY ENDOWMENT. The legal counsel to the government
13 accountability board shall prepare and file articles of incorporation for the
14 incorporation under chapter 181 of the statutes of an organization to be known as the
15 "Public Integrity Endowment." The legal counsel shall ensure that the organization
16 is structured so that it will qualify as a nonprofit organization, as defined in section
17 108.02 (19) of the statutes. The legal counsel shall specify in the articles of
18 incorporation that the sole purpose of the foundation shall be to solicit contributions
19 for the purpose of, before January 1, 2009, supplementing the assets of the Wisconsin
20 election campaign fund and, after December 31, 2008, supplementing the assets of
21 the general account of that fund, and transferring those contributions, after
22 deduction of solicitation costs, to that fund or account.

23 (2) WISCONSIN ELECTION CAMPAIGN FUND BALANCE TRANSFER. The balance in the
24 Wisconsin election campaign fund on the effective date of this subsection is credited

BILL

SECTION 164

1 to the general account of the Wisconsin election campaign fund established under
2 section 11.50 (2w) of the statutes, as created by this act.

3 (3) NONSEVERABILITY. Notwithstanding section 990.001 (11) of the statutes, if
4 a court finds that all or any portion of section 11.12 (6) (c) or (8) or 11.50 (9) (ba) or
5 (bb) of the statutes, as affected by this act, is unconstitutional, then sections 11.12
6 (6) (c) and (8) and 11.50 (9) (ba) and (bb) of the statutes, as affected by this act, are
7 void in their entirety.

8 **SECTION 165. Initial applicability.**

9 (1) Except as provided in subsection (2), this act first applies to elections held
10 on the effective date of this subsection.

11 (2) The treatment of section 11.31 (9) of the statutes first applies to adjustments
12 for the biennium beginning on January 1, 2010.

13 (3) The treatment of sections 71.07 (6n) and 71.10 (3) (a) (by SECTION 159) and
14 (b) and (4) (ds) of the statutes first applies to taxable years beginning on January 1
15 of the year in which this subsection takes effect, except that if this subsection takes
16 effect after July 31 the treatment first applies to taxable years beginning on January
17 1 of the year following the year in which this subsection takes effect.

18 **SECTION 166. Effective dates.** This act takes effect on the day after
19 publication, except as follows:

20 (1) The treatment of sections 8.35 (4) (b), 11.01 (14m), 11.12 (2) (by SECTION 47),
21 11.16 (2) (by SECTION 57) and (3), 11.26 (1) (a) and (am), (2) (a) and (an) (by SECTION
22 84), (9) (a) (by SECTION 89), (b) (by SECTION 91), and (ba), and (13), 11.31 (1) (d) (by
23 SECTION 100), 11.50 (1) (a) 1. a. (by SECTION 113), 11.501 to 11.522, 11.60 (4), 11.61 (2),

BILL

1 20.511 (1) (r), 20.585 (1) (q) and (r), 20.855 (4) (b), (ba), and (bb), 25.17 (1) (cm),
2 25.421, and 71.10 (3) (a) (by SECTION 160) of the statutes takes effect on June 1, 2008.

3 (END)

dlr

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3568/1dn
JTK:kjf:nwn

3623/1dn

December 5, 2007

Nate Zolik:

1. Proposed s. 11.01 (16) (a) 3. of this draft would extend this state's campaign finance reporting system to include reporting of certain mass communications occurring within a specified proximity to an election regardless of whether they would be reportable currently. In *McConnell v. F.E.C.*, 124 S.Ct. 619 (2003), at pp. 696-697, the U.S. Supreme Court sanctioned analogous provisions in the Federal Election Campaign Act in the face of a First Amendment challenge because the reporting was considered to be the functional equivalent of express advocacy, which, since *Buckley v. Valeo, et al.* 96 S.Ct. 612 (1976), has been judicially sanctioned as reportable activity. However, in *F.E.C. v. Wisconsin Right to Life, Inc.*, 127 S.Ct. 2652 (2007), the U.S. Supreme Court, at p. 2667, adopted such a narrow view of the functional equivalent of express advocacy as to in effect overrule the *McConnell* decision in all but the narrowest of circumstances. Both the *McConnell* and the *Wisconsin Right to Life* decisions were 5 to 4 decisions. ~~Although the *Wisconsin Right to Life* case specifically relates to a publication issue rather than a reporting issue, if the same thinking is applied, as seems likely, the court could well adopt such a narrow interpretation of proposed s. 11.01 (16) (a) 3., which is modeled loosely after the analogous federal provisions, as to leave us with a disclosure mechanism that is at best functionally similar to the one we now have in most cases.~~

Proposed (2m)
Proposed s. 11,38(2m) of this draft attempts to address the publication issue by permitting corporations and cooperatives to make expenditures for certain election-related communications if they are reported. The *Wisconsin Right to Life* case will be applied to the disclosure issue and how it will be applied to the noncorporate context remains to be decided.

2. This draft includes two appropriations for which I have specified "\$-0-" for expenditure in fiscal years 2007-08 and 2008-09. 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.

3. 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

FWSA

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.

5.6 The lower federal courts have disagreed as to whether statutes such as proposed ss. 11.50 (9) (ba) and (bb), 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. See also *Daggett v. Comm. on Governmental Ethics and Election Practices*, 205 F. 3d 445, 463-65, 467-69 (1st Cir., 2000), in which a similar law in Maine was not found to abridge the First Amendment. The U.S. Supreme Court has not yet spoken on this issue.

6.6 Proposed ss. 11.12 (8) and 11.512 (1), which impose 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. One lower federal court has held that such a provision does not contravene equal protection requirements. See *Assn. of American Physicians and Surgeons v. Brewer*, 363 F. supp. 2d 1197 (D.C., Ariz., 2005). Once again, the U.S. Supreme Court has not ruled on this issue.

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

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

LRB-3568/2dn
JTK:kjf:rs

December 6, 2007

INS A

Nate Zolik:

2. You may wish to reflect on proposed s. 11.05 (3) (s) of the draft, which requires a new registrant to disclose any mass communication, as defined in proposed s. 11.01 (16) (a) 3. of the draft, that the registrant made prior to registration at the time that the registrant registers and how this provision should apply to a corporation or cooperative that registers after the day that the bill resulting from this draft becomes law.

act ~

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

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3623/1dn

JTK:lmk:nwn

December 10, 2007

Nate Zolik:

1. Proposed s. 11.01 (16) (a) 3. of this draft would extend this state's campaign finance reporting system to include reporting of certain mass communications occurring within a specified proximity to an election regardless of whether they would be reportable currently. In *McConnell v. F.E.C.*, 124 S.Ct. 619 (2003), at pp. 696-697, the U.S. Supreme Court sanctioned analogous provisions in the Federal Election Campaign Act in the face of a First Amendment challenge because the reporting was considered to be the functional equivalent of express advocacy, which, since *Buckley v. Valeo, et al.* 96 S.Ct. 612 (1976), has been judicially sanctioned as reportable activity. However, in *F.E.C. v. Wisconsin Right to Life, Inc.*, 127 S.Ct. 2652 (2007), the U.S. Supreme Court, at p. 2667, adopted such a narrow view of the functional equivalent of express advocacy as to in effect overrule the *McConnell* decision in all but the narrowest of circumstances. Both the *McConnell* and the *Wisconsin Right to Life* decisions were 5 to 4 decisions. The *Wisconsin Right to Life* case specifically relates to a publication issue rather than a reporting issue. Proposed s. 11.38 (2m) of this draft attempts to address the publication issue by permitting corporations and cooperatives to make expenditures for certain election-related communications if they are reported. The *Wisconsin Right to Life* case will be applied to the disclosure issue and how it will be applied to the noncorporate context remains to be decided.

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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.

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

Basford, Sarah

From: Zolik, Nate - GOV [Nate.Zolik@gov.state.wi.us]
Sent: Monday, December 10, 2007 11:22 AM
To: LRB.Legal
Cc: Hermes, Ron - GOV; Dumermuth, Mindy L - GOV; Kuesel, Jeffery
Subject: FW: Draft review: LRB 07-3568/3 Topic: Campaign finance changes; free television access; individual income tax credit
Importance: High
Attachments: LRB-3568_3

We would like this special session bill jacketed for the Assembly.

The drafting attorney is also preparing a companion bill, which we'll want jacketed for the Senate.

Thanks.

-3623

Nate Zolik

Chief Legal Counsel
Office of Governor Jim Doyle
Phone: 608.266.7887
Fax: 608.266.7912
Email: nate.zolik@wisconsin.gov

From: Barman, Mike [mailto:Mike.Barman@legis.wisconsin.gov]
Sent: Friday, December 07, 2007 1:51 PM
To: Zolik, Nate - GOV
Subject: Draft review: LRB 07-3568/3 Topic: Campaign finance changes; free television access; individual income tax credit

State of Wisconsin - Legislative Reference Bureau
One East Main Street - Suite 200 - Madison

The attached draft was prepared at your request. Please review it carefully to ensure that it satisfies your intent. If you have any questions concerning the draft or would like to have it redrafted, please contact Jeffery T. Kuesel, Managing Attorney, at (608) 266-6778, at jeffery.kuesel@legis.wisconsin.gov, or at One East Main Street, Suite 200.

If you would like to jacket the draft for introduction, please click on the appropriate button below. Please select only one button. If you wish to introduce this draft in both houses please contact the drafting attorney to have a companion bill drafted.

Jacket for the
ASSEMBLY

LRB-3623/1

JTK & MES

CCC

to

December 2007 Special Session Senate Bill 1

#. Page 56, line 4: on lines 4 and 5,
delete "subd." and substitute "sub.(1)(a)".

#. Page 56, line 20: delete "(b)" and
substitute "(c)".

<END>

cjs



LRB correction

~~Jan 08~~

Dec 07 SS Senate Bill 1

p. 56, lines 4 + 5: delete "subd."
and substitute "sub. (1)(a)"

p. 56, line 20: delete "(b)" and
substitute "(c)".

1 filing officer for the fund specified in s. 11.02 in the manner in which continuing
2 reports are filed under s. 11.20 (4) and (8), and s. 11.21 (16), if applicable.

3 **SECTION 108.** 11.38 (2m) of the statutes is created to read:

4 11.38 (2m) (a) Notwithstanding subd. 1., a corporation or association specified
5 in subd. 1. may make a disbursement that is authorized under par. (b) for the purpose
6 of making a communication specified in s. 11.01 (16) (a) 3. unless the communication
7 is susceptible of no reasonable interpretation other than as an appeal to vote for or
8 against a candidate whose name is certified under s. 7.08 (2) (a) or 8.50 (1) (d) to
9 appear on the ballot at an election.

10 (b) A disbursement is permitted under par. (a) if the communication:

11 1. Does not mention an election, candidacy, opposing candidate, political party,
12 or voting by the general public; and

13 2. Does not take a position on a candidate's or officeholder's character,
14 qualifications, or fitness for office; and either:

15 a. Focuses on a legislative or executive matter or issue and urges a candidate
16 to take a particular position or action with respect to the matter or issue or urges the
17 public to contact a candidate with respect to the matter or issue; or

18 b. Proposes a commercial transaction, such as the purchase of a book, video, or
19 other product or service.

20 (b) A corporation that makes a disbursement under par. (a) is subject to
21 applicable registration requirements under s. 11.05 (1) and reporting requirements
22 under ss. 11.06 (1) and 11.12 (6) (c).

23 **SECTION 109.** 11.38 (6) of the statutes is amended to read:

24 11.38 (6) Any individual or campaign treasurer who receives funds in violation
25 of this section shall promptly return such funds to the contributor or, donate the



State of Wisconsin
2007-2008 LEGISLATURE

CORRECTIONS IN:

December 2007 Special Session

SENATE BILL 1

Prepared by the Legislative Reference Bureau
(January 28, 2008)

1. Page 56, line 4: on lines 4 and 5, delete "subd." and substitute "sub. (1)
(a)".
2. Page 56, line 20: delete "(b)" and substitute "(c)".

(END)