

2013-2014 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-4285/P2ins  
JTK/JK/TKK:all:jm

✓  
INSERT ANALYSIS TKK

The bill allows a conduit to redirect contributions made to the conduit but unclaimed for a period of two years to a committee, other than a personal campaign committee, that sponsors the conduit if there is such a committee or, if there is not such a committee, to the conduit's administrative fund.

✓  
INSERT 12-1

- 1 (NO 9) (1) In this section, "sponsor" means a committee, including a support  
2 committee, political party committee, legislative campaign committee, and special  
3 interest committee, but excluding a personal campaign committee, that is associated  
4 with a conduit.

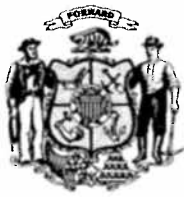
2013-2014 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-4285/P2insJK  
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✓ **Insert 3 - A**

Under current law, every committee, other than a personal campaign committee, that makes or accepts contributions, makes disbursements, or incurs obligations exceeding \$25 in the aggregate in any year must file a registration statement. The bill increases the registration threshold for such a committee from \$25 to \$500. ✓

Finally, under current law, every individual, other than a candidate or a candidate's agent, who makes or accepts contributions, makes disbursements, or incurs obligations exceeding \$25 in the aggregate in any year to support or oppose the election or nomination of a candidate must file a registration statement. The bill increases the registration threshold for such an individual from \$25 to \$1,000. ✓



RMR

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

NOW

3-3

general no changes

1 AN ACT *to repeal* 11.38 (1) (a) 3.; *to amend* 11.05 (1), 11.05 (2), 11.05 (2r), 11.05

2 (12) (b), 11.07 (1), 11.12 (5), 11.12 (6), 11.21 (16), 11.23 (1), 11.26 (9) (a), 11.26

3 (9) (b), 11.30 (4), 13.625 (1) (b) 3., 13.625 (1) (c) (intro.) and 13.625 (3); and *to*

4 *create* 11.01 (6) (b) 8. and 9., 11.01 (7) (a) 5. to 7., 11.01 (7) (b) 6. to 8., 11.01

5 (12m), 11.05 (3) (q), 11.06 (11) (d), 11.06 (13) and 11.185 of the statutes; **relating**

6 **to:** various changes in the campaign finance and lobbying laws.

***Analysis by the Legislative Reference Bureau***

This bill makes various changes in the campaign finance and lobbying laws. Significant provisions include:

***Internet political activity; individual and public communications***

Currently, with certain exceptions, payments for political communications are subject to disclosure under the campaign finance law, regardless of the medium that is used to conduct the communications. Payments for Internet communications are treated like payments for other communications. Currently, the cost of news stories, political interviews, editorial commentary, or endorsements, regardless of the medium by which they are distributed, are not contributions or disbursements and therefore are not reportable. The costs of communications by an organization other than a political party or personal campaign committee that are limited to the organization's members, shareholders, or subscribers are generally not reportable. In addition, all services for a political purpose by an individual on behalf of a

campaign finance registrant are not reportable and are not subject to the current prohibition on contributions and disbursements by corporations and cooperatives unless the individual performing the services is compensated specifically for those services.

This bill provides that any cost incurred to conduct Internet activity is not a contribution or disbursement, and is therefore not reportable if it is performed by an individual acting in his or her own behalf, or acting in behalf of another person, and if the individual is not compensated specifically for his or her services. This includes the cost or value of any equipment and services used by the individual to conduct the activity, but does not include professional video production services purchased by the individual. The bill similarly provides that any cost incurred in covering a news story, commentary, or editorial by a broadcasting station, cable television operator, producer, or programmer, Internet site, or newspaper or other periodical publication, including an Internet or other periodical publication, except the cost of a news story that appears in a medium that is owned by a candidate, candidate's authorized committee, or political party, is not a contribution or disbursement and is therefore not reportable. In addition, the bill provides specifically that the following are disbursements, and are therefore reportable: a) any payment for a communication to the general public for a political purpose except an Internet communication that is not a disbursement under the bill; b) any payment for the purchase or rental of an electronic-mail address list that is made at the direction of a campaign finance registrant for a political purpose; or c) any payment for an electronic-mail address list that is transferred to a registrant for a political purpose. The bill provides however, that the following are not disbursements, and are therefore not reportable: a) a communication or Internet activity by an individual acting in his or her own behalf, or acting in behalf of another person if the individual is not compensated specifically for those services, including the cost or value of any electronic equipment and services used by the individual to conduct the activity; or b) a nominal fee paid for a communication to the general public.

#### ***Solicitation expenditure limit***

Currently, if a corporation or cooperative establishes a segregated fund for the purpose of supporting a candidate for state or local office, the corporation or cooperative may not expend more than \$500 annually to solicit contributions to the fund or to a conduit. This bill eliminates this limit on expenditures made to solicit contributions.

#### ***Committee transfers***

Under current law, no individual who is a candidate for state or local office may receive in contributions more than 65 percent of the value of the total disbursement level for the office for which he or she is a candidate during any primary and election campaign combined from all committees, including political party and legislative campaign committees. The bill modifies this limitation so that the amount does not include any transfer from any personal campaign committee to another personal campaign committee.

Under current law, no individual who is a candidate for state or local office may receive in contributions more than 45 percent of the value of the total disbursement

level 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 and legislative campaign committees. The bill modifies this limitation so that the amount includes any transfer from any personal campaign committee to another personal campaign committee.

### ***Electronic filing***

Under current law, Government Accountability Board (GAB) must require each registrant for whom GAB serves as a filing officer under the campaign finance laws and who or which accepts contributions of \$20,000 or more during a campaign period to file campaign finance reports electronically. In addition, GAB must accept campaign finance reports electronically from any other registrant for whom GAB serves as a filing officer. Current law requires GAB to specify, by rule, software that is suitable for complying with the electronic filing requirement and must provide the software to registrants at a price not to exceed its cost. Any registrant who or which files reports electronically with GAB must also submit a copy of the report to GAB and the copy must be signed by an authorized individual.

Under the bill, the software that GAB specifies for electronic filing must allow an authorized individual to provide an electronic signature that is subject to a security procedure. The bill also eliminates the requirement that a registrant who or which files a report electronically must file a copy with GAB. A registrant who or which files a report electronically may, however, file with GAB that portion of the report signed by an authorized individual rather than submit the electronic signature of that individual.

### ***Registration***

Under current law, before any group makes or accepts contributions, makes disbursements, or incurs obligations exceeding \$750 in the aggregate in any year to promote or oppose a referendum, or before any individual accepts contributions, makes disbursements, or incurs obligations exceeding \$750 in the aggregate in any year for such purpose, that group or individual must file a registration statement with the appropriate filing officer. This bill increases the threshold for filing a registration statement for referendum-related activity from \$750 to \$2,500.

Under current law, every committee, other than a personal campaign committee, that makes or accepts contributions, makes disbursements, or incurs obligations exceeding \$25 in the aggregate in any year must file a registration statement. The bill increases the registration threshold for such a committee from \$25 to \$500.

Finally, under current law, every individual, other than a candidate or a candidate's agent, who accepts contributions, makes disbursements, or incurs obligations exceeding \$25 in the aggregate in any year to support or oppose the election or nomination of a candidate must file a registration statement. The bill increases the registration threshold for such an individual from \$25 to \$1,000.

### ***Campaign finance reporting***

Under current law, a committee that is not acting in concert with a candidate and that makes one or more disbursements totaling \$20 or more to advocate the election or defeat of a candidate within 15 days before a primary or election must

submit a report documenting the disbursement to the appropriate filing officer within 24 hours and must include information about the disbursement in its next regular report. Similarly, under current law, if any contribution or contributions from a single contributor and totaling \$500 or more are made to a candidate for state office or to a committee or individual within 15 days before a primary or election and the contribution is not included in a preprimary or preelection report, the recipient of the contribution must, within 24 hours, make a report to the appropriate filing officer, and must include the contribution in its next regular report. This bill extends the reporting period for such late filings from 24 hours to 48 hours.

***Conduits; redirection of certain unclaimed contributions***

The bill allows a conduit to redirect contributions made to the conduit but unclaimed for a period of two years to a committee, other than a personal campaign committee, that sponsors the conduit if there is such a committee or, if there is not such a committee, to the conduit's administrative fund. Prior to redirecting the unclaimed contribution, the conduit must either receive authorization from the surviving spouse or executor of the estate of a deceased individual to redirect the contribution or make at least ten good faith attempts to contact a contributor over the two-year period without success. The conduit may attempt to contact the contributor by U.S. mail, by electronic mail, or by telephone. The required attempts to contact the contributor may not all occur within one 30-day period. The bill requires the conduit to identify the sponsor on the conduit's registration form and to include on the conduit's financial report when a contribution is redirected.

***Campaign contributions by lobbyists***

Currently, no lobbyist may furnish anything of pecuniary value to a state agency official, legislative employee of the state, elective state official, candidate for elective state office, or the personal campaign committee of such an official, employee, or candidate except that a lobbyist may make a campaign contribution to an official or candidate who seeks office at the general (November) election or a partisan special election. The period during which a lobbyist may make a campaign contribution to an official or candidate at the general election or to the personal campaign committee of such an official or candidate begins on June 1 immediately preceding the election and ends on the date of the election.

This bill provides that a lobbyist may furnish a campaign contribution to such an official, employee, candidate, or committee at any time but that no lobbyist may personally make a campaign contribution except during the period when contributions are permitted to be made. This bill also extends the time during which a lobbyist may make such a contribution to between the first day authorized by law for the circulation of nomination papers as a candidate and the day of the election or special election.

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

1           SECTION 1. 11.01 (6) (b) 8. and 9. of the statutes are created to read:

1           11.01 (6) (b) 8. Any cost incurred to conduct Internet activity for a political  
2 purpose by an individual acting in his or her own behalf, or acting in behalf of another  
3 person if the individual is not compensated specifically for those services, including  
4 the cost or value of any equipment and services identified in s. 11.06 (13), but not  
5 including professional video production services purchased by the individual.

6           9. Any cost incurred for covering or carrying a news story, commentary, or  
7 editorial by a broadcasting station, cable television operator, producer, or  
8 programmer, Internet site, or newspaper or other periodical publication, including  
9 an Internet or other electronic publication except the cost of a news story that  
10 appears in a medium that is owned or controlled by a candidate, personal campaign  
11 committee of a candidate, support committee of a candidate that is authorized under  
12 s. 11.05 (3) (p), or a political party.

13           **SECTION 2.** 11.01 (7) (a) 5. to 7. of the statutes are created to read:

14           11.01 (7) (a) 5. Any payment for a communication to the general public for a  
15 political purpose by means of any broadcast, satellite communication, newspaper or  
16 other periodical publication, outdoor advertising facility, mass mailing, or mass  
17 telephoning to the general public, or any other form of advertising to the general  
18 public, except communications over the Internet by an individual acting in his or her  
19 own behalf, or acting in behalf of another person if the individual is not compensated  
20 specifically for those services, including the cost or value of any equipment and  
21 services identified in s. 11.06 (13).

22           6. Any payment for the purchase or rental of an electronic-mail address list  
23 made at the direction of a registrant for a political purpose.

24           7. Any payment for an electronic-mail address list that is transferred to a  
25 registrant for a political purpose.

**SECTION 3**

1           **SECTION 3.** 11.01 (7) (b) 6. to 8. of the statutes are created to read:

2           11.01 (7) (b) 6. A communication or Internet activity by an individual acting  
3 in his or her own behalf, or acting in behalf of another person if the individual is not  
4 compensated specifically for those services, including the cost or value of any  
5 equipment and services identified in s. 11.06 (13), but not including professional  
6 video production services purchased by the individual.

7           7. Any cost incurred in covering or carrying a news story, commentary, or  
8 editorial by a broadcasting station, cable television operator, programmer or  
9 producer, Internet site, or newspaper or other periodical publication, including an  
10 Internet or electronic publication, except the cost of a news story that appears in a  
11 medium that is owned or controlled by a candidate, personal campaign committee  
12 of a candidate, support committee of a candidate that is authorized under s. 11.05 (3)  
13 (p), or a political party.

14           8. A nominal fee paid for a communication to the general public.

15           **SECTION 4.** 11.01 (12m) of the statutes is created to read:

16           11.01 (12m) “Internet activity” includes sending or forwarding an electronic  
17 message; providing a hyperlink or other direct access on a person’s Internet site to  
18 an Internet site operated by another person; blogging; creating, maintaining, or  
19 hosting an Internet site; payment by a person of a nominal fee for the use of an  
20 Internet site operated by another person; or any other form of communication  
21 distributed over the Internet.

22           **SECTION 5.** 11.05 (1) of the statutes is amended to read:

23           11.05 (1) COMMITTEES AND GROUPS. Except as provided in s. 9.10 (2) (d), every  
24 committee other than a personal campaign committee which makes or accepts  
25 contributions, incurs obligations, or makes disbursements in a calendar year in an



1 aggregate amount in excess of ~~\$25~~ \$500, and every political group subject to  
2 registration under s. 11.23 shall file a statement with the appropriate filing officer  
3 giving the information required by sub. (3). In the case of any committee other than  
4 a personal campaign committee, the statement shall be filed by the treasurer. A  
5 personal campaign committee shall register under sub. (2g) or (2r).

6 **SECTION 6.** 11.05 (2) of the statutes is amended to read:

7 11.05 (2) INDIVIDUALS. Except as provided in s. 9.10 (2) (d), every individual,  
8 other than a candidate or agent of a candidate, who accepts contributions, incurs  
9 obligations, or makes disbursements in a calendar year in an aggregate amount in  
10 excess of ~~\$25~~ \$1,000 to support or oppose the election or nomination of a candidate  
11 at an election and every individual subject to registration under s. 11.23 shall file a  
12 statement with the appropriate filing officer giving the information required by sub.  
13 (3). An individual who guarantees a loan on which an individual, committee or group  
14 subject to a registration requirement defaults is not subject to registration under this  
15 subsection solely as a result of such default.

16 **SECTION 7.** 11.05 (2r) of the statutes is amended to read:

17 11.05 (2r) GENERAL REPORTING EXEMPTIONS. Any committee, group, or  
18 individual, other than a committee or individual required to file an oath under s.  
19 11.06 (7), who or which does not anticipate accepting contributions, making  
20 disbursements or incurring obligations in an aggregate amount in excess of \$1,000  
21 in a calendar year and does not anticipate accepting any contribution or  
22 contributions from a single source, other than contributions made by a candidate to  
23 his or her own campaign, exceeding \$100 in that year, or exceeding ~~\$750~~ \$2,500 in  
24 that year for a group or individual subject to registration under s. 11.23, may indicate  
25 on its registration statement that the committee, group, or individual will not accept

1 contributions, incur obligations or make disbursements in the aggregate in excess  
2 of \$1,000 in any calendar year and will not accept any contribution or contributions  
3 from a single source, other than contributions made by a candidate to his or her own  
4 campaign, exceeding \$100 in that year, or exceeding ~~\$750~~ \$2,500 in that year for a  
5 group or individual subject to registration under s. 11.23. Any registrant making  
6 such an indication is not subject to any filing requirement if the statement is true.  
7 The registrant need not file a termination report. A registrant not making such an  
8 indication on a registration statement is subject to a filing requirement. The  
9 indication may be revoked and the registrant is then subject to a filing requirement  
10 as of the date of revocation, or the date that aggregate contributions, disbursements  
11 or obligations for the calendar year exceed \$1,000, or the date on which the registrant  
12 accepts any contribution or contributions exceeding \$100 from a single source, or  
13 exceeding ~~\$750~~ \$2,500 from a single source for a group or individual subject to  
14 registration under s. 11.23, other than contributions made by a candidate to his or  
15 her own campaign, during that year, whichever is earlier. If the revocation is not  
16 timely, the registrant violates s. 11.27 (1).

17 **SECTION 8.** 11.05 (3) (q) of the statutes is created to read:

18 11.05 (3) (q) In the case of a conduit, the name and mailing address of a sponsor,  
19 as defined in s. 11.185 (1), to which contributions may be redirected as provided  
20 under s. 11.185.

21 **SECTION 9.** 11.05 (12) (b) of the statutes is amended to read:

22 11.05 (12) (b) Except as authorized under sub. (13), a committee, group or  
23 individual that becomes subject to a registration requirement under sub. (1) or (2),  
24 other than a candidate or agent of a candidate, shall comply with sub. (1) or (2) no  
25 later than the 5th business day commencing after receipt of the first contribution by

1 the committee, group or individual exceeding the amount specified under sub. (1) or  
2 (2) or s. 11.23 (1), and before making any disbursement exceeding that amount. No  
3 committee ~~or individual~~ supporting or opposing the election or nomination of a  
4 candidate at an election, other than ~~a candidate or~~ an agent of a candidate, may  
5 accept any contribution or contributions exceeding \$25 ~~\$500~~, no individual  
6 supporting or opposing the election or nomination of a candidate at an election, other  
7 than a candidate or agent of a candidate, may accept any contribution or  
8 contributions exceeding \$1,000, and no group or individual subject to registration  
9 under s. 11.23 may accept any contribution or contributions exceeding \$750 ~~\$2,500~~,  
10 in the aggregate during a calendar year at any time when the committee, group or  
11 individual is not registered under this section except within the initial 5-day period  
12 authorized by this paragraph.

13 **SECTION 10.** 11.06 (11) (d) of the statutes is created to read:

14 11.06 (11) (d) A conduit shall include in each report under s. 11.12 (5) or 11.20  
15 whether, during the reporting period, any contribution was redirected to a sponsor  
16 as permitted under s. 11.185.

17 **SECTION 11.** 11.06 (13) of the statutes is created to read:

18 11.06 (13) INTERNET ACTIVITY. (a) In this subsection, "equipment and services"  
19 includes computers, software, Internet domain names, Internet service providers,  
20 and any other technology that is used to provide access to or use of the Internet.

21 (b) If an individual conducts Internet activity for a political purpose in his or  
22 her own behalf or in behalf of another person and is not compensated specifically for  
23 those services, the cost or value of any equipment and services used by the individual  
24 to conduct the activity, other than professional video production services purchased

1 by the individual, is not a contribution to the registrant as provided in s. 11.01 (6) (b)  
2 8., regardless of who owns the equipment and services.

3 **SECTION 12.** 11.07 (1) of the statutes is amended to read:

4 11.07 (1) Every nonresident committee making contributions and every  
5 nonresident ~~individual or~~ committee making disbursements to support or oppose the  
6 election or nomination of a candidate at an election exceeding ~~\$25~~ \$500 cumulatively  
7 in a calendar year within this state, every nonresident individual making  
8 disbursements to support or oppose the election or nomination of a candidate at an  
9 election exceeding \$1,000 cumulatively in a calendar year within this state, and  
10 every nonresident group making contributions and every nonresident group or  
11 individual making disbursements to support or oppose a particular vote at a  
12 referendum exceeding ~~\$750~~ \$2,500 cumulatively in a calendar year within this state,  
13 shall file name, mailing and street address and the name and the mailing and street  
14 address of a designated agent within the state with the office of the secretary of state.  
15 An agent may be any adult individual who is a resident of this state. After any  
16 change in the name or address of such agent the new address or name of the successor  
17 agent shall be filed within 30 days. Service of process in any proceeding under this  
18 chapter or ch. 12, or service of any other notice or demand may be made upon such  
19 agent.

20 **SECTION 13.** 11.12 (5) of the statutes is amended to read:

21 11.12 (5) If any contribution or contributions of \$500 or more cumulatively are  
22 received by a candidate for state office or by a committee or individual from a single  
23 contributor later than 15 days prior to a primary or election such that it is not  
24 included in the preprimary or preelection report submitted under s. 11.20 (3), the  
25 treasurer of the committee or the individual receiving the contribution shall within