February 20, 2020 - Introduced by Senators LARSON and SMITH, cosponsored by Representatives BROSTOFF, CABRERA, ANDERSON, HEBL, STUBBS, EMERSON, BOWEN, SPREITZER, SHANKLAND, NEUBAER and CONSIDINE. Referred to Committee on Elections, Ethics and Rural Issues.

AN ACT to create 11.0101 (25) (a) 3., subchapter XV of chapter 11 [precedes 11.1500], 20.521 (1) (r), 20.585 (1) (q), 20.585 (1) (r), 20.855 (4) (ba), 20.855 (4) (bb), 25.17 (1) (cm), 25.421 and 71.10 (3) of the statutes; relating to: the definition of political action committee for campaign finance purposes, public financing of campaigns, and making an appropriation.

Analysis by the Legislative Reference Bureau

Under this bill, for campaign finance purposes, a political action committee includes a person, other than an individual, that spends more than $1,000 in a 12-month period on expenditures for express advocacy or communications that are susceptible to no reasonable interpretation other than an appeal to vote for or against a candidate, expenditures made to support or defeat a referendum, and contributions made to a candidate committee, legislative campaign committee, or political party.

Current law provides that a political action committee is a person, other than an individual, that either has express advocacy as its major purpose or spends more than 50 percent of its total spending in a 12-month period on expenditures for express advocacy, expenditures made to support or defeat a referendum, and contributions made to a candidate committee, legislative campaign committee, or political party.

The bill also creates a public campaign financing trust fund from which eligible candidates may receive amounts to finance their campaigns. Under the bill a candidate may apply to the Ethics Commission to receive public campaign financing.
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The candidate is eligible to receive the financing if he or she agrees to to accept contributions totalling no more than $100 from any single contributor and accepts no other contributions. The amount of public financing that a candidate may receive is equal to six times the amount of the contributions received by the candidate, not including amounts that the candidate contributes from his or her personal funds. A candidate who is not in compliance with the campaign finance laws is not eligible for financing.

Finally, the bill provides that any individual filing a state income tax return who has a tax liability or who is entitled to a refund may designate $2 for the public campaign financing trust fund. The designation does not increase an individual’s tax liability or reduce an individual’s refund. If the total designations are not sufficient to fully fund the costs of public campaign financing, including administrative costs, the bill appropriates additional moneys to finance those costs.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION 1. 11.0101 (25) (a) 3. of the statutes is created to read:

11.0101 (25) (a) 3. It spends more than $1,000 in a 12-month period on expenditures for express advocacy or communications that are susceptible to no reasonable interpretation other than an appeal to vote for or against a candidate, expenditures made to support or defeat a referendum, and contributions made to a candidate committee, legislative campaign committee, or political party. In this subdivision, spending does not include a committee’s fundraising or administrative expenses.

SECTION 2. Subchapter XV of chapter 11 [precedes 11.1500] of the statutes is created to read:

CHAPTER 11

SUBCHAPTER XV

PUBLIC CAMPAIGN FINANCING
11.1500 Public financing. (1) A candidate may apply to the commission, in the manner prescribed by the commission, to receive public financing of the candidate's campaign. A candidate may receive public financing under this subchapter if the candidate agrees to accept contributions totalling no more than $100 from any single contributor and accepts no other contributions, except as provided under sub. (3). If the commission approves the candidate's application, the commission shall certify to the state treasurer the amount of public financing that the candidate shall receive from the public campaign financing trust fund.

(2) The state treasurer shall pay to any candidate who agrees to accept contributions as provided under sub. (1) an amount equal to the amount of contributions received by the candidate as provided under sub. (1), multiplied by 6, as certified by the commission.

(3) A candidate who accepts public financing under this subchapter may contribute his or her personal funds to the candidate's campaign, but those amounts do not count towards the determination of public financing under this subchapter.

(4) No candidate who is out of compliance with the requirements and limitations provided in this chapter may receive public financing under this subchapter.

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

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1  **20.521** Ethics commission

2  (1) Ethics, campaign finance and lobbying regulation

3  (r) Public campaign financing

5  administration SEG A -0- -0-

6  **20.585** Treasurer, state

7  (1) Custodian of state funds

8  (q) Public campaign financing SEG S -0- -0-

9  (r) Public campaign financing administration SEG A -0- -0-

10  **20.855** Miscellaneous appropriations

12  (4) Tax, assistance and transfer payments

13  (ba) Public campaign financing trust fund payments GPR S -0- -0-

15  (bb) Public campaign financing trust fund transfer GPR S -0- -0-

17  **SECTION 4.** 20.521 (1) (r) of the statutes is created to read:

20.521 (1) (r) Public campaign financing administration. From the public campaign financing trust fund, the amounts in the schedule for the administration of subch. XV of ch. 11.

21  **SECTION 5.** 20.585 (1) (q) of the statutes is created to read:
20.585 (1) (q) **Public campaign financing.** From the public campaign financing trust fund, a sum sufficient to provide for payment of public financing to eligible candidates under subch. XV of ch. 11.

**SECTION 6.** 20.585 (1) (r) of the statutes is created to read:

20.585 (1) (r) **Public campaign financing administration.** From the public campaign financing trust fund, the amounts in the schedule for the administration of subch. XV of ch. 11.

**SECTION 7.** 20.855 (4) (ba) of the statutes is created to read:

20.855 (4) (ba) **Public campaign financing trust fund payments.** A sum sufficient equal to the amounts certified under s. 71.10 (3) to be paid into the public campaign financing trust fund annually on August 15.

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

20.855 (4) (bb) **Public campaign financing trust fund transfer.** A sum sufficient equal to the difference between the unencumbered balance in the public campaign financing trust fund and the amounts required to provide public financing that candidates qualify to receive from the public campaign financing trust fund, to be transferred to the public campaign financing trust fund.

**SECTION 9.** 25.17 (1) (cm) of the statutes is created to read:

25.17 (1) (cm) **Public campaign financing trust fund (s. 25.421);**

**SECTION 10.** 25.421 of the statutes is created to read:

25.421 **Public campaign financing trust fund.** All moneys appropriated under s. 20.855 (4) (ba) and (bb) constitute the public campaign financing trust fund, to be expended for the purposes of subch. XV of ch. 11.

**SECTION 11.** 71.10 (3) of the statutes is created to read:
71.10 (3) Campaign Fund. (a) Every individual filing an income tax return who has a tax liability or is entitled to a tax refund may designate $2 for the public campaign financing trust fund for the use of eligible candidates under s. 11.1500. If the individuals filing a joint return have a tax liability or are entitled to a tax refund, each individual may make a designation of $2 under this subsection.

(b) The secretary of revenue shall provide a place for those designations on the face of the individual income tax return and shall provide next to that place a statement that a designation will not increase tax liability. Annually, on August 15, the secretary of revenue shall certify to the ethics commission, the department of administration, and the state treasurer the total amount of designations made during the preceding fiscal year. If any individual attempts to place any condition or restriction upon a designation, that individual is deemed not to have made a designation on his or her tax return.

(c) The names of persons making designations under this subsection shall be strictly confidential.

Section 12. Initial applicability.

(1) The treatment of s. 71.10 (3) first applies to taxable years beginning on January 1 of the year in which this subsection takes effect, except that if this subsection takes effect after July 31, the treatment first applies to taxable years beginning on January 1 of the year following the year in which this subsection takes effect.