



State of Wisconsin  
2001 - 2002 LEGISLATURE

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**ASSEMBLY SUBSTITUTE AMENDMENT 1,  
TO 2001 SENATE BILL 2**

March 7, 2001 - Offered by Representatives FREESE and GUNDRUM.

1     **AN ACT to repeal** 11.06 (3) (b) and 11.38 (2) (c); **to amend** 11.06 (1) (intro.), 11.06  
2           (2), 11.12 (4), 11.38 (title), 11.38 (1) (a) and (2) (b) and 11.38 (3) to (5) and (8);  
3           and **to create** 11.01 (13) and (20), 11.01 (16) (a) 3. and 11.24 (1v) of the statutes;  
4           **relating to:** acceptance of contributions, the scope of regulation, prohibited  
5           contributions and disbursements, and reporting of information by nonresident  
6           registrants under the campaign finance law and making an appropriation.

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

7           **SECTION 1.** 11.01 (13) and (20) of the statutes are created to read:  
8           11.01 (13) "Mass mailing" means the distribution of 50 or more pieces of  
9           substantially identical material.

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

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

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

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

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

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

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

1 case be construed to apply to a political party, legislative campaign, personal  
2 campaign or support committee.

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

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

5 11.12 (4) Each registrant shall report contributions, disbursements and  
6 incurred obligations in accordance with s. 11.20. Except as permitted under s. 11.06  
7 (2), (3) and (3m), each report shall contain the information which is required under  
8 s. 11.06 (1).

9 **SECTION 7.** 11.24 (1v) of the statutes is created to read:

10 11.24 (1v) No registrant may accept any contribution made by a committee or  
11 group that does not maintain an office or street address within this state at the time  
12 that the contribution is made unless that committee or group is registered with the  
13 federal election commission under 2 USC 433 (a).

14 **SECTION 8.** 11.38 (title) of the statutes is amended to read:

15 **11.38 (title) Contributions and disbursements by corporations and,**  
16 **cooperatives, and labor organizations.**

17 **SECTION 9.** 11.38 (1) (a) and (2) (b) of the statutes are amended to read:

18 11.38 (1) (a) 1. No foreign or domestic corporation, or association organized  
19 under ch. 185, or labor organization, may make any contribution or disbursement,  
20 directly or indirectly, either independently or through any political party, committee,  
21 group, candidate or individual for any purpose other than to promote or defeat a  
22 referendum.

23 2. Notwithstanding subd. 1., any such corporation or association, or labor  
24 organization may establish and administer a separate segregated fund and solicit  
25 contributions from individuals to the fund to be utilized by such corporation or

1 association, or labor organization for the purpose of supporting or opposing any  
2 candidate for state or local office but the corporation ~~or~~, association, or labor  
3 organization may not make any contribution to the fund. The fund shall appoint a  
4 treasurer and shall register as a political committee under s. 11.05. A parent  
5 corporation ~~or~~, association, or labor organization engaging solely in this activity is  
6 not subject to registration under s. 11.05, but shall register and file special reports  
7 on forms prescribed by the board disclosing its administrative and solicitation  
8 expenses on behalf of such fund. A corporation, association, or labor organization not  
9 domiciled in this state need report only its expenses for administration and  
10 solicitation of contributions in this state together with a statement indicating where  
11 information concerning other administration and solicitation expenses of its fund  
12 may be obtained. The reports shall be filed with the filing officer for the fund  
13 specified in s. 11.02 in the manner in which continuing reports are filed under s. 11.20  
14 (4) and (8).

15 3. No corporation ~~or~~, association, or labor organization specified in subd. 1. may  
16 expend more than a combined total of \$500 annually for solicitation of contributions  
17 to a fund established under subd. 2. or to a conduit.

18 **(2)** (b) This section does not prohibit the publication of periodicals by a  
19 corporation ~~or a~~, cooperative, or labor organization in the regular course of its affairs  
20 which advise the members, shareholders or subscribers of the disadvantages or  
21 advantages to their interests of the election to office of persons espousing certain  
22 measures, without reporting such activity.

23 **SECTION 10.** 11.38 (2) (c) of the statutes is repealed.

24 **SECTION 11.** 11.38 (3) to (5) and (8) of the statutes are amended to read:

1           11.38 (3) A violation of this section by an officer or employee of a corporation,  
2 association, or labor organization is prima facie evidence of a violation by the  
3 corporation, association, or labor organization.

4           (4) Any corporation, association, or labor organization which violates this  
5 section shall forfeit double the amount of any penalty assessed under s. 11.60 (3).

6           (5) An action against a corporation, association, or labor organization pursuant  
7 to a violation of this section may be brought either in the circuit court for the county  
8 in which the registered office or principal place of business of the corporation,  
9 association, or labor organization is located, or in the circuit court for the county in  
10 which the violation is alleged to have occurred. The proceedings may be brought by  
11 the district attorney of either such county, by the attorney general or by the board.

12           (8) (a) A corporation ~~or~~, association organized under ch. 185, or labor  
13 organization which accepts contributions or makes disbursements for the purpose  
14 of influencing the outcome of a referendum is a political group and shall comply with  
15 s. 11.23 and other applicable provisions of this chapter.

16           (b) Except as authorized in s. 11.05 (12) (b) and (13), prior to making any  
17 disbursement on behalf of a political group which is promoting or opposing a  
18 particular vote at a referendum and prior to accepting any contribution or making  
19 any disbursement to promote or oppose a particular vote at a referendum, a  
20 corporation ~~or~~, association organized under ch. 185, or labor organization shall  
21 register with the appropriate filing officer specified in s. 11.02 and appoint a  
22 treasurer. The registration form of the corporation ~~or~~, association, or labor  
23 organization under s. 11.05 shall designate an account separate from all other  
24 corporation ~~or~~, association, or labor organization accounts as a campaign depository  
25 account, through which all moneys received or expended for the adoption or rejection

1 of the referendum shall pass. The corporation ~~or~~, association, or labor organization  
2 shall file periodic reports under s. 11.20 providing the information required under  
3 s. 11.06 (1).

4 (c) Expenditures by a corporation ~~or~~, association, or labor organization to  
5 establish and administer a campaign depository account of a political group need not  
6 be made through the depository account and need not be reported.

7 **SECTION 12. Appropriation changes.**

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

15 **SECTION 13. Initial applicability.**

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

19 (END)