February 18, 1998 – Introduced by Senator Burke, cosponsored by Representative Bock. Referred to Committee on Judiciary, Campaign Finance Reform and Consumer Affairs.

AN ACT to repeal 11.01 (12s), 11.05 (3) (o), 11.26 (8), 11.265, 11.31 (3m), 11.31 (4) 1 2 and 13.625 (1) (c) 1. and 2.; to renumber 11.24 (2); to renumber and amend 3 11.26 (9) (c), 11.50 (9) and 13.625 (1) (c) (intro.); to amend 5.02 (13), 7.08 (2) (c) and (cm), 11.01 (5m), 11.05 (3) (c), 11.05 (9) (b), 11.06 (1) (a), 11.06 (2), 11.06 (7m) 4 (a), 11.06 (7m) (c), 11.06 (11) (c), 11.09 (3), 11.16 (5), 11.20 (3) (b), 11.20 (3) (d), 5 6 11.20 (3) (g), 11.20 (3) (L), 11.20 (8) (intro.), 11.20 (10) (a), 11.20 (12), 11.21 (2), 7 11.21 (9), 11.21 (15), 11.26 (1) (intro.), 11.26 (1) (a), (b) and (c), 11.26 (2) (intro.), 11.26 (2) (a), (b) and (c), 11.26 (4), 11.26 (9) (a) and (b), 11.26 (12m), 11.31 (1) (a) 8 9 to (d), 11.31 (1) (e) and (f), 11.31 (2), 11.31 (3), 11.31 (6), 11.50 (2) (b) 5., 11.50 (3) 10 (a) 1. and 2., 11.50 (4) (cm) and (d), 11.60 (1), 13.625 (1) (b) 3., 13.625 (2), 13.625 11 (6), 20.510 (1) (q), 25.42 and 71.10 (3) (a); and **to create** 11.065, 11.095, 11.20 12 (2e), 11.20 (8) (am), 11.21 (16), 11.24 (4), 11.26 (8m), 11.26 (9) (c) 2., 11.31 (1) (de), 11.31 (9), 11.50 (9) (b), 11.60 (3g), 11.60 (3r), 20.510 (1) (d) and 20.510 (1) (j) of 13 14 the statutes; **relating to:** designations for the Wisconsin election campaign

1

2

3

4

5

6

7

8

9

10

11

12

fund by individuals filing state income tax returns, eligibility requirements for and the amounts of grants from the Wisconsin election campaign fund, regulation of certain telephone activities pertaining to elections, disbursement levels applicable to candidates for certain state offices, contributions by lobbyists, treatment of contributions of money made by conduits, treatment of legislative campaign committees, information provided on campaign finance registration statements, filing of campaign finance reports, use of information copied from campaign finance reports, communications by certain individuals and organizations relating to candidates, providing an exemption from emergency rule procedures, granting rule–making authority, requiring the exercise of rule–making authority, making appropriations and providing a penalty.

Analysis by the Legislative Reference Bureau

This bill makes numerous changes in the campaign financing law. Significant changes include:

DISBURSEMENT LIMITATIONS

Under current law, disbursement (expenditure) levels are specified for candidates for various state and local offices. These levels become a binding limitation upon any candidate for state office who accepts a state grant from the Wisconsin election campaign fund or who agrees to be bound by the limitation, unless the candidate is opposed by a major opponent who could have qualified for a grant but declines to accept one. Additionally, the disbursement levels for candidates for the offices of state senator and representative to the assembly are subdivided between the primary and election campaign periods in such a way that only about 60% of the total applicable disbursement level for either office may be allocated by a candidate to either the primary or the election campaign period.

The bill:

1. Eliminates the disbursement limitation, applicable to candidates for the offices of state senator and representative to the assembly, that requires the overall limitation to be subdivided between the primary and election campaign periods in such a way that only about 60% of the statutory disbursement level is allocated to either the primary or election campaign period.

2. Revises the current disbursement levels applicable to candidates for the offices shown in the following chart:

| Office | Current Level | Proposed Level |
|--------------------------------|------------------|-------------------|
| Governor | \$1,078,200 | \$2,000,000 |
| Lieutenant governor | 323,475 | 700,000 |
| Attorney general | 539,000 | 700,000 |
| Secretary of state | $215,\!625$ | 300,000 |
| State treasurer | $215,\!625$ | 300,000 |
| Supreme court justice | $215,\!625$ | 350,000 |
| State superintendent | $215,\!625$ | 300,000 |
| State senator | 34,500 | 120,000 |
| Representative to the assembly | $17,\!250$ | 50,000 |

3. Creates a biennial cost-of-living adjustment that causes the statutory disbursement levels to be adjusted biennially, beginning in 1999, in accordance with a formula tied to the "consumer price index" determined by the U.S. department of labor.

CONTRIBUTION LIMITATIONS

Current law specifies limitations on the maximum amount of contributions which may be given to and accepted by a candidate for state or local office. Current law also limits the total contributions that a candidate for state or local office may accept from all political committees, including political party and legislative campaign committees, and from the Wisconsin election campaign fund to 65% of the value of the statutory disbursement level specified for the office which the candidate seeks. The total amount that a candidate may accept from committees other than political party and legislative campaign committees and from the Wisconsin election campaign fund is limited to 45% of that disbursement level.

The bill changes the current limitation on total contributions that a candidate may accept from committees other than political party committees from 45% of the disbursement level for the office which the candidate seeks to 15% of the disbursement level for the office which the candidate seeks. Under the bill, grants from the Wisconsin election campaign fund are not subject to the 15% limitation.

The bill also changes contribution limitations applicable to individuals and committees making contributions to candidates for the office of governor, lieutenant governor, secretary of state, state treasurer, attorney general, state superintendent of public instruction, justice of the supreme court, state senator or representative to the assembly per campaign, as follows:

| <u>Category</u> | Current Limit | Proposed Limit |
|--|---------------|----------------|
| Individual or committee making contribu- | | |
| tions to candidate for state senator | \$ 1,000 | \$ 500 |

| Individual or committee making contribu- tions to candidate for representative to the assembly | \$ 500 | \$ 250 |
|--|--------------------------------------|---------|
| Individual making contributions to candidate for a statewide office | \$10,000 | \$1,000 |
| Committee making contributions to candidate for a statewide office | 4% of candidate's disbursement level | \$1,000 |

TREATMENT OF LEGISLATIVE CAMPAIGN COMMITTEES

Currently, the adherents of any political party in either house of the legislature may organize a "legislative campaign committee" to support the candidacy of members of their party for legislative office. Committees other than legislative campaign committees and political party committees are generally subject to a limitation upon the contributions that they may make to candidates for legislative office or to political parties. Legislative campaign committees are subject only to overall limitations on the aggregate contributions that may be accepted by a candidate from entities other than individuals.

The bill eliminates the special status of legislative campaign committees, thus treating them in the same manner as other special interest committees for the purpose of contribution limitations.

OTHER CONTRIBUTION RESTRICTIONS

The bill creates the following new prohibitions on contributions:

- 1. It prohibits contributions to incumbents who are seeking reelection to a partisan state office from the first Monday in January of each odd-numbered year through the enactment of the biennial budget act and, thereafter, during any floorperiod, including any special or extraordinary session floorperiod. The prohibition does not apply to contributions to an incumbent who is a candidate for state office at a special election during the period beginning on the date that a special election is ordered and ending on the date of the special election.
- 2. It prohibits any committee from making a contribution to any special interest or political party committee.
- 3. It prohibits any lobbyist from making a contribution to a partisan elective state official or candidate for a partisan elective state office or to such an official's or candidate's personal campaign committee. Currently, a lobbyist may make such a contribution in the year that an official or candidate seeks election between June 1 and the day of the general election.

CONTRIBUTIONS THROUGH CONDUITS

Under current law, a "conduit" is an individual or organization that receives a contribution and transfers the contribution to another individual or organization without exercising discretion as to the amount that is transferred and the individual to whom or the organization to which the transfer is made. When a conduit transfers a contribution, the conduit is required to identify itself in writing to the transferee as a conduit and to report to the transferee information about the original

contributor. The conduit must include this information in its financial reports for the date on which the contribution was received and transferred. The campaign financing reports filed by the candidate identify only the original contributor, not the conduit. A contribution from a conduit is considered to be a contribution from the original contributor and, for the purpose of contribution limitations, a contribution of money received from a conduit which is properly identified and reported is considered to be a contribution received from the original contributor. Contributions received by a candidate for state office from an individual through a conduit may be used to qualify for a grant from the Wisconsin election campaign fund.

The bill requires the campaign financing reports filed by candidates to identify any conduit from whom a contribution is received, as well as the original contributor.

The bill also treats conduits in the same manner as "political action committees" by:

- 1. Not allowing contributions made by an individual through a conduit to be used to qualify for a grant from the Wisconsin election campaign fund.
- 2. Subjecting contributions from conduits to the same limitations that apply to the amount of contributions that a candidate may accept from any committee other than a political party committee.
- 3. Reducing the maximum grant that a candidate may receive from the Wisconsin election campaign fund by the total amount of all contributions received by the candidate through conduits.

MASS MEDIA AND TELEPHONING ACTIVITIES

Currently, individuals who or organizations which make or accept contributions, incur obligations or make disbursements for the purpose of influencing an election for state or local office are generally required to register with the appropriate filing officer and to file financial reports with that officer. This bill requires each individual who or organization which receives donations and makes expenditures for the purpose of publishing, broadcasting or disseminating a communication which includes the name or likeness of a candidate for state or local office by means of one or more communications media or through a telephone bank operator to register and file reports with the appropriate filing officer identifying the donations received and expenditures made to the same extent as currently required for individuals who or organizations which attempt to influence elections. If an expenditure made by such an individual or organization exceeds \$1,000, it must be reported within 24 hours of the time it is made.

PERSUASIVE TELEPHONING

The bill requires all persons (including political committees and groups) who engage in or retain a telephone bank operator to engage in persuasive telephoning with respect to an election to disclose certain information to the appropriate filing officer or agency for campaign finance reporting purposes. The bill defines "persuasive telephoning" as "contacting, by telephone, potential voters for the purpose of presenting them with information or viewpoints which are designed to influence the attitudes of the voters toward candidates or referenda". Information that must be reported includes the name and address of the person; the name and address of any telephone bank operator who is retained; the amount paid to any such

operator for the telephoning services; the total amount expended by the person to conduct persuasive telephoning; and if the person engaged in or retained an operator to engage in persuasive telephoning in more than one legislative district, the amount expended by the person within each legislative district for persuasive telephoning on behalf of each candidate or each personal campaign committee of a candidate for legislative office in that district. The bill requires the information to be reported at the same time as regular campaign finance reports are filed.

Any person who violates these provisions in respect to a telephone communication in which the caller engages in persuasive telephoning is subject to a forfeiture (civil penalty) of \$1 for each communication that is subject to disclosure which the person fails to disclose in a timely manner.

Under current law, the amount paid for any telephoning services done for the purpose of influencing the election or nomination of a candidate at an election is generally subject to disclosure by the person making payment for the services, together with the name and address of the payee. The disclosure is made to the appropriate filing officer or agency on regular campaign finance reports. Violators of disclosure requirements are subject to a forfeiture of not more than \$500 for each violation. Intentional violators are guilty of a misdemeanor and may be fined not more than \$1,000 or imprisoned for not more than 6 months or both.

WISCONSIN ELECTION CAMPAIGN FUND: SOURCES AND USES OF FUNDS

Under current law, the Wisconsin election campaign fund is financed through an individual income tax "checkoff". Every individual filing a state income tax return who has a tax liability or is entitled to a tax refund may direct that \$1 of general purpose revenue be transferred to the fund. Individuals filing a joint return may separately choose whether to direct that the \$1 transfer be made. All moneys transferred to the fund are placed in accounts for specified state offices, and candidates for those offices may qualify for grants from the fund to be used for specified campaign expenses. No moneys in the fund may be used for any other purpose.

The bill:

- 1. Increases the amount of the individual income tax checkoff for the Wisconsin election campaign fund from \$1 to \$5, effective for tax returns filed for taxable years beginning on or after January 1, 1999. Under the bill, individuals filing a joint return may separately choose whether to make the \$5 checkoff.
- 2. Provides a sum sufficient appropriation from general purpose revenue to supplement the amounts otherwise available for campaign financing through the Wisconsin election campaign fund so as to enable all eligible candidates to receive the maximum grants for which they qualify.

GRANT ELIGIBILITY REQUIREMENTS AND AMOUNTS

Under current law, public financing from the Wisconsin election campaign fund is available to eligible candidates for the offices of state senator, representative to the assembly, governor, lieutenant governor, attorney general, state treasurer, secretary of state, justice of the supreme court and superintendent of public instruction. To

receive a grant, a candidate must file an application with the state elections board no later than the deadline for filing nomination papers. Following the primary election or the date on which a primary would be held, if required, the board determines whether a candidate who applies for a grant meets the following eligibility requirements:

- 1. If the candidate seeks a partisan state office at a general election, the candidate must have received at least 6% of the total votes cast in the primary and won the primary. If the candidate seeks a partisan state office at a special election, the candidate must either: a) appear on the ballot or in the column of a political party whose candidate for the same office at the preceding general election received at least 6% of the vote; or b) receive at least 6% of the votes cast at the special election.
 - 2. The candidate must have an opponent in the election.
- 3. The candidate must receive, during a specified time period, a specified amount through contributions from individuals of \$100 or less. For a candidate for the office of governor, lieutenant governor, secretary of state, state treasurer, attorney general, justice of the supreme court or superintendent of public instruction, the amount is 5% of the authorized disbursement level for the office which the candidate seeks. For a candidate for the office of state senator or representative to the assembly, the amount is 10% of the authorized disbursement level for the office which the candidate seeks.

Under current law, a candidate for any office who accepts a grant must comply with statutorily prescribed contribution and disbursement limitations, unless one or more of the candidate's opponents who receive at least 6% of the votes cast for all candidates for that office at a partisan primary, if a primary was held, do not accept a grant and do not voluntarily comply with the contribution and disbursement limitations for that office. The maximum grant that a candidate may receive is that amount which, when added to all other contributions accepted from sources other than individuals, political party committees and legislative campaign committees, is equal to 45% of the authorized disbursement level for the office which the candidate seeks, if there are sufficient moneys in the Wisconsin election campaign fund to finance the full amount of grants for which candidates qualify.

The bill:

- 1. Provides that a candidate for the office of state senator or representative to the assembly need receive contributions equal to only 5% of the authorized disbursement level for the office which the candidate seeks in order to qualify for a grant, but provides that the contributions of \$100 or less from individuals used by a candidate for any state office to determine eligibility for a grant from the Wisconsin election campaign fund must be made by individuals who reside in the state and, in the case of a candidate for legislative office, at least 50% of the contributions must be made by individuals who reside in the district in which the candidate seeks office.
- 2. Increases the maximum grant that a candidate may receive to that amount which, when added to all other contributions accepted from sources other than individuals and political party committees, is equal to 50% of the authorized disbursement level for the office which the candidate seeks.

3. Provides that, if a candidate for state office who accepts a grant from the Wisconsin election campaign fund is opposed by one or more candidates who do not agree to abide by the contribution and disbursement limitations for the office, the total grant available to the candidate who accepts a grant is increased by the amount of the maximum grant for the office (50% of the statutorily specified disbursement level for the office). In connection with this change and the preceding change, the bill waives the contribution limitation that applies to cumulative contributions received by a candidate from political party committees and the Wisconsin election campaign fund to enable a candidate to accept the full amount of his or her grants.

FILING OF CAMPAIGN FINANCE REPORTS

Currently, with certain exceptions, registrants under the campaign finance law are required to file periodic reports with the appropriate filing officer or agency. Candidates for state office or their personal campaign or authorized support committees and other individuals, committees and groups supporting or opposing candidates for state office or statewide ballot questions file their reports with the state elections board. A candidate or a committee or individual making disbursements or incurring obligations in support of or opposition to a candidate is generally required to file a report no later than the 8th day before a primary or election at which the candidate seeks nomination or election to office.

Currently, where a requirement is imposed under the campaign finance law for filing of a report by a specified date, the requirement may be satisfied by depositing the report with the U.S. postal service no later than the date provided by law for receipt of the report.

The bill requires each registrant for whom the elections board serves as a filing agency and who or which accepts contributions in a total amount or value of \$20,000 or more during a campaign period, or a biennial period for registrants other than candidates and personal campaign or support committees, to file reports with the board electronically. The bill directs the board to make available to registrants software that is designed to facilitate complete electronic filing of campaign finance reports at a price that may not exceed cost. Under the bill, any registrant who or which files a report electronically must also file a copy of the report recorded on a medium prescribed by the board. The bill directs the board to provide complete instructions to any registrant who files reports electronically under the bill.

The bill also requires each candidate at the general election, and each committee or individual making disbursements or incurring obligations in support of or in opposition to a candidate at the general election, to file an additional report on the 14th day after the general election.

In addition, the bill permits satisfaction of the filing requirement only by actual receipt of a report by the board on or before the date provided by law for receipt of the report or by depositing the report with the U.S. postal service no later than the 3rd day before that date.

SOLICITATION FROM CAMPAIGN FINANCE REPORTS

Currently, no person may sell or utilize any information derived from a campaign finance report or statement for the purpose of soliciting contributions from

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

individuals or for any commercial purpose. Violators are subject to a forfeiture of not more than \$500 for each violation. Intentional violators are guilty of a misdemeanor and may be fined not more than \$1,000 or imprisoned for not more than 6 months or both. This bill substitutes a penalty of a forfeiture of \$10 for each person who is solicited, but not more than \$1,000 for each report from which persons are solicited.

INITIAL APPLICABILITY

All campaign finance changes under the bill apply to elections held on or after the day on which the bill becomes law.

OTHER

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to the bill.

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. 5.02 (13) of the statutes is amended to read:

5.02 (13) "Political party" or "party" means a state committee registered under s. 11.05 and organized exclusively for political purposes under whose name candidates appear on a ballot at any election, and all county, congressional, legislative, local and other affiliated committees authorized to operate under the same name. For purposes of ch. 11, the term does not include a legislative campaign committee or a committee filing an oath under s. 11.06 (7).

Section 2. 7.08 (2) (c) and (cm) of the statutes are amended to read:

7.08 (2) (c) As soon as possible after the canvass of the spring and September primary votes, but no later than the first Tuesday in March and the 4th Tuesday in September, transmit to the state treasurer a certified list of all eligible candidates for state office who have filed applications under s. 11.50 (2) and whom who the board determines to be eligible to receive payments from the Wisconsin election campaign fund. The board shall also transmit a similar list of candidates who the board determines to be eligible to receive a supplementary grant under s. 11.50 (9) (b)

within 5 days after the candidates qualify to receive the grants. Each list shall contain each candidate's name, the mailing address indicated upon the candidate's registration form, the office for which the individual is a candidate and the party or principle which he or she represents, if any.

(cm) As soon as possible after the canvass of a special primary, or the date that the primary would be held, if required, transmit to the state treasurer a certified list of all eligible candidates for state office who have filed applications under s. 11.50 (2) and whom who the board determines to be eligible to receive a grant from the Wisconsin election campaign fund prior to the election. The board shall also transmit a similar list of candidates, if any, who have filed applications under s. 11.50 (2) and whom who the board determines to be eligible to receive a grant under s. 11.50 (1) (a) 2. after the special election. The or a supplementary grant under s. 11.50 (9) (b) within 5 days after the candidates qualify to receive the grants. Each list shall contain each candidate's name, the mailing address indicated upon the candidate's registration form, the office for which the individual is a candidate and the party or principle which he or she represents, if any.

Section 3. 11.01 (5m) of the statutes is amended to read:

11.01 (5m) "Conduit" means an individual who or an organization a committee which receives a contribution of money and transfers the contribution to another individual or organization without exercising discretion as to the amount which is transferred and the individual to whom or organization to which the transfer is made.

Section 4. 11.01 (12s) of the statutes is repealed.

Section 5. 11.05 (3) (c) of the statutes is amended to read:

LRB-4856/2 JTK&MES:mfd&kmg:jf SECTION 5

SENATE BILL 463

11.05 (3) (c) In the case of a committee, a statement as to whether the committee is a personal campaign committee, a political party committee, a legislative campaign committee, a support committee or a special interest committee.

Section 6. 11.05 (3) (o) of the statutes is repealed.

Section 7. 11.05 (9) (b) of the statutes is amended to read:

11.05 (9) (b) An individual who or a committee or group which receives a contribution of money and transfers the contribution to another individual, committee or group while acting as a conduit is not subject to registration under this section unless the individual, committee or group transfers the contribution to a candidate or a personal campaign, legislative campaign, political party or support committee.

Section 8. 11.06 (1) (a) of the statutes is amended to read:

11.06 (1) (a) An itemized statement giving the date, full name and street address of each contributor who has made a contribution in excess of \$20, or whose contribution if \$20 or less aggregates more than \$20 for the calendar year, together with the amount of the contribution and the cumulative total contributions made by that contributor for the calendar year and, if the contributor made the contribution through a conduit, the identity of the conduit.

Section 9. 11.06 (2) of the statutes is amended to read:

11.06 (2) DISCLOSURE OF CERTAIN INDIRECT DISBURSEMENTS. Notwithstanding sub. (1), if a disbursement is made or obligation incurred by an individual other than a candidate or by a committee or group which is not primarily organized for political purposes, and the disbursement does not constitute a contribution to any candidate or other individual, committee or group, the disbursement or obligation is required

to be reported only if the purpose is to expressly advocate the election or defeat of a clearly identified candidate or the adoption or rejection of a referendum. The exemption provided by this subsection shall in no case be construed to apply to a political party, legislative campaign, personal campaign or support committee.

SECTION 10. 11.06 (7m) (a) of the statutes is amended to read:

11.06 (7m) (a) If a committee which was registered under s. 11.05 as a political party committee or legislative campaign committee supporting candidates of a political party files an oath under sub. (7) affirming that it does not act in cooperation or consultation with any candidate who is nominated to appear on the party ballot of the party at a general or special election, that the committee does not act in concert with, or at the request or suggestion of, such a candidate, that the committee does not act in cooperation or consultation with such a candidate or agent or authorized committee of such a candidate who benefits from a disbursement made in opposition to another candidate, and that the committee does not act in concert with, or at the request or suggestion of, such a candidate or agent or authorized committee of such a candidate who benefits from a disbursement made in opposition to another candidate, the committee filing the oath may not make any contributions in support of any candidate of the party at the general or special election or in opposition to any such candidate's opponents exceeding the amounts specified in s. 11.26 (2), except as authorized in par. (c).

SECTION 11. 11.06 (7m) (c) of the statutes is amended to read:

11.06 (7m) (c) A committee filing an oath under sub. (7) which desires to change its status to a political party committee or legislative campaign committee may do so as of December 31 of any even-numbered year. Section 11.26 does not apply to contributions received by such a committee prior to the date of the change. Such a

- committee may change its status at other times only by filing a termination statement under s. 11.19 (1) and reregistering as a newly organized committee under s. 11.05.
 - **Section 12.** 11.06 (11) (c) of the statutes is amended to read:
- 11.06 (11) (c) A contribution of money received from a conduit, accompanied by the information required under par. (a), is considered to be a contribution from the original contributor for purposes of s. 11.26 (1) and (4).
 - **Section 13.** 11.065 of the statutes is created to read:
- 11.065 Registration and reports by certain individuals and organizations. (1) (a) "Mass mailing" means the distribution of 50 or more pieces of substantially identical material.
- (b) "Organization" means any person, other than an individual, and any combination of 2 or more persons.
 - (c) "Telephone bank operator" has the meaning given in s. 11.095 (1) (b).
- (2) Any individual who or organization which receives one or more donations and makes one or more expenditures from those donations or other income for the purpose of publishing, broadcasting or disseminating a communication which includes the name or likeness of a candidate for state or local office by means of one or more communications media or a mass mailing or through a telephone bank operator shall, prior to conducting any such activity, register with the filing officer of the candidate whose name or likeness is used.
- (3) A registrant under sub. (2) shall file reports with each filing officer with whom the individual or organization is registered identifying all of the following:
- (a) Each donation received from a single source exceeding \$20 within a calendar year, together with the amount of the donation, the date that the donation

- was received and accepted, the name and address of the donor and, if the amount of the donation exceeds \$100 cumulatively within a calendar year, the occupation and principal place of employment of the donor.
- (b) Each expenditure exceeding \$20 made, together with the amount of the expenditure, the date that the expenditure was made, the name of the person to whom the expenditure was made and the specific purpose for which the expenditure was made.
- (c) The total donations and other income received and accepted and total expenditures made cumulatively for the calendar year.
- (4) The individual or organization shall report to the board the information required under sub. (3) in the form prescribed by the board at the time specified in s. 11.20 (2), (2m) and (4) for filing of reports by each candidate who is identified in a communication made by the individual or organization and shall include all donations received and accepted and all expenditures made as of the applicable dates specified in s. 11.20 (8).
- (5) If any individual or organization under sub. (2) makes an expenditure exceeding \$1,000 for the purpose of making a communication specified in sub. (2), the individual or organization shall, in addition to filing reports under sub. (3), file a special report which includes the information required under sub. (4) relating to that expenditure no later than 24 hours after the expenditure is made.
- (6) An individual who or organization which determines that it will no longer receive and accept donations or make expenditures for a purpose specified in sub. (2) may file a notice of termination of its registration with any filing officer with whom the individual or organization is registered.

(7) If a registrant with the board under sub. (2) receives and accepts donations exceeding the amount specified in s. 11.21 (16) within a period specified in s. 11.21 (16), the registrant shall file reports with the board in the manner specified under s. 11.21 (16).

Section 14. 11.09 (3) of the statutes is amended to read:

11.09 (3) Each registrant whose filing officer is the board, who or which makes disbursements in connection with elections for offices which serve or referenda which affect only one county or portion thereof, except a candidate, personal campaign committee, political party committee or other committee making disbursements in support of or in opposition to a candidate for state senator, representative to the assembly, court of appeals judge or circuit judge, shall file a duplicate original of each financial report filed with the board with the county clerk or board of election commissioners of the county in which the elections in which the registrant participates are held. Such reports shall be filed no later than the applicable dates specified under s. 11.20 (2), (2e) and (4) for the filing of each report with the board.

Section 15. 11.095 of the statutes is created to read:

11.095 Regulation of certain telephoning activities. (1) In this section:

(a) "Persuasive telephoning" means contacting, by telephone, potential voters for the purpose of presenting them with information or viewpoints which are designed to influence the attitudes of the voters toward candidates or referenda. "Persuasive telephoning" does not include any contacts that are limited solely to an attempt to identify potential voters, to urge potential voters to participate in an election or to offer assistance to potential voters to enable them to participate in an election, or questioning a random or representative sample of a universe of potential

voters in a voting jurisdiction or voting group in an attempt to infer, using standard statistical techniques and standard levels of statistical confidence, the attitudes or positions of the voters concerning candidates or issues or potential candidates or issues, or their knowledge of candidates or issues or potential candidates or issues.

- (b) "Telephone bank operator" means any person who places or directs the placement of telephone calls to individuals and engages in or directs persuasive telephoning.
- (2) Each individual who, or committee or group which, engages in or retains a telephone bank operator to engage in persuasive telephoning with respect to any election shall file a written report, on a form prescribed by the board, disclosing the name and address of the individual, committee or group; the name and address of any operator who is retained; the amount paid to any such operator for the telephoning services; the total amount expended by the individual, committee or group to conduct persuasive telephoning; and, if the individual, committee or group engaged in or the telephone bank operator engaged in such telephoning on behalf of the individual, committee or group in more than one legislative district, the amount expended by the individual, committee or group within each legislative district for persuasive telephoning performed on behalf of each candidate or each personal campaign committee of a candidate for legislative office in that district.
- (3) Each individual who, or committee or group which, engages in or retains a telephone bank operator to engage in persuasive telephoning shall report the information specified in sub. (2) on the dates specified for filing reports under s. 11.20 (2), (2m) and (4), unless all information relating to an election has previously been reported by the individual, committee or group. Each report shall cover the period specified in s. 11.20 (8).

- (4) Each individual who, or committee or group which, engages in or retains a telephone bank operator to engage in persuasive telephoning shall report the information specified in sub. (2) to the filing officer under s. 11.02 of each candidate whose name appears on the ballot in opposition to a candidate on behalf of whom the individual, committee or group is conducting persuasive telephoning, or to the filing officer for each referendum at which the individual, committee or group seeks to influence the attitudes of voters.
- (5) The board shall, by rule, define the term "designed to influence the attitudes of voters" under sub. (1) (a).

Section 16. 11.16 (5) of the statutes is amended to read:

11.16 (5) Escrow agreements. Any personal campaign committee, or political party committee or legislative campaign committee may, pursuant to a written escrow agreement with more than one candidate, solicit contributions for and conduct a joint fund raising effort or program on behalf of more than one named candidate. The agreement shall specify the percentage of the proceeds to be distributed to each candidate by the committee conducting the effort or program. The committee shall include this information in all solicitations for the effort or program. All contributions received and disbursements made by the committee in connection with the effort or program shall be received and disbursed through a separate depository account under s. 11.14 (1) that is identified in the agreement. For purposes of s. 11.06 (1), the committee conducting the effort or program shall prepare a schedule in the form prescribed by the board supplying all required information under s. 11.06 (1) and items qualifying for exclusion under s. 11.31 (6) for the effort or program, and shall transmit a copy of the schedule to each candidate who receives any of the proceeds within the period prescribed in s. 11.06 (4) (c).

| Q | 1 17 | 11 0 | Ω / | (0.) | . C . 1 | | • | | 1. | |
|-----------|------|------|-------------|------|---------|----------|---------|---------|----------|-------|
| SECTION 1 | 17. | 11.2 | (U) | ze) | or the | statutes | $_{1S}$ | created | τ_0 | read: |

11.20 **(2e)** Postelection reports under s. 11.06 (1) shall be received by the appropriate filing officer no earlier than 8 days after and no later than 14 days after each general election.

Section 18. 11.20 (3) (b) of the statutes is amended to read:

11.20 (3) (b) A candidate or personal campaign committee of a candidate at an election shall file a preelection report. A candidate or personal campaign committee of a candidate at the general election shall file a postelection report.

Section 19. 11.20 (3) (d) of the statutes is amended to read:

11.20 (3) (d) A registered committee or individual other than a candidate or personal campaign committee making or accepting contributions, making disbursements or incurring obligations in support of or in opposition to one or more candidates for office at an election, or supporting or opposing other committees or individuals who are engaging in such activities, shall file a preelection report. A registered committee or individual other than a candidate or personal campaign committee making or accepting contributions, making disbursements or incurring obligations in support of or in opposition to one or more candidates for office at the general election, or supporting or opposing other committees or individuals who are engaging in such activities, shall file a postelection report.

Section 20. 11.20 (3) (g) of the statutes is amended to read:

11.20 (3) (g) A contribution, disbursement or obligation in support of or in opposition to a candidate at an election which is made, accepted or incurred during the period covered by the preelection report, or by the postelection report following the general election, is considered to be made, accepted or incurred in support of or

24

| 1 | in opposition to that candidate at the election, regardless of whether the candidate |
|----|--|
| 2 | is opposed at the election. |
| 3 | Section 21. 11.20 (3) (L) of the statutes is amended to read: |
| 4 | 11.20 (3) (L) A registered group or individual making or accepting |
| 5 | contributions, making disbursements or incurring obligations in support of or in |
| 6 | opposition to a referendum appearing on an election ballot shall file a preelection |
| 7 | report. A registered group or individual making or accepting contributions, making |
| 8 | disbursements or incurring obligations in support of or in opposition to referendum |
| 9 | appearing on a general election ballot shall file a postelection report. |
| 10 | Section 22. 11.20 (8) (intro.) of the statutes is amended to read: |
| 11 | 11.20 (8) (intro.) Reports filed under subs. (2), (2e), (4) and (4m) shall include |
| 12 | all contributions received and transactions made as of the end of: |
| 13 | Section 23. 11.20 (8) (am) of the statutes is created to read: |
| 14 | 11.20 (8) (am) The 7th day after the election in the case of the postelection |
| 15 | report which follows the general election. |
| 16 | Section 24. 11.20 (10) (a) of the statutes is amended to read: |
| 17 | 11.20 (10) (a) Where a requirement is imposed under this section for the filing |
| 18 | of a financial report which is to be received by the appropriate filing officer no later |
| 19 | than a certain date, the requirement may be satisfied either by actual receipt of the |
| 20 | report by the prescribed time for filing at the office of the filing officer, or by filing a |
| 21 | report with the U.S. postal service by first class mail with sufficient prepaid postage, |
| 22 | addressed to the appropriate filing officer, no later than the 3rd day before the date |
| 23 | provided by law for receipt of such report. |

Section 25. 11.20 (12) of the statutes is amended to read:

 $\mathbf{2}$

11.20 (12) If a candidate is unopposed in a primary or election, the obligation to file the reports required by this chapter does not cease. Except as provided in ss. 11.05 (2r) and 11.19 (2), a registrant who makes or receives no contributions, makes no disbursements or incurs no obligations shall so report on the <u>applicable</u> dates designated in subs. (2), (2e) and (4).

Section 26. 11.21 (2) of the statutes is amended to read:

11.21 (2) Furnish to each registrant prescribed forms for the making of reports and statements. Forms shall be sent by 1st class mail not earlier than 21 days and not later than 14 days prior to the applicable filing deadline under s. 11.20, and addressed to the attention of the treasurer or other person indicated on the registration statement. Forms need not be sent to a registrant who has made an indication that aggregate contributions, disbursements and obligations will not exceed the amount specified under s. 11.05 (2r) or to a registrant who has been granted a suspension under s. 11.19 (2). Forms for reports shall not be sent by the board to a registrant if the registrant is required to file reports with the board in an electronic format. Whenever any notice of filing requirements under this chapter is sent to a candidate's campaign treasurer, the board shall also send a notice to the candidate if he or she has appointed a separate treasurer. Failure to receive any form or notice does not exempt a registrant from compliance with this chapter.

Section 27. 11.21 (9) of the statutes is amended to read:

11.21 **(9)** Place a copy Maintain a duplicate record of any separate schedule under s. 11.06 (1) (j) received with the financial report of an individual or committee filing an oath under s. 11.06 (7) in the file together with the record of each candidate to whom it relates.

Section 28. 11.21 (15) of the statutes is amended to read:

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

11.21 (15) Inform each candidate who files an application to become eligible to receive a grant from the Wisconsin election campaign fund of the dollar amount of the applicable disbursement limitation under s. 11.31 (1), adjusted as provided under s. 11.31 (9), which applies to the office for which such person is a that candidate. Failure to receive the notice required by this subsection does not constitute a defense to a violation of s. 11.27 (1) or 11.31.

Section 29. 11.21 (16) of the statutes is created to read:

11.21 (16) Require each registrant for whom the board serves as filing officer and who or which accepts contributions in a total amount or value of \$20,000 or more during a campaign period to file each campaign finance report that is required to be filed under this chapter in an electronic format, and accept from any other registrant for whom the board serves as a filing officer any campaign finance report that is required to be filed under this chapter in an electronic format. A registrant who or which becomes subject to a requirement to file reports in an electronic format under this subsection shall initially file the registrant's report in an electronic format for the period which includes the date on which the registrant becomes subject to the requirement. To facilitate implementation of this subsection, the board shall specify, by rule, a type of software that is suitable for compliance with the electronic filing requirement under this subsection. The board shall provide copies of software to registrants at a price fixed by the board that may not exceed cost. Each registrant who or which files a report under this subsection in an electronic format shall also file a copy of the report with the board that is recorded on a medium specified by the board. The copy shall be signed by an authorized individual and filed with the board by each registrant no later than the time prescribed for filing of the report under this chapter. The board shall provide complete instructions to any registrant who or

which files a report under this subsection. In this subsection, the "campaign period" of a candidate, personal campaign committee or support committee begins and ends with the "campaign" of the candidate whose candidacy is supported, as defined in s. 11.26 (17), and the "campaign period" of any other registrant begins on January 1 of each odd-numbered year and ends on December 31 of the following year.

SECTION 30. 11.24 (2) of the statutes is renumbered 11.24 (5).

Section 31. 11.24 (4) of the statutes is created to read:

11.24 (4) No person may make a contribution to an incumbent partisan state elective official or to the personal campaign committee or support committee authorized under s. 11.05 (3) (p) of that official for the purpose of promoting that official's nomination or reelection to the office held by the official during the period beginning on the first Monday of January in each odd-numbered year and ending on the date of enactment of the biennial budget act and thereafter during any legislative floorperiod, including any special or extraordinary session floorperiod. This subsection does not apply to an individual who is a candidate for state office at a special election or to the personal campaign committee of such an individual during the period commencing on the date that the special election is ordered and ending on the date of the special election.

Section 32. 11.26 (1) (intro.) of the statutes is amended to read:

11.26 (1) (intro.) No individual, except an individual serving as a conduit, may make any contribution or contributions to a candidate for election or nomination to any of the following offices and to any individual or committee under s. 11.06 (7) acting solely in support of such a candidate or solely in opposition to the candidate's opponent to the extent of more than a total of the amounts specified per candidate:

"Section 33. 11.26 (1) (a), (b) and (c) of the statutes are amended to read:

| 1 | 11.26 (1) (a) Candidates for governor, lieutenant governor, secretary of state, |
|----|--|
| 2 | state treasurer, attorney general, state superintendent or justice, $\$10,000$ $\$1,000$. |
| 3 | (b) Candidates for state senator, \$1,000 <u>\$500</u> . |
| 4 | (c) Candidates for representative to the assembly, \$500 \$250. |
| 5 | Section 34. 11.26 (2) (intro.) of the statutes is amended to read: |
| 6 | 11.26 (2) (intro.) No committee, including a committee serving as a conduit, |
| 7 | other than a political party committee or legislative campaign committee may make |
| 8 | or transfer any contribution or contributions to a candidate for election or |
| 9 | nomination to any of the following offices and to any individual or committee under |
| 10 | s. 11.06 (7) acting solely in support of such a candidate or solely in opposition to the |
| 11 | candidate's opponent to the extent of more than a total of the amounts specified per |
| 12 | candidate: |
| 13 | Section 35. 11.26 (2) (a), (b) and (c) of the statutes are amended to read: |
| 14 | 11.26 (2) (a) Candidates for governor, lieutenant governor, secretary of state, |
| 15 | state treasurer, attorney general, state superintendent or justice, 4% of the value of |
| 16 | the disbursement level specified in the schedule under s. 11.31 (1) \$1,000. |
| 17 | (b) Candidates for state senator, \$1,000 <u>\$500</u> . |
| 18 | (c) Candidates for representative to the assembly, \$500 \$250. |
| 19 | Section 36. 11.26 (4) of the statutes is amended to read: |
| 20 | 11.26 (4) No individual, except an individual serving as a conduit, may make |
| 21 | any contribution or contributions to all candidates for state and local offices and to |
| 22 | any individuals who or committees which are subject to a registration requirement |
| 23 | under s. 11.05, including legislative campaign committees and committees of a |
| 24 | political party, to the extent of more than a total of \$10,000 in any calendar year. |
| 25 | Section 37. 11.26 (8) of the statutes is repealed. |

Section 38. 11.26 (8m) of the statutes is created to read:

11.26 (8m) No committee may make a contribution to any other committee except a personal campaign or support committee.

Section 39. 11.26 (9) (a) and (b) of the statutes are amended to read:

- and accept more than 65% of the value of the total disbursement level, as determined under s. 11.31 (1) and adjusted as provided under s. 11.31 (9), for the office for which he or she is a candidate during any primary and election campaign combined from all committees subject to a filing requirement, including political party and legislative campaign committees. A candidate for state office whose grant or grants under s. 11.50 exceed the contribution limitation authorized by this paragraph may exceed the contribution limitation otherwise applicable to the extent required to accept the full amount of the grant or grants received by the candidate under s. 11.50, but any contributions received and accepted by such a candidate from committees other than the Wisconsin election campaign fund reduce the amount of the grant or grants which the candidate may accept by an amount equal to such contributions.
- (b) No individual who is a candidate for state or local office may receive and accept more than 45% 15% of the value of the total disbursement level, as determined under s. 11.31 (1) and adjusted as provided under s. 11.31 (9), for the office for which he or she is a candidate during any primary and election campaign combined from all committees other than political party and legislative campaign committees subject to a filing requirement.

Section 40. 11.26 (9) (c) of the statutes is renumbered 11.26 (9) (c) 1. and amended to read:

| 1 | 11.26 (9) (c) 1. For purposes of pars. par. (a) and (b), a, "committee" includes the |
|----|---|
| 2 | Wisconsin election campaign fund. |
| 3 | Section 41. 11.26 (9) (c) 2. of the statutes is created to read: |
| 4 | 11.26 (9) (c) 2. For the purposes of pars. (a) and (b), "committee" includes an |
| 5 | individual who or a committee which is a conduit. |
| 6 | Section 42. 11.26 (12m) of the statutes is amended to read: |
| 7 | 11.26 (12m) For purposes of this section subs. (1) and (4), a contribution of |
| 8 | money received from a conduit identified in the manner prescribed in s. 11.06 (11) |
| 9 | (a) shall be considered a contribution received from the original contributor. |
| 10 | Section 43. 11.265 of the statutes is repealed. |
| 11 | Section 44. 11.31 (1) (a) to (d) of the statutes are amended to read: |
| 12 | 11.31 (1) (a) Candidates for governor, \$1,078,200 \$2,000,000. |
| 13 | (b) Candidates for lieutenant governor, \$323,475 <u>\$700,000</u> . |
| 14 | (c) Candidates for attorney general, \$539,000 \$700,000. |
| 15 | (d) Candidates for secretary of state, state treasurer, justice or state |
| 16 | superintendent, $\$215,625$ $\$300,000$. |
| 17 | Section 45. 11.31 (1) (de) of the statutes is created to read: |
| 18 | 11.31 (1) (de) Candidates for justice, \$350,000. |
| 19 | Section 46. 11.31 (1) (e) and (f) of the statutes are amended to read: |
| 20 | 11.31 (1) (e) Candidates for state senator, \$34,500 total in the primary and |
| 21 | election, with disbursements not exceeding \$21,575 for either the primary or the |
| 22 | election <u>\$120,000</u> . |
| 23 | (f) Candidates for representative to the assembly, \$17,250 total in the primary |
| 24 | and election, with disbursements not exceeding \$10,775 for either the primary or the |
| 25 | election \$50,000. |

Section 47. 11.31 (2) of the statutes is amended to read:

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

Section 48. 11.31 (3) of the statutes is amended to read:

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

Section 49. 11.31 (3m) of the statutes is repealed.

Section 50. 11.31 (4) of the statutes is repealed.

SECTION 51. 11.31 (6) of the statutes is amended to read:

11.31 (6) EXCLUSIONS. In computing the limitations under this section an individual or campaign treasurer may exclude any contributions returned to the contributor; any loan repayments made; any inaugural expenses paid from the campaign depository account under s. 11.25 (2) (b); any expenses incurred as a result of a recount; all federal, state or local taxes paid; any reimbursement made to a candidate for the candidate's travel expenses; the gross receipts from the sale at an auction of any materials contributed to a candidate and reported by the candidate as a disbursement at the time the contribution is made; all refunds or deposits paid; the cost of services and materials purchased from a service provider for the purpose of compliance with the electronic filing requirement under s. 11.21 (16); and the cost of facilities rental, entertainment expense, food and beverages (including the preparation and service thereof if contracted to an outside agency), if utilized for a meal, sale, rally or similar fund raising effort or program which is intended for political purposes. Any such exclusion claimed shall be reported to the appropriate filing officer in such form as the board may require.

Section 52. 11.31 (9) of the statutes is created to read:

11.31 **(9)** Cost-of-living adjustment. (a) In this subsection, "consumer price index" means the average of the consumer price index over each 12-month period, all items, U.S. city average, as determined by the bureau of labor statistics of the U.S. department of labor.

(b) The dollar amounts of all disbursement limitations specified in sub. (1) shall be subject to a biennial cost-of-living adjustment to be determined by rule of the board in accordance with this subsection. To determine the adjustment, the board shall calculate the percentage difference between the consumer price index for the

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

12-month period ending on December 31 of each odd-numbered year and the consumer price index for the base period, calendar year 1997. For each biennium, the board shall adjust the disbursement limitations specified under sub. (1) by that percentage to the extent required to reflect any difference, rounded to the nearest multiple of \$25 in the case of amounts of \$1 or more, which amount shall be in effect until a subsequent rule is promulgated under this subsection. Notwithstanding s. 227.24 (3), determinations under this subsection may be promulgated as an emergency rule under s. 227.24 without a finding of emergency.

Section 53. 11.50 (2) (b) 5. of the statutes is amended to read:

11.50 (2) (b) 5. The financial reports filed by or on behalf of the candidate as of the date of the spring or September primary, or the date that the special primary is or would be held, if required, indicate that the candidate has received an amount equal to at least the amount provided in this subdivision 5% of the applicable authorized disbursement limitation, as determined under s. 11.31 (1) and adjusted under s. 11.31 (9), from contributions of money, other than loans, made by individuals who reside in this state and in the case of a candidate for legislative office by individuals at least 50% of whom reside in the legislative district in which the candidate seeks office, which have been received during the period ending on the date of the spring primary and July 1 preceding such date in the case of candidates at the spring election, or the date of the September primary and January 1 preceding such date in the case of candidates at the general election, or the date that a special primary will or would be held, if required, and 90 days preceding such date or the date a special election is ordered, whichever is earlier, in the case of special election candidates, which contributions are in the aggregate amount of \$100 or less, and which are fully identified and itemized as to the exact source thereof. A contribution

received from a conduit which is identified by the conduit as originating from an individual shall may not be considered as a contribution made by the an individual. Only the first \$100 of an aggregate contribution of more than \$100 may be counted toward the required percentage. For a candidate at the spring or general election for an office identified in s. 11.26 (1) (a) or a candidate at a special election, the required amount to qualify for a grant is 5% of the candidate's authorized disbursement limitation under s. 11.31. For any other candidate at the general election, the required amount to qualify for a grant is 10% of the candidate's authorized disbursement limitation under s. 11.31 for the purpose of qualifying for a grant under this subdivision.

SECTION 54. 11.50 (3) (a) 1. and 2. of the statutes are amended to read:

11.50 (3) (a) 1. If an election for state superintendent is scheduled in the following year, 8% of the fund shall be placed in a superintendency account. From this account, an equal amount shall be disbursed to the campaign depository account of each eligible candidate by the state treasurer, except as provided in sub. (9) (b).

2. If an election for justice is scheduled in the following year, 8% of the fund shall be placed in a supreme court account. From this account, an equal amount shall be disbursed to the campaign depository account of each eligible candidate by the state treasurer, except as provided in sub. (9) (b).

SECTION 55. 11.50 (4) (cm) and (d) of the statutes are amended to read:

11.50 (4) (cm) Each Except as provided in sub. (9) (b), each eligible candidate for the same office at a special election shall receive an equal amount, which amount shall be equivalent to the maximum grant which was payable to any candidate for that office at the most recent spring or general election. The amount shall be drawn from the senate campaign account and the assembly campaign account in the same

proportions as the balance in each account bears to the total balance in both accounts at the time that payments are made. Whenever there are insufficient moneys in the senate campaign account and the assembly campaign account to make the payments required by this paragraph, payments shall be appropriately reduced or discontinued by the board.

(d) Within Except as provided in sub. (9) (b), within the accounts established under this subsection for each office at each general election, the entire amount of all available moneys shall be apportioned equally to all eligible candidates.

SECTION 56. 11.50 (9) of the statutes is renumbered 11.50 (9) (a) and amended to read:

11.50 (9) (a) The total grant available to an eligible candidate who does not receive a supplementary grant under par. (b) may not exceed that amount which, when added to all other contributions accepted from sources other than individuals, and political party committees and legislative campaign committees, is equal to 45% 50% of the disbursement level specified for candidates for the applicable office, as determined under s. 11.31 (1) and adjusted as provided under s. 11.31 (9). The total grants available to an eligible candidate who receives a supplementary grant under par. (b) may not exceed the amount authorized under s. 11.26 (9) (a). For the purposes of this paragraph, all contributions transferred to the candidate by a conduit shall be considered to have been accepted from a source other than an individual or political party committee.

(c) The board shall scrutinize accounts and reports and records kept under this chapter to assure that applicable limitations under ss. 11.26 (9) and 11.31 are not exceeded and any violation is reported. No candidate or campaign treasurer may accept grants exceeding the amount authorized by this subsection.

Section 57. 11.50 (9) (b) of the statutes is created to read:

11.50 **(9)** (b) If an eligible candidate who accepts a grant is opposed by one or more eligible candidates in the election who do not accept a grant under this section, the total grant available to the eligible candidate shall be increased by an amount equal to 50% of the disbursement level specified for candidates for the applicable office other than candidates challenging incumbent officeholders, as determined under s. 11.31 (1) and adjusted as provided under s. 11.31 (9), unless each such opponent files an affidavit of voluntary compliance under s. 11.31 (2m). The board shall direct the state treasurer to make payment of the supplementary grant within 5 days after it determines that a candidate qualifies to receive the grant under this paragraph.

Section 58. 11.60 (1) of the statutes is amended to read:

11.60 (1) Any Except as provided in sub. (3g), any person, including any committee or group, who or which violates this chapter may be required to forfeit not more than \$500 for each violation.

Section 59. 11.60 (3g) of the statutes is created to read:

11.60 (3g) Any person, including any committee or group, who or which violates s. 11.095 in respect to any telephone communication in which the caller engages in persuasive telephoning shall forfeit \$1 for each such telephone communication with an individual that is subject to disclosure under s. 11.095 which the person fails to disclose under that section within the time prescribed under that section.

Section 60. 11.60 (3r) of the statutes is created to read:

11.60 (3r) Notwithstanding sub. (1), any person, including any committee or group, who violates s. 11.21 (5) or 11.22 (8) shall forfeit \$10 for each person who is

| solicited, but not more than \$1,000 for each report from which persons are solicited | d, |
|---|----|
| in violation of s. 11.21 (5) or 11.22 (8). | |
| Section 61. 13.625 (1) (b) 3. of the statutes is amended to read: | |

13.625 (1) (b) 3. Food, meals, beverages, money or any other thing of pecuniary value, except that a lobbyist may make a campaign contribution to a partisan elective state official or candidate for national, state or local office or to the official's or candidate's personal campaign committee; but a lobbyist may make a contribution to which par. (c) applies only as authorized in par. (c).

SECTION 62. 13.625 (1) (c) (intro.) of the statutes is renumbered 13.625 (1) (c) and amended to read:

13.625 (1) (c) Except as permitted in this subsection, make Make a campaign contribution, as defined in s. 11.01 (6), to a partisan elective state official for the purpose of promoting the official's election to any national, state or local office, or to a candidate for a partisan elective state office to be filled at the general election or a special election, or the official's or candidate's personal campaign committee. -A campaign contribution to a partisan elective state official or candidate for partisan elective state office or his or her personal campaign committee may be made in the year of a candidate's election between June 1 and the day of the general election, except that:

Section 63. 13.625 (1) (c) 1. and 2. of the statutes are repealed.

Section 64. 13.625 (2) of the statutes is amended to read:

13.625 (2) No principal may engage in the practices prohibited under sub. (1) (b) and (c) except that a principal may make a campaign contribution, as defined in s. 11.01 (6), to a partisan elective state official or candidate for partisan elective state office or his or her personal campaign committee in the year of an official's or

 $\mathbf{2}$

candidate's election between June 1 and the day of the general election unless, in the case of a member of the legislature or candidate for legislative office, the legislature has not concluded its final floorperiod or is in special or extraordinary session. This subsection does not apply to the furnishing of transportation, lodging, food, meals, beverages or any other thing of pecuniary value which is also made available to the general public.

Section 65. 13.625 (6) of the statutes is amended to read:

13.625 (6) Subsections (1) (b) and (c), (2) and (3) do not apply to the furnishing of anything of pecuniary value by an individual who is a lobbyist-or principal to a relative of the individual or an individual who resides in the same household as the individual, nor to the receipt of anything of pecuniary value by that relative or individual residing in the same household as the individual. Subsections (1) (b), (2) and (3) do not apply to the furnishing of anything of pecuniary value, except a campaign contribution, as defined in s. 11.01 (6), by a lobbyist to a relative of the lobbyist or an individual who resides in the same household as the lobbyist, nor to the receipt of any such thing by that relative or individual residing in the same household as the individual.

Section 66. 20.510 (1) (d) of the statutes is created to read:

20.510 (1) (d) Election campaign fund supplement. A sum sufficient to supplement the Wisconsin election campaign fund for the purpose of enabling all eligible candidates to receive the maximum grant for which the candidates qualify under s. 11.50 (9), to be transferred to the Wisconsin election campaign fund no later than the time required to enable timely payments to be made under s. 11.50 (5).

SECTION 67. 20.510 (1) (j) of the statutes is created to read:

 $\mathbf{2}$

| 20.510 (1) (j) Electronic filing software. All moneys received from registrants |
|--|
| who purchase software to be utilized for electronic filing of campaign finance reports |
| under s. 11.21 (16), for the purpose of providing that software. |

SECTION 68. 20.510 (1) (q) of the statutes is amended to read:

20.510 (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 whose names are certified under s. 7.08 (2) (c) or (cm).

SECTION 69. 25.42 of the statutes is amended to read:

25.42 Wisconsin election campaign fund. All moneys appropriated under s. ss. 20.510 (1) (d) and 20.855 (4) (b) together with all moneys reverting to the state under s. 11.50 (8) and all gifts, bequests and devises received under s. 11.50 (13) constitute the Wisconsin election campaign fund, to be expended for the purposes of s. 11.50. All moneys in the fund not disbursed by the state treasurer shall continue to accumulate indefinitely.

Section 70. 71.10 (3) (a) of the statutes is amended to read:

71.10 (3) (a) Every individual filing an income tax return who has a tax liability or is entitled to a tax refund may designate \$1 \$5 for the Wisconsin election campaign fund for the use of eligible candidates under s. 11.50. 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 \$1 \$5 under this subsection.

SECTION 71. Initial applicability.

(1) Except as provided in subsections (2) to (4), this act first applies to elections held on the day after publication.

| 1 | (2) The treatment of section 11.21 (2), (9) and (16) of the statutes first applies |
|----|---|
| 2 | with respect to campaign finance reports that are required to be filed after June 30, |
| 3 | 1999. |
| 4 | (3) The treatment of section 71.10 (3) (a) of the statutes first applies to tax |
| 5 | returns for taxable years beginning on the January 1 following the effective date of |
| 6 | this subsection. |
| 7 | (4) The treatment of section 11.31 (9) of the statutes first applies to adjustment |
| 8 | of disbursement limitations for the biennium beginning on January 1, 1999. |
| 9 | Section 72. Effective dates. This act takes effect on the day after publication, |
| 10 | except as follows: |
| 11 | (1) The treatment of section 11.20 (10) (a) of the statutes takes effect on July |
| 12 | 1, 1998. |
| 13 | (2) The treatment of section 20.510 (1) (d) of the statutes takes effect on |
| 14 | January 1, 1999. |
| 15 | (END) |