



State of Wisconsin
2011 – 2012 LEGISLATURE



LRB-2774/2
JTK&MES:wlj&cjs:jf

2011 BILL

1 **AN ACT** *to repeal* 11.01 (5m), 11.01 (12s), 11.05 (3) (o), 11.05 (9) (b), 11.06 (11),
2 11.24 (1m), 11.26 (1) (cg), (cn) and (cw), 11.26 (2) (cg), (cn) and (cw), 11.26 (12m)
3 and 11.26 (13m) (b); **to renumber** 11.05 (9) (a); **to consolidate, renumber and**
4 **amend** 11.26 (13m) (intro.) and (a); **to amend** 5.02 (13), 8.10 (3) (a), 8.15 (6) (a),
5 (c) and (d), 11.01 (6) (a) 1., 11.01 (16) (intro.), 11.05 (3) (c), 11.05 (3) (n), 11.06 (1)
6 (a), 11.06 (2), 11.06 (7m) (a), 11.06 (7m) (b), 11.06 (7m) (c), 11.16 (5), 11.19 (1),
7 11.26 (1) (a), 11.26 (1) (b), 11.26 (1) (c), 11.26 (2) (intro.), 11.26 (2) (a), 11.26 (2)
8 (b), 11.26 (2) (c), 11.26 (3), 11.26 (4), 11.26 (6), 11.26 (8), 11.26 (9) (a), 11.26 (9)
9 (b), 11.26 (15), 11.26 (17) (a), 11.38 (1) (a) 1. and 11.38 (1) (a) 3.; **to repeal and**
10 **recreate** 11.05 (9) (title), 11.26 (1) (cc) and 11.26 (2) (cc); and **to create** 8.35 (4)
11 (ba), 11.01 (12v), 11.01 (16) (a) 3., 11.05 (3) (s), 11.06 (1) (n), 11.13, 11.19 (3m),
12 11.26 (2m), 11.26 (8) (d), 11.26 (8w), 11.26 (13), 11.26 (17) (dm), 11.38 (3e), 11.38
13 (9), 11.39, 11.395, 11.50, 20.511 (1) (qa), 20.855 (4) (b), 20.855 (4) (ba), 20.855 (4)
14 (bc), 25.17 (1) (yr), 25.426, 71.07 (6n), 71.07 (8m), 71.10 (3), 71.10 (4) (cs) and

BILL

1 71.10 (4) (ds) of the statutes; **relating to:** various changes in the campaign
2 finance and individual income tax laws, creation of a Wisconsin clean election
3 fund, creation of a public integrity endowment, granting rule-making
4 authority, making appropriations, and providing penalties.

Analysis by the Legislative Reference Bureau

This bill makes various changes in the campaign finance and individual income tax laws, creates a Wisconsin clean election fund, and creates a public integrity endowment.

SCOPE OF REGULATION

Currently, individuals who accept contributions, organizations that make or accept contributions, and individuals who or organizations that 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, regardless of whether they act in conjunction with or independently of any candidate who is supported or opposed.

With certain exceptions, this bill imposes registration and reporting requirements, in addition, upon any individual who and organization that, within 60 days of an election, makes any mass communication directed at 500 or more persons that includes a reference to or depiction of a candidate at that election and that is susceptible of no reasonable interpretation other than as an appeal to vote for or against a clearly identified candidate. Under the bill, a communication is susceptible of no reasonable interpretation other than as an appeal to vote for or against a clearly identified candidate if the communication is made during the period beginning on the 60th day preceding an election and ending on the date of that election, and it includes a reference to or depiction of a clearly identified candidate whose name is certified to appear on the ballot at that election; refers to the personal qualities, character, or fitness for office of that candidate; supports or condemns that candidate's stance on one or more issues; or supports or condemns that candidate's public record. In addition, the bill requires an individual who or organization that becomes subject to a registration requirement by making such a communication to report, upon registration, the information that would have been required to be reported if the individual or organization had been registered with respect to any obligation incurred or disbursement made for the purpose of making such a communication prior to registration. The bill, however, does not require registration and reporting if the communication is made by a corporation, cooperative, or nonpolitical voluntary association and is limited to the corporation's, cooperative's, or association's members, shareholders, or subscribers.

The change in the scope of reportable activity under the bill also applies to contribution and disbursement (spending) limitations and restrictions by causing

BILL

reportable “contributions,” “obligations,” and “disbursements” to include the cost of all reportable communications.

Violators of registration and reporting requirements are subject to a forfeiture (civil penalty) of not more than \$500 for each violation. In addition, any person who is delinquent in filing a report is subject to a forfeiture of not more than \$50 or 1 percent of the annual salary of the office for which a candidate is being supported or opposed, whichever is greater, for each day of delinquency. Intentional violators of the registration requirements and persons who intentionally file false reports or statements may be fined not more than \$1,000 or imprisoned for not more than six months, or both, if the violation involves less than \$100 in amount or value, and may be fined not more than \$10,000 or imprisoned for not more than three years and six months, or both, if the violation involves more than \$100 in amount or value.

DEFINITION OF “CONTRIBUTION”

Currently, with certain exceptions, a gift, subscription, loan, advance, or deposit of money or anything of value made for political purposes is considered to be a “contribution” that may be reportable by the contributor if the contributor is not an individual or, if the contributor is an individual, if the individual is making disbursements (political expenditures). The contribution may also be subject to contribution limitations. This bill changes the definition of “contribution” so that it includes a gift, subscription, loan, advance, or deposit of money or anything of value made *or used* for political purposes. The bill also provides that if an individual or organization makes or transfers a gift, subscription, loan, advance, or deposit of money or anything of value to an individual or organization for a purpose other than a political purpose and the recipient uses the gift, subscription, loan, advance, or deposit of money or thing of value to make a political contribution, the recipient must, within 48 hours after making the political contribution, file a written report with the contributor indicating the date and recipient of the contribution and the amount of the contribution that was made using the gift, subscription, loan, advance, or deposit of money or thing of value that was received from the contributor.

CONTRIBUTION LIMITATIONS

Currently, no individual may make any contribution or contributions to a candidate 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, representative to the assembly, court of appeals judge, circuit judge, or district attorney, or to any individual or committee making independent disbursements (expenditures) acting solely in support of such a candidate or in opposition to the candidate's opponent, exceeding specified levels cumulatively during a campaign. Currently, these levels are \$10,000 per campaign for statewide offices, \$1,000 per campaign for the office of state senator, \$500 per campaign for the office of representative to the assembly, and \$1,000 to \$3,000 per campaign for the office of court of appeals judge, circuit judge, or district attorney, depending upon the size of the district, circuit, or prosecutorial unit. This bill changes these levels to \$1,000 per campaign for statewide offices, \$500 per campaign for the office of state senator, \$250 per campaign for the office of representative to

BILL

the assembly, and \$1,000 per campaign for the offices of court of appeals judge, circuit judge, and district attorney.

Currently, no committee other than a political party committee or legislative campaign committee (this type of committee is generally known as a “political action committee”) may make any contribution or contributions to a candidate 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, representative to the assembly, court of appeals judge, circuit judge, or district attorney, or to any individual or committee making independent disbursements acting solely in support of such a candidate or in opposition to the candidate’s opponent, exceeding specified levels cumulatively in a campaign. Currently, these levels are 4 percent of the total disbursement level specified by law for the office per campaign for statewide offices, \$1,000 per campaign for the office of state senator, \$500 per campaign for the office of representative to the assembly, and \$1,000 to \$3,000 per campaign for the office of court of appeals judge, circuit judge, or district attorney. This bill changes these levels to \$1,000 per campaign for statewide offices, \$500 per campaign for the office of state senator, \$250 per campaign for the office of representative to the assembly, and \$1,000 per campaign for the offices of court of appeals judge, circuit judge, and district attorney.

Currently, no individual may make any contribution or contributions to all candidates for state or local office and to any individuals or committees that are subject to a registration requirement to the extent of more than a total of \$10,000 per calendar year. This bill changes this limitation to \$1,000 per calendar year, but excludes any contributions made by an individual to an individual or committee that is operating independently of a candidate or candidate’s agents.

The bill also creates new contribution limitations that apply to a political party committee making contributions to a candidate or to any individual or committee making independent disbursements acting solely in support of a candidate or solely in opposition to the candidate’s opponent, in the amount of \$4,000 per campaign to a candidate for the office of governor, lieutenant governor, secretary of state, state treasurer, or attorney general, \$2,000 per campaign to a candidate for the office of state senator, and \$1,000 per campaign to a candidate for the office of representative to the assembly.

Currently, no candidate may accept more than 65 percent of the value of the statutory disbursement level for the office that the candidate seeks during a campaign from all committees, including political party committees, nor more than 45 percent of the value of that level from all committees other than political party committees. This bill changes the amounts of these contribution limits as follows:

<u>Office</u>	<u>All committees</u>		<u>All non-party committees</u>	
	<u>Current limit</u> <u>(in dollars)</u>	<u>Proposed</u> <u>limit</u>	<u>Current limit</u> <u>(in dollars)</u>	<u>Proposed</u> <u>limit</u>
Governor	\$700,830	\$70,000	\$485,190	\$50,000
Lt. Governor	\$210,259	\$25,000	\$145,564	\$15,000
Sec. of State	\$140,156	\$15,000	\$97,031	\$10,000

BILL

State Treasurer	\$140,156	\$15,000	\$97,031	\$10,000
Atty. General	\$350,350	\$35,000	\$242,550	\$25,000
Supt. of Pub. Inst.	\$140,156	\$10,000	\$97,031	\$10,000
Justice	\$140,156	\$10,000	\$97,031	\$10,000
State Senator	\$22,425	\$11,000	\$15,525	\$7,500
Rep. to Assembly	\$11,213	\$6,500	\$7,763	\$3,750
Ct. of Appeals				
Judge	\$56,063	\$12,500	\$38,813	\$8,000
Circuit Judge	\$56,063	\$12,500	\$38,813	\$8,000
District Atty.: pop. more than 500,000	\$105,121	\$12,500	\$72,776	\$8,000
District Atty.: pop. 500,000 or less	\$56,063	\$12,500	\$38,813	\$8,000

Currently, no committee, other than a political party or legislative campaign committee, may make any contribution or contributions cumulatively to a political party and all its affiliates authorized to operate under the same name exceeding a total of \$6,000 in a calendar year, and no political party and its affiliates may receive more than a total of \$6,000 in contributions from any specific committee or its subunits and affiliates, excluding political party and legislative campaign committees. This bill decreases those limits to \$3,000 in a calendar year.

The bill prohibits a political party, and all its affiliates authorized to operate under the same name, from making any contribution or contributions to a committee registered as a special interest committee (also called a “political action committee”), and to any independent individuals and committees acting solely in support of that special interest committee, to the extent of more than \$6,000 per calendar year. No similar provision exists currently.

The bill also prohibits a committee that is registered as a special interest committee (also called a “political action committee”) from making a contribution to another such committee. No similar prohibition exists currently.

In addition, the bill prohibits a labor organization from making a contribution to a special interest committee (also called a “political action committee”). No similar prohibition exists currently.

CONTRIBUTIONS USED TO FINANCE RECALL PETITION DRIVES

Currently, contributions used for the purpose of payment of expenses incurred in connection with the circulation, offer to file, or filing of a petition to recall an officeholder prior to the time that a recall primary or election is ordered, or after that time if incurred in contesting or defending the order, are generally subject to reporting but are not subject to contribution limitations under the campaign finance law. Contributions used for the purpose of payment of expenses incurred in supporting or opposing an officeholder against whom a recall petition has been filed are subject to the limitations.

This bill treats gifts, receipts, and transfers, including certain in-kind transactions, made for the purpose of payment of expenses in connection with the circulation, offer to file, or filing of a petition to recall an officeholder prior to the time that a recall primary or election is ordered, or in contesting or defending such an

BILL

order, as contributions to any candidate who is supported or whose opponent is opposed for purposes of contribution limitations in the same manner as other contributions to such a candidate. Under the bill, the contributions become subject to the limitations on the day that any person registers his or her intent to circulate a recall petition. If a recall election is ordered, contributions made before and after the filing of the recall petition are aggregated for purposes of the contribution limitations. The bill also specifically provides that actions taken for the purpose of contesting or defending a recall election order are reportable transactions under the campaign finance law to the same extent as other actions taken for the purpose of influencing the recall or retention of an officeholder.

DISPOSITION OF RESIDUAL CAMPAIGN FUNDS

Currently, whenever a registrant under the campaign finance law disbands or determines that the registrant will no longer engage in campaign finance activity, the registrant may return any excess unencumbered moneys in its campaign depository account to the contributors or may donate the moneys to a charitable organization or the state common school fund. This bill provides that if a candidate, candidate's personal campaign committee, or independent support committee that has been authorized by a candidate has a net positive balance of unencumbered moneys in its campaign depository account on the 90th day after the election at which the candidate was seeking office, or on the 90th day after a primary election at which the candidate was seeking office if the candidate was not nominated at the primary, the candidate or committee must, within 30 days of that date, return the balance of the unencumbered moneys in its account to the contributors or donate the balance of the moneys to a charitable organization or to the common school fund. Under the bill, a registrant that is subject to the requirement and that has an unencumbered balance in its campaign depository account on the day the bill becomes law has until the first day of the fourth month beginning after that day to comply with the requirement.

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.

This bill eliminates the special status of legislative campaign committees, thus causing them to be treated in the same manner as other special interest committees for the purpose of contribution limitations.

DISBURSEMENTS AND OBLIGATIONS BY CORPORATIONS AND COOPERATIVES

Under current law, corporations and cooperatives are prohibited from making contributions or disbursements (expenditures) in campaigns for state or local office. Violators are subject to a forfeiture (civil penalty) of not more than \$500 for each violation. Intentional violators are guilty of a Class I felony, which is punishable by

BILL

a fine of not more than \$10,000 or imprisonment for three and one-half years, or both, except that if a violation involves \$100 or less, the violation is punishable as a misdemeanor with a fine of not more than \$1,000 or imprisonment for not more than six months, or both. A recent decision of the U.S. Supreme Court has cast doubt about whether this law is enforceable as it applies to disbursements. See *Citizens United v. F.E.C.*, 130 S.Ct. 876 (2010).

This bill provides that if a court with jurisdiction in this state finds in a reported decision, whether or not applicable in this state, that a prohibition against the making of political expenditures by corporations or similar entities is not enforceable for constitutional reasons, the Government Accountability Board (GAB) must publish a finding to that effect. The bill then provides that, during a period when a finding of unenforceability is in effect, before a corporation or cooperative may make disbursements or incur obligations to make disbursements independently of a candidate exceeding a total of \$10,000 in a calendar year, the corporation or cooperative must obtain the approval of an absolute majority of the voting shares or members, if any, exclusive of any votes cast by proxy, for the 12-month period in which the disbursements are to be made or the obligations are to be incurred. Under the bill, the authorization must be obtained annually and must specify the total maximum amount of the disbursements to be made or obligations to be incurred together with the identity of any candidate or referendum question to be supported or opposed or any tax exempt organization or trade association to which disbursements are to be made or obligations are to be incurred. The bill provides that any corporation or cooperative that makes disbursements or incurs obligations to make disbursements exceeding a total of \$10,000 in a calendar year must provide a quarterly itemized report to its shareholders or members, if any, concerning its disbursements made and obligations incurred and must make a copy of the report available for public inspection. In addition, the bill provides that if an owner, officer, employee, or agent of a corporation or cooperative causes or authorizes a violation of the requirements under the bill, the owner, officer, employee, or agent is personally liable for any penalties incurred and for reimbursement of the corporation's or association's treasury, together with interest computed from the date of any unauthorized withdrawal.

TREATMENT OF CONDUITS

Currently, if an individual or organization receives a political contribution consisting of money and transfers the contribution to another individual or organization without exercising discretion as to the amount transferred and the individual to whom or the organization to which the transfer is made, the contribution is considered to be made by the original contributor for purposes of reporting by the ultimate recipient. The contribution is also treated as an individual contribution for purposes of determining contribution limitations. The individual or organization making the transfer is called a "conduit" under the law. In most cases, a conduit is required to register and file campaign finance reports unless the conduit does not transfer any contributions to candidates or to personal campaign, legislative campaign, or political party committees.

BILL

This bill treats a contribution of money transferred by a conduit as a contribution from the conduit rather than from the individual contributor for purposes of reporting by the ultimate recipient and for purposes of determining contribution limitations. Under the bill, a contribution of money that is transferred by a conduit that is a committee is included within the overall limitation on contributions that a candidate may derive from contributions received from committees.

WISCONSIN CLEAN ELECTION FUND

Currently, no public grants are available to finance the campaigns of any candidate for state or local office in this state. This bill creates a Wisconsin clean election fund to provide grants to qualifying candidates for campaign expenses. Under the bill, a candidate for any state office other than court of appeals judge, circuit judge, or district attorney may receive matching grants at specified levels from the clean election fund. Under the bill, \$10 is transferred from the general fund to the clean election fund for each individual filing a state income tax return who has a tax liability or is owed a refund, unless the individual designates that \$10 shall be transferred to the account of an eligible political party (see below), or the individual indicates on the return that he or she does not wish \$10 to be transferred, in which case, this amount is retained in the general fund. The bill permits an individual to determine whether to designate his or her checkoff for the account of an eligible political party, which is distributed to all candidates representing that party at a general or special election who qualify for a grant. In addition, if there are insufficient moneys in these accounts to permit any candidate who qualifies for a grant from receiving the full amount for which the candidate qualifies, exclusive of any supplemental grant drawn from a political party account, the bill provides for the deficiency to be drawn from state general purpose revenue.

To qualify for campaign matching grants, a candidate must qualify to have his or her name appear on the ballot at a spring, partisan, or special primary or a spring, general, or special election for which the grants will be used and must obtain valid signatures equal to at least 200 percent of the minimum number of signatures required on nomination papers for the office that the candidate seeks.

Under the bill, a candidate may receive a matching grant from the clean election fund for each contribution that the candidate receives from an individual in an amount equal to four times the amount of the contribution for cumulative contributions up to \$50 and in an amount equal to three times the amount of the contribution for cumulative contributions exceeding \$50 but not exceeding \$100. To receive a matching grant, a candidate must report certain information concerning the contribution to the Government Accountability Board. There is no limitation on the total amount of matching contributions that a candidate may qualify to receive under the bill.

The bill permits grants to be spent for any lawful purpose. Under the bill, a candidate must return to the state grant moneys that are not spent by the candidate after an election except that a candidate who is nominated in a primary election need not return any grant moneys after the primary if the candidate qualifies to receive a grant for the succeeding election.

BILL

The bill also transfers \$1,128,600 from the general fund to the clean election fund, which is approximately equivalent to the amount that was transferred from the Wisconsin election campaign fund to the general fund in 2011 when the campaign fund existed under former law. Under the bill, initial grants are payable at the first election that follows the day the bill becomes law by at least 60 days.

PUBLIC INTEGRITY ENDOWMENT

This bill directs the legal counsel to the GAB to take steps to incorporate a nonstock, nonprofit corporation to be known as the “Public Integrity Endowment.” The bill directs the legal counsel to ensure that the endowment is structured so that contributions made to the endowment will be tax deductible to the extent allowed by law. Under the bill, the sole purpose of the endowment is to solicit contributions for the purpose of supplementing the assets of the general account of the Wisconsin clean election fund, as created by the bill, and transferring those contributions, after deduction of solicitation expenses, to the fund. Contributions are tax deductible to the extent allowed by law. However, the clean election fund does not solicit contributions.

INDIVIDUAL INCOME TAX CREDIT — PUBLIC INTEGRITY ENDOWMENT

This bill creates a nonrefundable individual income tax credit for contributions to the Public Integrity Endowment. Under the bill, an individual may claim as an income tax credit, up to the amount of the individual’s income tax liability, any amount that he or she contributes to the Public Integrity Endowment.

INDIVIDUAL INCOME TAX CREDIT — POLITICAL CONTRIBUTIONS

This bill creates a nonrefundable individual income tax credit for any lawful amount not exceeding \$25 cumulatively within a year contributed to an individual who is a candidate for elective public office in this state by an individual who is an elector of the jurisdiction or district in which the candidate seeks office. The maximum amount that may be claimed for contributions to all candidates each year is \$100 for all contributions made by an individual, although both spouses of a married couple may each claim the credit. Because the credit is nonrefundable, it may be claimed only up to the amount of a claimant’s income tax liability. For claimants who are nonresidents or part-year residents of Wisconsin, the credit that may be claimed is prorated based on the ratio of the claimant’s Wisconsin adjusted gross income (AGI) to federal AGI.

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:

BILL**SECTION 1**

1 5.02 **(13)** “Political party” or “party” means a state committee registered under
2 s. 11.05 and organized exclusively for political purposes under whose name
3 candidates appear on a ballot at any election, and all county, congressional,
4 legislative, local and other affiliated committees authorized to operate under the
5 same name. For purposes of ch. 11, the term does not include ~~a legislative campaign~~
6 ~~committee or~~ a committee filing an oath under s. 11.06 (7).

7 **SECTION 2.** 8.10 (3) (a) of the statutes is amended to read:

8 8.10 **(3)** (a) For statewide offices, not less than 2,000 nor more than ~~4,000~~ 6,000
9 electors.

10 **SECTION 3.** 8.15 (6) (a), (c) and (d) of the statutes are amended to read:

11 8.15 **(6)** (a) For statewide offices, not less than 2,000 nor more than ~~4,000~~ 6,000
12 electors.

13 (c) For state senators, not less than 400 nor more than ~~800~~ 1,200 electors.

14 (d) For representatives to the assembly, not less than 200 nor more than 400
15 600 electors.

16 **SECTION 4.** 8.35 (4) (ba) of the statutes is created to read:

17 8.35 **(4)** (ba) Notwithstanding par. (a), any unspent and unencumbered grant
18 moneys received by a candidate from the Wisconsin clean election fund shall be
19 immediately transferred by the candidate’s campaign treasurer to any candidate
20 who is appointed and qualified to replace that candidate. If there is no candidate who
21 is appointed and qualified, the moneys shall revert to the fund.

22 **SECTION 5.** 11.01 (5m) of the statutes is repealed.

23 **SECTION 6.** 11.01 (6) (a) 1. of the statutes is amended to read:

24 11.01 **(6)** (a) 1. A gift, subscription, loan, advance, or deposit of money or
25 anything of value, except a loan of money by a commercial lending institution made

BILL

1 by the institution in accordance with applicable laws and regulations in the ordinary
2 course of business, made or used for political purposes. In this subdivision “anything
3 of value” means a thing of merchantable value.

4 **SECTION 7.** 11.01 (12s) of the statutes is repealed.

5 **SECTION 8.** 11.01 (12v) of the statutes is created to read:

6 11.01 **(12v)** “Mass communication” means a message that is directed to more
7 than 500 persons by means of electronic mail, a printed advertisement, billboard,
8 handbill, or sample ballot, an automated telephone call, a television, radio, or
9 Internet advertisement, or any other method that may be used for a political purpose.

10 **SECTION 9.** 11.01 (16) (intro.) of the statutes is amended to read:

11 11.01 **(16)** (intro.) An act is for “political purposes” when it is done for the
12 purpose of influencing the election or nomination for election of any individual to
13 state or local office;~~;~~ for the purpose of influencing the recall from or retention in office
14 of an individual holding a state or local office, whether before or after the time that
15 a recall election is ordered, or for the purpose of contesting or defending a recall
16 election order~~;~~ for the purpose of payment of expenses incurred as a result of a
17 recount at an election;~~;~~ or for the purpose of influencing a particular vote at a
18 referendum. In the case of a candidate, or a committee or group which is organized
19 primarily for the purpose of influencing the election or nomination for election of any
20 individual to state or local office, for the purpose of influencing the recall from or
21 retention in office of an individual holding a state or local office, or for the purpose
22 of influencing a particular vote at a referendum, all administrative and overhead
23 expenses for the maintenance of an office or staff which are used principally for any
24 such purpose are deemed to be for a political purpose.

25 **SECTION 10.** 11.01 (16) (a) 3. of the statutes is created to read:

BILL**SECTION 10**

1 11.01 **(16)** (a) 3. A mass communication, other than a communication that is
2 exempt from reporting under s. 11.29, that is susceptible of no reasonable
3 interpretation other than as an appeal to vote for or against a clearly identified
4 candidate. A communication is susceptible of no reasonable interpretation other
5 than as an appeal to vote for or against a clearly identified candidate if the
6 communication is made during the period beginning on the 60th day preceding an
7 election and ending on the date of that election, and it includes a reference to or
8 depiction of a clearly identified candidate whose name is certified under s. 7.08 (2)
9 (a) or 8.50 (1) (d) to appear on the ballot at that election, and that does any of the
10 following:

11 a. Refers to the personal qualities, character, or fitness for office of that
12 candidate.

13 b. Supports or condemns that candidate's stance on one or more issues.

14 c. Supports or condemns that candidate's public record.

15 **SECTION 11.** 11.05 (3) (c) of the statutes is amended to read:

16 11.05 **(3)** (c) In the case of a committee, a statement as to whether the
17 committee is a personal campaign committee, a political party committee, ~~a~~
18 ~~legislative campaign committee~~, a support committee, or a special interest
19 committee.

20 **SECTION 12.** 11.05 (3) (n) of the statutes is amended to read:

21 11.05 **(3)** (n) In the case of a labor organization, or separate segregated fund
22 under s. 11.38 (1) (a) 2. ~~or conduit established by a labor organization~~, a statement
23 as to whether the organization is incorporated, and if so, the date of incorporation
24 and whether or not such incorporation is under ch. 181.

25 **SECTION 13.** 11.05 (3) (o) of the statutes is repealed.

BILL

SECTION 14. 11.05 (3) (s) of the statutes is created to read:

11.05 **(3)** (s) In the case of a registrant that has made a mass communication identified in s. 11.01 (16) (a) 3., a report containing the information specified in s. 11.06 (1) with respect to any obligation to make a disbursement incurred or any disbursement made for the purpose of making such a communication prior to registration.

SECTION 15. 11.05 (9) (title) of the statutes is repealed and recreated to read:

11.05 **(9)** (title) DEPOSIT OF CONTRIBUTIONS.

SECTION 16. 11.05 (9) (a) of the statutes is renumbered 11.05 (9).

SECTION 17. 11.05 (9) (b) of the statutes is repealed.

SECTION 18. 11.06 (1) (a) of the statutes is amended to read:

11.06 **(1)** (a) ~~An~~ Except as required under s. 11.50 (5), 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.

SECTION 19. 11.06 (1) (n) of the statutes is created to read:

11.06 **(1)** (n) In the case of a corporation or cooperative association organized under ch. 185 or 193 that makes disbursements or incurs obligations to make disbursements exceeding a total of \$10,000 in a calendar year without cooperation or consultation with a candidate, or any authorized committee or agent of a candidate, and not in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of a candidate, during a period when a finding of unenforceability under s. 11.38 (9) is in effect, a statement that the corporation or cooperative association has received the approval of an absolute majority of the

BILL**SECTION 19**

1 voting shares or members who are entitled to vote to elect the board of directors,
2 exclusive of any votes cast by proxy, to make disbursements and to incur obligations
3 to make disbursements, or if there are no shareholders or members, a statement to
4 that effect.

5 **SECTION 20.** 11.06 (2) of the statutes is amended to read:

6 11.06 **(2)** DISCLOSURE OF CERTAIN INDIRECT DISBURSEMENTS. Notwithstanding
7 sub. (1), if a disbursement is made or obligation incurred by an individual other than
8 a candidate or by a committee or group which is not primarily organized for political
9 purposes, ~~and the disbursement does not constitute a contribution to any candidate~~
10 ~~or other individual, committee, or group, and the disbursement is not made or the~~
11 ~~obligation is not incurred for the purpose of making a mass communication specified~~
12 ~~in s. 11.01 (16) (a) 3., the disbursement or obligation is required to be reported only~~
13 ~~if the purpose is to expressly advocate the election or defeat of a clearly identified~~
14 ~~candidate or the adoption or rejection of a referendum. The exemption provided by~~
15 ~~this subsection shall in no case be construed to apply to a political party, legislative~~
16 ~~campaign, personal campaign, or support committee.~~

17 **SECTION 21.** 11.06 (7m) (a) of the statutes is amended to read:

18 11.06 **(7m)** (a) If a committee which was registered under s. 11.05 as a political
19 party committee ~~or legislative campaign committee~~ supporting candidates of a
20 political party files an oath under sub. (7) affirming that it does not act in cooperation
21 or consultation with any candidate who is nominated to appear on the party ballot
22 of the party at a general or special election, that the committee does not act in concert
23 with, or at the request or suggestion of, such a candidate, that the committee does
24 not act in cooperation or consultation with such a candidate or agent or authorized
25 committee of such a candidate who benefits from a disbursement made in opposition

BILL

1 to another candidate, and that the committee does not act in concert with, or at the
2 request or suggestion of, such a candidate or agent or authorized committee of such
3 a candidate who benefits from a disbursement made in opposition to another
4 candidate, the committee filing the oath may not make any contributions in support
5 of any candidate of the party at the general or special election or in opposition to any
6 such candidate's opponents exceeding the amounts specified in s. 11.26 (2) or (2m),
7 except as authorized in par. (c).

8 **SECTION 22.** 11.06 (7m) (b) of the statutes is amended to read:

9 11.06 **(7m)** (b) If the committee has already made contributions in excess of the
10 amounts specified in s. 11.26 (2) or (2m) at the time it files an oath under sub. (7), each
11 candidate to whom contributions are made shall promptly return a sufficient amount
12 of contributions to bring the committee in compliance with this subsection and the
13 committee may not make any additional contributions in violation of this subsection.

14 **SECTION 23.** 11.06 (7m) (c) of the statutes is amended to read:

15 11.06 **(7m)** (c) A committee filing an oath under sub. (7) which desires to change
16 its status to a political party committee ~~or legislative campaign committee~~ may do
17 so as of December 31 of any even-numbered year. Section 11.26 does not apply to
18 contributions received by such a committee prior to the date of the change. Such a
19 committee may change its status at other times only by filing a termination
20 statement under s. 11.19 (1) and reregistering as a newly organized committee under
21 s. 11.05.

22 **SECTION 24.** 11.06 (11) of the statutes is repealed.

23 **SECTION 25.** 11.13 of the statutes is created to read:

24 **11.13 Report to contributor.** If an individual or organization makes or
25 transfers a gift, subscription, loan, advance, or deposit of money or anything of value

BILL**SECTION 25**

1 to an individual or organization for a purpose other than a political purpose and the
2 recipient uses the gift, subscription, loan, advance, deposit of money or thing of value
3 to make a contribution, the recipient shall, within 48 hours after making the
4 contribution, file a written report with the contributor indicating the date and
5 recipient of the contribution and the amount of the contribution that was made using
6 the gift, subscription, loan, advance, or deposit of money or thing of value that was
7 received from the contributor.

8 **SECTION 26.** 11.16 (5) of the statutes, as affected by 2011 Wisconsin Act 32, is
9 amended to read:

10 11.16 (5) ESCROW AGREEMENTS. Any personal campaign committee, or political
11 party committee ~~or legislative campaign committee~~ may, pursuant to a written
12 escrow agreement with more than one candidate, solicit contributions for and
13 conduct a joint fund raising effort or program on behalf of more than one named
14 candidate. The agreement shall specify the percentage of the proceeds to be
15 distributed to each candidate by the committee conducting the effort or program.
16 The committee shall include this information in all solicitations for the effort or
17 program. All contributions received and disbursements made by the committee in
18 connection with the effort or program shall be received and disbursed through a
19 separate depository account under s. 11.14 (1) that is identified in the agreement.
20 For purposes of s. 11.06 (1), the committee conducting the effort or program shall
21 prepare a schedule in the form prescribed by the board supplying all required
22 information under s. 11.06 (1) for the effort or program, and shall transmit a copy of
23 the schedule to each candidate who receives any of the proceeds within the period
24 prescribed in s. 11.06 (4) (c).

25 **SECTION 27.** 11.19 (1) of the statutes is amended to read:

BILL

1 11.19 (1) ~~Whenever~~ Except as provided in sub. (3m), whenever any registrant
2 disbands or determines that obligations will no longer be incurred, and contributions
3 will no longer be received nor disbursements made during a calendar year, and the
4 registrant has no outstanding incurred obligations, the registrant shall file a
5 termination report with the appropriate filing officer. Such report shall indicate a
6 cash balance on hand of zero at the end of the reporting period and shall indicate the
7 disposition of residual funds. Residual funds may be used for any political purpose
8 not prohibited by law, returned to the donors in an amount not exceeding the original
9 contribution, or donated to a charitable organization or the common school fund. The
10 report shall be filed and certified as were previous reports, and shall contain the
11 information required by s. 11.06 (1). A registrant to which s. 11.055 (1) applies shall
12 pay the fee imposed under that subsection with a termination report filed under this
13 subsection. If a termination report or suspension report under sub. (2) is not filed,
14 the registrant shall continue to file periodic reports with the appropriate filing
15 officer, no later than the dates specified in s. 11.20. This subsection does not apply
16 to any registrant making an indication under s. 11.05 (2r).

17 **SECTION 28.** 11.19 (3m) of the statutes is created to read:

18 11.19 (3m) If a candidate, personal campaign committee of a candidate, or
19 support committee that is authorized by a candidate under s. 11.05 (3) (p) has a net
20 positive balance of unencumbered moneys in its campaign depository account on the
21 90th day after the election at which the candidate was seeking office, or on the 90th
22 day after a primary election at which the candidate was seeking office if the
23 candidate was not nominated at the primary, the candidate or committee shall,
24 within 30 days of that 90th day, return the balance of the unencumbered moneys in
25 its account to contributors in the manner determined by the candidate or committee

BILL**SECTION 28**

1 or shall donate the balance of the moneys to a charitable organization or the common
2 school fund and shall file a termination report under sub. (1).

3 **SECTION 29.** 11.24 (1m) of the statutes is repealed.

4 **SECTION 30.** 11.26 (1) (a) of the statutes, as affected by 2011 Wisconsin Act 32,
5 is amended to read:

6 11.26 **(1)** (a) Candidates for governor, lieutenant governor, secretary of state,
7 state treasurer, attorney general, state superintendent, or justice, ~~\$10,000~~ \$1,000.

8 **SECTION 31.** 11.26 (1) (b) of the statutes is amended to read:

9 11.26 **(1)** (b) Candidates for state senator, ~~\$1,000~~ \$500.

10 **SECTION 32.** 11.26 (1) (c) of the statutes is amended to read:

11 11.26 **(1)** (c) Candidates for representative to the assembly, ~~\$500~~ \$250.

12 **SECTION 33.** 11.26 (1) (cc) of the statutes is repealed and recreated to read:

13 11.26 **(1)** (cc) Candidates for court of appeals judge, circuit judge, or district
14 attorney, \$1,000.

15 **SECTION 34.** 11.26 (1) (cg), (cn) and (cw) of the statutes are repealed.

16 **SECTION 35.** 11.26 (2) (intro.) of the statutes is amended to read:

17 11.26 **(2)** (intro.) No committee other than a political party committee or
18 ~~legislative campaign committee~~ may make any contribution or contributions to a
19 candidate for election or nomination to any of the following offices and to any
20 individual or committee under s. 11.06 (7) acting solely in support of such a candidate
21 or solely in opposition to the candidate's opponent to the extent of more than a total
22 of the amounts specified per candidate:

23 **SECTION 36.** 11.26 (2) (a) of the statutes, as affected by 2011 Wisconsin Act 32,
24 is amended to read:

BILL

1 11.26 **(2)** (a) Candidates for governor, lieutenant governor, secretary of state,
2 state treasurer, attorney general, state superintendent, or justice, ~~4 percent of the~~
3 ~~value of the disbursement level specified in the schedule under s. 11.31 (1) \$1,000.~~

4 **SECTION 37.** 11.26 (2) (b) of the statutes is amended to read:

5 11.26 **(2)** (b) Candidates for state senator, \$1,000 \$500.

6 **SECTION 38.** 11.26 (2) (c) of the statutes is amended to read:

7 11.26 **(2)** (c) Candidates for representative to the assembly, \$500 \$250.

8 **SECTION 39.** 11.26 (2) (cc) of the statutes is repealed and recreated to read:

9 11.26 **(2)** (cc) Candidates for court of appeals judge, circuit judge, or district
10 attorney, \$1,000.

11 **SECTION 40.** 11.26 (2) (cg), (cn) and (cw) of the statutes are repealed.

12 **SECTION 41.** 11.26 (2m) of the statutes is created to read:

13 11.26 **(2m)** No political party committee may make any contribution or
14 contributions to a candidate for election or nomination to any of the following offices
15 and to any individual or committee under s. 11.06 (7) acting solely in support of such
16 a candidate or solely in opposition to the candidate's opponent to the extent of more
17 than the following:

18 (a) Candidates for governor, lieutenant governor, secretary of state, state
19 treasurer, or attorney general, \$4,000.

20 (b) Candidates for state senator, \$2,000.

21 (c) Candidates for representative to the assembly, \$1,000.

22 **SECTION 42.** 11.26 (3) of the statutes is amended to read:

23 11.26 **(3)** The contribution limitations of subs. (1) ~~and~~, (2) and (2m) apply
24 cumulatively to the entire primary and election campaign in which a candidate
25 participates, whether or not there is a contested primary election. The total

BILL**SECTION 42**

1 limitation may be apportioned in any manner desired between the primary and
2 election. All moneys cumulate regardless of the time of contribution.

3 **SECTION 43.** 11.26 (4) of the statutes is amended to read:

4 11.26 **(4)** No individual may make any contribution or contributions to all
5 candidates for state and local offices and to any individuals who or committees which
6 are subject to a registration requirement under s. 11.05, including legislative
7 ~~campaign committees and committees of a political party, except an individual or~~
8 ~~committee filing an oath under s. 11.06 (7).~~ to the extent of more than a total of
9 \$10,000 \$1,000 in any calendar year.

10 **SECTION 44.** 11.26 (6) of the statutes is amended to read:

11 11.26 **(6)** When a candidate adopts a preexisting support committee as his or
12 her personal campaign committee, the support committee is deemed to have been the
13 same committee as the candidate's personal campaign committee for purposes of the
14 application of subs. (1), (2), ~~(8w)~~, and (9). The limitations prescribed in subs. (2), ~~(8w)~~,
15 and (9) do not apply to the transfer of contributions which is made at the time of such
16 adoption, but do apply to the contributions which have been made by any other
17 committee to the support committee at the time of adoption.

18 **SECTION 45.** 11.26 (8) of the statutes is amended to read:

19 11.26 **(8)** (a) No political party as defined in s. 5.02 (13) may receive more than
20 a total of \$150,000 in value of its contributions in any biennium from all other
21 committees, ~~excluding contributions from legislative campaign committees and~~
22 transfers between party committees of the party. In this paragraph, a biennium
23 commences with January 1 of each odd-numbered year and ends with December 31
24 of each even-numbered year.

BILL

1 (b) No such political party may receive more than a total of \$6,000 \$3,000 in
2 value of its contributions in any calendar year from any specific committee or its
3 subunits or affiliates, excluding ~~legislative campaign~~ and political party committees.

4 (c) No committee, other than a political party ~~or legislative campaign~~
5 committee, may make any contribution or contributions, directly or indirectly, to a
6 political party under s. 5.02 (13) in a calendar year exceeding a total value of \$6,000
7 \$3,000.

8 **SECTION 46.** 11.26 (8) (d) of the statutes is created to read:

9 11.26 **(8)** (d) No political party, as defined in s. 5.02 (13), may make any
10 contribution or contributions to a committee designated under s. 11.05 (3) (c) as a
11 special interest committee or to any individual or committee under s. 11.06 (7) acting
12 solely in support of such a committee exceeding a total value of \$6,000 per calendar
13 year.

14 **SECTION 47.** 11.26 (8w) of the statutes is created to read:

15 11.26 **(8w)** (a) No individual who is a candidate for any of the following offices
16 may receive and accept more than the amount shown below during any primary and
17 election campaign combined from all committees subject to a filing requirement,
18 including political party committees:

- 19 1. Candidates for governor, \$70,000.
- 20 2. Candidates for lieutenant governor, \$25,000.
- 21 3. Candidates for attorney general, \$35,000.
- 22 4. Candidates for secretary of state or state treasurer, \$15,000.
- 23 5. Candidates for state superintendent or justice, \$10,000.
- 24 6. Candidates for court of appeals judge, \$12,500.
- 25 7. Candidates for state senator, \$11,000.

BILL

8. Candidates for representative to the assembly, \$6,500.

9. Candidates for circuit judge, \$12,500.

10. Candidates for district attorney, \$12,500.

(b) No individual who is a candidate for any of the following offices may receive and accept more than the amount shown below during any primary and election campaign combined from all committees other than political party committee subject to a filing requirement:

1. Candidates for governor, \$50,000.

2. Candidates for lieutenant governor, \$15,000.

3. Candidates for attorney general, \$25,000.

4. Candidates for secretary of state, state treasurer, state superintendent, or justice, \$10,000.

5. Candidates for court of appeals judge, \$8,000.

6. Candidates for state senator, \$7,500.

7. Candidates for representative to the assembly, \$3,750.

8. Candidates for circuit judge, \$8,000.

9. Candidates for district attorney, \$8,000.

SECTION 48. 11.26 (9) (a) of the statutes, as affected by 2011 Wisconsin Act 32, is amended to read:

11.26 **(9)** (a) No individual who is a candidate for ~~state or~~ local office may receive and accept more than 65 percent of the value of the total disbursement level determined under s. 11.31 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.

BILL

1 **SECTION 49.** 11.26 (9) (b) of the statutes, as affected by 2011 Wisconsin Act 32,
2 is amended to read:

3 11.26 **(9)** (b) No individual who is a candidate for ~~state or~~ local office may receive
4 and accept more than 45 percent of the value of the total disbursement level
5 determined under s. 11.31 for the office for which he or she is a candidate during any
6 primary and election campaign combined from all committees other than political
7 party and legislative campaign committees subject to a filing requirement.

8 **SECTION 50.** 11.26 (12m) of the statutes is repealed.

9 **SECTION 51.** 11.26 (13) of the statutes is created to read:

10 11.26 **(13)** Grants received from the Wisconsin clean election fund are not
11 subject to limitation by this section.

12 **SECTION 52.** 11.26 (13m) (intro.) and (a) of the statutes are consolidated,
13 renumbered 11.26 (13m) and amended to read:

14 11.26 **(13m)** Contributions utilized for the following purposes ~~are not subject~~
15 ~~to limitation by this section:~~ (a) ~~For the purpose of payment of legal fees and other~~
16 ~~expenses incurred as a result of a recount at an election~~ are not subject to limitation
17 by this section.

18 **SECTION 53.** 11.26 (13m) (b) of the statutes is repealed.

19 **SECTION 54.** 11.26 (15) of the statutes is amended to read:

20 11.26 **(15)** The fact that 2 or more committees, other than personal campaign
21 committees, utilize common policies and practices concerning the endorsement of
22 candidates or agree to make contributions only to such endorsed candidates does not
23 affect the right of each committee independently to make contributions up to the
24 amount specified under sub. (2) or (2m).

BILL

SECTION 55. 11.26 (17) (a) of the statutes, as affected by 2011 Wisconsin Act 32, is amended to read:

11.26 **(17)** (a) For purposes of application of the limitations imposed in subs. (1), (2), (2m), (8w), and (9), the “campaign” of a candidate begins and ends at the times specified in this subsection.

SECTION 56. 11.26 (17) (dm) of the statutes is created to read:

11.26 **(17)** (dm) In the case of an officer against whom a recall petition is circulated or a candidate whose candidacy is advocated to replace such an officer, the “campaign” of the candidate begins on the day that any person registers his or her intent to circulate a recall petition under s. 9.10 (2) (d) and ends on the date specified for a special election under par. (d), or if no recall election is ordered, on the date on which the officeholder or candidate receives sufficient contributions to retire any obligations incurred in connection with the circulation of the petition.

SECTION 57. 11.38 (1) (a) 1. of the statutes is amended to read:

11.38 **(1)** (a) 1. ~~No~~ Except as authorized in sub. (9), no foreign or domestic corporation, or association organized under ch. 185 or 193, may make any contribution or disbursement, directly or indirectly, either independently or through any political party, committee, group, candidate or individual for any purpose other than to promote or defeat a referendum.

SECTION 58. 11.38 (1) (a) 3. of the statutes is amended to read:

11.38 **(1)** (a) 3. No corporation or association specified in subd. 1. may expend more than a combined total of \$500 annually for solicitation of contributions to a fund established under subd. 2. ~~or to a conduit.~~

SECTION 59. 11.38 (3e) of the statutes is created to read:

BILL

1 11.38 **(3e)** (a) Each corporation or cooperative association organized under ch.
2 185 or 193 that wishes to make disbursements or to incur obligations to make
3 disbursements exceeding a total of \$10,000 in a calendar year without cooperation
4 or consultation with a candidate, or any authorized committee or agent of a
5 candidate, and not in concert with, or at the request or suggestion of any candidate,
6 or any authorized committee or agent of a candidate, during a period when a finding
7 of unenforceability under sub. (9) is in effect may do so only if an absolute majority
8 of the voting shares or members who are entitled to vote to elect the board of
9 directors, if any, exclusive of any votes cast by proxy, has authorized the corporation
10 or cooperative association to make disbursements and to incur obligations to make
11 disbursements for the 12-month period that includes the date that any
12 disbursement was made or any obligation to make a disbursement was incurred as
13 provided in this subsection. The authorization is valid only if it is adopted during
14 the 12-month period specified in this subsection or not earlier than the beginning
15 of the 9-month period preceding that period. The ballot requesting authorization
16 shall specify the total maximum amount of the disbursements to be made or
17 obligations to be incurred during the 12-month period, together with the identity of
18 any candidate to be supported or opposed or any referendum question to be
19 supported or opposed or any tax exempt organization or trade association to which
20 the disbursements are to be made or obligations are to be incurred.

21 (b) Any corporation or cooperative association that makes disbursements or
22 incurs obligations to make disbursements exceeding a total of \$10,000 in a calendar
23 year shall report to each of its shareholders or members, if any, in writing at least
24 quarterly concerning the date and amount of each disbursement made or obligation
25 incurred during the preceding quarter and the identity of any candidate or

BILL**SECTION 59**

1 referendum question to be supported or opposed or any tax exempt organization or
2 trade association to which the disbursement was made or obligation was incurred.
3 The corporation or cooperative association shall also prepare a copy of each report
4 required under this paragraph and make the copy available for public inspection and
5 copying during business hours.

6 (c) No owner, officer, employee, or agent of a corporation or cooperative
7 association organized under ch. 185 or 193 may cause or authorize the corporation
8 or association to make a disbursement or to incur an obligation in violation of this
9 subsection. If such an owner, officer, employee or agent causes or authorizes a
10 violation of this subsection, action for the violation shall be brought against the
11 owner, officer, employee, or agent personally and the corporation or association is not
12 financially liable for the violation. No such corporation or association may reimburse
13 an owner, officer, employee, or agent for any financial liability incurred by the owner,
14 officer, employee, or agent under this subsection. If any owner, officer, employee, or
15 agent of a corporation or cooperative association causes or authorizes a violation of
16 this subsection, the owner, officer, employee, or agent shall reimburse the
17 corporation or cooperative association for the full amount of any money paid from the
18 treasury of the corporation or cooperative association, plus interest at the annual
19 percentage rate of 8 percent from the date of the violation, and any shareholder or
20 member may bring a civil action to recover the money, plus interest, on behalf of the
21 corporation or cooperative association and the shareholder or member is entitled to
22 recover all costs of the action, including reasonable, actual attorney fees, from the
23 defendant.

24 **SECTION 60.** 11.38 (9) of the statutes is created to read:

BILL

1 11.38 (9) If a court with jurisdiction in this state finds in a reported decision,
2 whether or not applicable in this state, that a prohibition against the making of
3 political expenditures by corporations or similar entities is not enforceable for
4 constitutional reasons, or if any such court later finds in a reported decision that such
5 a prohibition is enforceable, the board shall promptly publish a finding to that effect
6 in the Wisconsin Administrative Register. The prohibition against disbursements
7 under sub (1) (a) 1. does not apply whenever a finding of unenforceability is in effect
8 if the corporation or association making a disbursement complies with sub. (3e).

9 **SECTION 61.** 11.39 of the statutes is created to read:

10 **11.39 Contributions by labor organizations.** No labor organization may
11 make a contribution to a committee designated under s. 11.05 (3) (c) as a special
12 interest committee.

13 **SECTION 62.** 11.395 of the statutes is created to read:

14 **11.395 Contributions by certain committees to other committees.** No
15 committee designated under s. 11.05 (3) (c) as a special interest committee may make
16 a contribution to another committee designated under s. 11.05 (3) (c) as a special
17 interest committee.

18 **SECTION 63.** 11.50 of the statutes is created to read:

19 **11.50 Wisconsin clean election fund. (1) DEFINITIONS.** For purposes of this
20 section:

21 (a) “Eligible political party” means any of the following:

22 1. A party qualifying under s. 5.62 (2) for a separate ballot or one or more
23 separate columns or rows on a ballot for the period beginning on the preceding June
24 1, or, if that June 1 is in an odd-numbered year, the period beginning on June 1 of

BILL**SECTION 63**

1 the preceding even-numbered year, and ending on May 31 of the 2nd year following
2 the beginning of that period.

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

7 (b) “Fund” means the Wisconsin clean election fund.

8 (c) “General account” means the account in the fund created under sub. (4).

9 (d) “Political party account” means an account in the fund created under sub.
10 (6).

11 **(2) QUALIFICATION.** Any candidate for a state office, other than the office of court
12 of appeals judge, circuit judge, or district attorney, whose name is certified under s.
13 7.08 (2) (a) or 8.50 (1) (d) to appear on the ballot at any primary or other election for
14 that office and who obtains valid signatures on his or her nomination papers equal
15 to at least 200 percent of the minimum signatures required for qualification under
16 s. 8.10 (3) or 8.15 (6) may qualify to receive a grant from the Wisconsin clean election
17 fund.

18 **(3) GRANT DISTRIBUTION.** The board shall distribute matching grants for any
19 election from the fund to each candidate who qualifies to receive a matching grant
20 under sub. (2) as soon as possible after the date on which the board verifies that the
21 candidate is eligible to receive a matching grant. The board shall distribute
22 additional matching grants at periodic intervals after initial matching grants are
23 distributed as soon as the board is able to verify eligibility for additional grants.

BILL

1 **(4) GENERAL ACCOUNT.** There is established a general account within the fund
2 consisting of all moneys in the fund not designated by individuals for deposit into a
3 political party account under s. 71.10 (3) (a).

4 **(5) MATCHING GRANT AMOUNTS.** A matching grant shall be in an amount equal
5 to 4 times the amount of any contribution or contributions up to \$50 cumulatively
6 and up to 3 times the amount of any contribution or contributions exceeding \$50 but
7 not exceeding \$100 that are received by a candidate from an individual. A candidate
8 who receives a matching contribution shall separately identify the contribution in
9 the candidate's financial reports under s. 11.06 (1) and shall report all information
10 concerning the contribution required under s. 11.06 (1) (a) without respect to the
11 amount of the contribution. A candidate who receives one or more matching
12 contributions after the end of a reporting period for his or her most recent financial
13 report may file a special report in the manner prescribed by the board disclosing the
14 pertinent information under s. 11.06 (1) (a) with respect to the matching
15 contributions. The candidate shall also include the information in his or her next
16 financial report. The board shall make a reasonable effort to verify reports of
17 eligibility for matching grants for use at an election if the reports are received by the
18 board by the Thursday before the election. The board shall not provide matching
19 grants to candidates for use in an election unless the board is able to verify eligibility
20 for the grants by 4 p.m. on the Friday before the election.

21 **(6) POLITICAL PARTY ACCOUNTS; GRANT AMOUNTS.** (a) There is established a
22 political party account for each eligible political party whose state chairperson files
23 a written request with the board to establish an account for the party under this
24 subsection. Each political party account consists of all moneys designated by
25 individuals for deposit into that account under s. 71.10 (3) (a).

BILL**SECTION 63**

(b) The board shall distribute grants to candidates of eligible political parties at each general and special election on the 4th Tuesday preceding the election. From the account of each eligible political party, the board shall apportion moneys to eligible candidates representing that party who qualify to receive grants. If at any election there are more moneys in the account of an eligible political party than are required to make full payment of all grants for which candidates of that political party qualify, the board shall apportion the excess moneys to candidates of the political party in the same proportion that their grants bear to the total grants payable to all candidates of that party at that election. If at any election there are insufficient moneys in the account of any eligible political party to make full payment of all grants for which candidates of that political party qualify, the board shall apportion the available moneys in the account to candidates of the political party in the proportion that the available moneys bear to the total amount required to make full payment of all grants payable to candidates of that political party.

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

(7) PAYMENT OF GRANT AMOUNTS. The board shall make payment of each grant to an eligible candidate from the general account and, if there are sufficient moneys in that account to make full payment of the grant and the candidate is eligible to receive grants from a political party account, then from the political party account. If there are insufficient moneys in the general account and the candidate's political party account, if the candidate is eligible to receive grants from a political party account, to make full payment of a grant, the board shall supplement the general

BILL

1 account from the appropriation under s. 20.855 (4) (ba) in an amount sufficient to
2 make full payment of the grant.

3 **(8) EXPENDITURE OF GRANTS.** Except as provided in sub. (11), a candidate may
4 expend the proceeds of grants and other contributions received for any lawful
5 purpose.

6 **(9) RETURN OF UNENCUMBERED GRANT MONEYS.** No later than the first day of the
7 first month beginning at least 15 days after an election at which a candidate receives
8 a grant from the Wisconsin clean election fund, the candidate shall return to the
9 board any amount of the grant remaining in the candidate's campaign depository
10 account that is not encumbered on or before election day, except that a candidate who
11 receives a grant at a primary election need not return any amount under this
12 subsection if the candidate qualifies to receive a grant at the succeeding spring,
13 general, or special election.

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

16 1. No later than July 1, the name of each political party that qualifies under
17 sub. (6) (a) as an eligible political party as of the preceding June 1 and whose state
18 chairperson has filed a written request to establish an account for the party under
19 sub. (6) (a).

20 2. No later than December 15, the name of each political party that qualifies
21 under sub. (6) (a) as an eligible political party as of the date of the preceding general
22 election and whose state chairperson has filed a written request to establish an
23 account for the party under sub. (6) (a).

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

BILL**SECTION 63**

1 **(11)** USE RESTRICTED. (a) No person may expend, authorize the expenditure of,
2 or incur any obligation to expend a grant for any purpose other than to advance the
3 candidacy by lawful means of the specific candidate or candidates who qualify for the
4 grant.

5 (b) No person may authorize the expenditure of or incur any obligation to
6 expend a grant or other contribution after the date of any election where the moneys
7 contained in the contribution are returnable to the board under sub. (9).

8 (c) No person may prepare or transmit to a registrant under this chapter or to
9 the board any evidence which purports to demonstrate the amount or purpose for
10 which a grant has been used if that evidence specifies an amount or purpose for which
11 a payment is received other than the true amount or purpose.

12 (d) If any person violates pars. (a) to (c), the person is liable to the state in a civil
13 action brought by the board for treble the amount of the moneys wrongfully
14 expended, and in addition is subject to penalties as provided in ss. 11.60 and 11.61.

15 **(12)** RULE MAKING. The board may promulgate rules required to implement this
16 section.

17 **SECTION 64.** 20.511 (1) (qa) of the statutes is created to read:

18 20.511 **(1)** (qa) *Clean election fund grants.* From the Wisconsin clean election
19 fund, a sum sufficient to make the grants to candidates required under s. 11.50.

20 **SECTION 65.** 20.855 (4) (b) of the statutes is created to read:

21 20.855 **(4)** (b) *Clean election fund payments.* A sum sufficient equal to the
22 amounts determined under s. 71.10 (3) to be paid into the Wisconsin clean election
23 fund annually on August 15.

24 **SECTION 66.** 20.855 (4) (ba) of the statutes is created to read:

BILL

1 20.855 **(4)** (ba) *Wisconsin clean election fund supplement.* A sum sufficient
2 equal to the amount required to make full payment of grants that candidates qualify
3 to receive from the Wisconsin clean election fund, to be transferred from the general
4 fund to the Wisconsin clean election fund whenever the balance in the general
5 account of the fund and any political party account from which a candidate is eligible
6 to receive a grant are insufficient to make full payment if the grant that each
7 candidate is entitled to receive at any election.

8 **SECTION 67.** 20.855 (4) (bc) of the statutes is created to read:

9 20.855 **(4)** (bc) *Clean election fund supplement.* A sum sufficient equal to the
10 amounts required to make the grants to candidates required under s. 11.50, to be
11 transferred to the Wisconsin clean election fund.

12 **SECTION 68.** 25.17 (1) (yr) of the statutes is created to read:

13 25.17 **(1)** (yr) Wisconsin clean election fund (s. 25.426);

14 **SECTION 69.** 25.426 of the statutes is created to read:

15 **25.426 Wisconsin clean election fund.** All moneys returned to the board
16 under ss. 8.35 (4) (ba) and 11.50 (9) and all moneys transferred to the Wisconsin clean
17 election fund under s. 20.855 (4) (bc) constitute the Wisconsin clean election fund.

18 **SECTION 70.** 71.07 (6n) of the statutes is created to read:

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

21 1. “Claimant” means an individual who makes a contribution.

22 2. “Contribution” means a contribution, as defined in s. 11.01 (6), made to the
23 Public Integrity Endowment, the creation of which is described in 2011 Wisconsin
24 Act (this act), section 75 (3).

BILL**SECTION 70**

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

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

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

9 **SECTION 71.** 71.07 (8m) of the statutes is created to read:

10 **71.07 (8m)** POLITICAL CAMPAIGN CONTRIBUTION TAX CREDIT. (a) *Definitions.* In
11 this subsection:

12 1. "Candidate" has the meaning given in s. 11.01 (1).

13 2. "Claimant" means an individual who makes a political contribution to a
14 candidate, who is an elector of the jurisdiction or district in which the candidate
15 seeks office, and who claims a credit under this subsection for the political
16 contribution.

17 3. "Political contribution" means any lawful amount that a claimant
18 contributes, in the year to which the claim relates, to an individual who is a candidate
19 in this state for elective public office.

20 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
21 claimant may claim as a credit against the tax imposed under s. 71.02, up to the
22 amount of those taxes, an amount equal to a political contribution.

23 (c) *Limitations.* 1. The maximum total amount of political contributions made
24 to a single candidate for which an individual may claim a credit under this

BILL

1 subsection, each year, is \$25. The maximum total amount of political contributions
2 for which an individual may claim a credit under this subsection, each year, is \$100.

3 2. Both spouses of a married couple may claim the credit under this subsection.

4 3. No credit may be allowed under this subsection unless it is claimed within
5 the time period under s. 71.75 (2).

6 4. If a part-year resident or a nonresident of this state files a claim under this
7 subsection, the maximum credit amount in subd. 1. or calculated under subd. 2. shall
8 be multiplied by a fraction, the numerator of which is the individual's and his or her
9 spouse's Wisconsin adjusted gross income and the denominator of which is the
10 individual's and his or her spouse's federal adjusted gross income. In this
11 subdivision, for married persons filing separately "adjusted gross income" means the
12 separate adjusted gross income of each spouse, and for married persons filing jointly
13 "adjusted gross income" means the total adjusted gross income of both spouses.

14 (d) *Substantiation of claim.* An individual who claims the credit under this
15 subsection shall indicate on his or her return, in a space provided by the department
16 on the return, the name of the candidate to whom the contribution was made and the
17 office sought by the candidate. The individual shall provide the department, with
18 his or her return, a copy of a receipt issued by that candidate or by an authorized
19 representative of the candidate or personal campaign committee of the candidate.

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

22 **SECTION 72.** 71.10 (3) of the statutes is created to read:

23 **71.10 (3) CLEAN ELECTION FUND.** (a) Every individual filing an income tax
24 return who has a tax liability or is entitled to a tax refund may indicate on the return
25 that the individual does not wish \$10 to be placed in the Wisconsin clean election

BILL

1 fund for the use of eligible candidates under s. 11.50. If the individuals filing a joint
2 return have a tax liability or are entitled to a tax refund, each individual may
3 indicate on the return that he or she does not wish \$10 to be paid in the Wisconsin
4 clean election fund under this subsection. Every individual who does not indicate
5 that the individual does not wish \$10 to be placed in the Wisconsin clean election
6 fund may indicate whether \$10 shall be placed in the general account of that fund
7 for the use of all eligible candidates for state office, or in the account of an eligible
8 political party whose name is certified to the secretary of revenue under s. 11.50 (10).
9 If an individual does not indicate that the individual does not wish \$10 to be placed
10 in the Wisconsin clean election fund and does not indicate that the amount of his or
11 her designation shall be placed in the account of a particular eligible political party,
12 that amount shall be placed in the general account.

13 (b) The department shall require any individual who claims the credit for a
14 contribution under par. (a) to indicate on his or her return the name of the candidate
15 to whom the contribution was made and the office sought by the candidate, and shall
16 require the individual to provide with his or her return a copy of a receipt issued by
17 that candidate or by an authorized representative of the candidate or personal
18 campaign committee of the candidate.

19 (c) The secretary of revenue shall provide a place for indications under par. (a)
20 on the face of the individual income tax return and shall provide next to that place
21 a statement that an indication will not affect the amount of the individual's tax
22 liability or refund. No later than the 15th day of each month, the secretary of revenue
23 shall certify to the government accountability board and the department of
24 administration the total number of individuals filing income tax returns who had a
25 tax liability or were entitled to a refund during the preceding month, less the number

BILL

1 of individuals making an indication under par. (a), multiplied by \$10, and the
2 designations made during that month for the general account and for the account of
3 each eligible political party. If any individual attempts to place any condition or
4 restriction upon an indication under par. (a), that individual is deemed not to have
5 made an indication.

6 (d) The names of individuals making designations under this subsection are
7 confidential.

8 **SECTION 73.** 71.10 (4) (cs) of the statutes is created to read:

9 71.10 **(4)** (cs) Political campaign contribution tax credit under s. 71.07 (8m).

10 **SECTION 74.** 71.10 (4) (ds) of the statutes is created to read:

11 71.10 **(4)** (ds) The Public Integrity Endowment tax credit under s. 71.07 (6n).

12 **SECTION 75. Nonstatutory provisions.**

13 (1) CONTRIBUTION LIMITATIONS. Notwithstanding the treatment of section 11.26
14 (1) (a), (b), (c), (cc), (cg), (cn), and (cw) and (2) (a), (b), (c), (cc), (cg), (cn), and (cw) of
15 the statutes by this act, if an individual or committee has made contributions during
16 a campaign, as defined in section 11.26 (17) of the statutes, prior to the effective date
17 of this subsection, and the contributions were authorized under section 11.26 (1) (a),
18 (b), (c), (cc), (cg), (cn), or (cw), (2) (a), (b), (c), (cc), (cg), (cn), or (cw), (8) (b) or (c), or (9),
19 2009 stats., at the time they were made, the contributions do not violate the
20 limitations under section 11.26 (1) (a), (b), (c), (cc), (cg), (cn), or (cw), (2) (a), (b), (c),
21 (cc), (cg), (cn), or (cw), (8) (b) or (c), or (8w) of the statutes, as affected by this act, but
22 the cumulative amount of any such contributions made during a campaign that
23 began before the effective date of this subsection is included in the total contributions
24 made by the individual or committee for purposes of the application of section 11.26

BILL**SECTION 75**

1 (1) (a), (b), (c), (cc), (cg), (cn), and (cw), (2) (a), (b), (c), (cc), (cg), (cn), and (cw), (8) (b)
2 and (c), and (8w) of the statutes beginning on the effective date of this subsection.

3 (2) DISPOSITION OF RESIDUAL FUNDS. Notwithstanding section 11.19 (3m) of the
4 statutes, as created by this act, if any candidate or personal campaign or support
5 committee has a net balance of unencumbered moneys in its campaign depository
6 account on the effective date of this subsection that is subject to disposition under
7 section 11.19 (3m) of the statutes, as created by this act, the candidate or committee
8 shall dispose of the moneys as required by that subsection no later than the first day
9 of the 4th month beginning after the effective date of this subsection.

10 (3) PUBLIC INTEGRITY ENDOWMENT. The legal counsel to the government
11 accountability board shall prepare and file articles of incorporation for the
12 incorporation under chapter 181 of the statutes of an organization to be known as the
13 “Public Integrity Endowment.” The legal counsel shall ensure that the endowment
14 is structured so that it will qualify as a nonprofit organization, as defined in section
15 108.02 (19) of the statutes. The legal counsel shall specify in the articles of
16 incorporation that the sole purpose of the endowment shall be to solicit contributions
17 for the purpose of supplementing the assets of the general account of the Wisconsin
18 clean election fund and transferring those contributions, after deduction of
19 solicitation costs, to that fund or account.

SECTION 76. Fiscal changes.

20
21 (1) There is transferred \$1,128,600 from the general fund to the Wisconsin
22 clean election fund, as created by this act.

SECTION 77. Initial applicability.

23
24 (1) The treatment of sections 8.35 (4) (ba), 11.06 (1) (a), 11.50, 20.511 (1) (qa),
25 20.855 (4) (bc), 25.17 (1) (yr), and 25.426 of the statutes first applies with respect to

BILL

1 grants for election campaigns at elections for which the nomination paper circulation
2 period begins on or after the effective date of this subsection.

3 (2) The treatment of sections 11.01 (12v), and (16) (a) 3. and 11.06 (2) of the
4 statutes first applies with respect to contributions received, disbursements made,
5 and obligations incurred on or after the effective date of this subsection.

6 (3) The treatment of sections 71.07 (6n) and 71.10 (3) and (4) (ds) of the statutes
7 first applies to taxable years beginning on January 1 of the year in which this
8 subsection takes effect, except that if this subsection takes effect after July 31 the
9 treatment of sections 71.07 (6n) and 71.10 (3) and (4) (ds) of the statutes first applies
10 to taxable years beginning on January 1 of the year following the year in which this
11 subsection takes effect.

12 (4) The treatment of sections 71.07 (8m) and 71.10 (4) (cs) of the statutes first
13 applies to taxable years beginning on January 1 of the year in which this subsection
14 takes effect, except that if this subsection takes effect after July 31 this act first
15 applies to taxable years beginning on January 1 of the year following the year in
16 which this subsection takes effect.

17 (END)