



1995 ASSEMBLY BILL 936

February 23, 1996 - Introduced by Representative BOCK, cosponsored by Senator BURKE. Referred to Committee on Elections and Constitutional Law.

1 **AN ACT to repeal** 8.16 (5) and 11.31 (4); **to renumber** 11.24 (2), 13.62 (11p) and
2 13.62 (11r); **to renumber and amend** 11.12 (6), 11.26 (9) (c), 11.50 (9) and
3 13.625 (1) (c); **to amend** 5.05 (1) (b), 7.08 (2) (c) and (cm), 10.02 (3) (b) 2m., 11.06
4 (1) (a), 11.06 (11) (c), 11.19 (title) and (1), 11.21 (15), 11.26 (1) (intro.), 11.26 (2)
5 (intro.), 11.26 (4), 11.26 (9) (a) and (b), 11.26 (12m), 11.31 (1) (a) to (d), (e) and
6 (f), 11.31 (2), 11.31 (3), 11.50 (1) (a) 1. and 2., 11.50 (2) (b) 5., 11.50 (2) (c) and (d),
7 11.50 (2) (f), 11.50 (2) (i), 11.50 (3) (a) (intro.), 11.50 (3) (a) 1. and 2., 11.50 (4) (c),
8 (cm) and (d), 11.50 (6), 11.60 (1), 11.61 (1) (a), 13.625 (1) (b) 3., 13.625 (2), (3),
9 (6) and (6r), 13.69 (6), 20.510 (1) (q), 25.42, 71.10 (3) (a) and 71.26 (1) (a); **to re-**
10 **peal and recreate** 11.31 (3m); and **to create** 11.01 (18s), 11.05 (3) (m), 11.05
11 (3) (q) and (r), 11.095, 11.12 (6) (b), 11.19 (1m) and (6), 11.24 (2) (c) and (3) to (5),
12 11.26 (9) (c) 2., 11.26 (9m), 11.31 (1m), 11.31 (9), 11.50 (2) (bm), 11.50 (2m), 11.50
13 (9) (b), 11.60 (3m), 13.625 (10), 20.510 (1) (b), 20.855 (4) (bm), 71.05 (6) (a) 21.,
14 71.07 (5) (a) 7., 71.26 (2) (b) 1g., 71.26 (3) (em), 71.34 (1) (ad) and 71.45 (2) (a)
15 14. of the statutes; **relating to:** designations for the Wisconsin election cam-
16 paign fund by individuals filing state income tax returns, income and franchise
17 tax deductions for certain business expenses related to lobbying, public infor-

1 mation related to the Wisconsin election campaign fund, eligibility require-
2 ments for and the amounts of grants from the Wisconsin election campaign
3 fund, disbursement levels for candidates for certain state offices, independent
4 disbursements in support of or opposition to candidates for certain state offices,
5 contribution limitations, disposition of residual campaign funds, regulation of
6 certain telephoning activities pertaining to elections, information provided on
7 campaign finance registration statements, providing an exemption from emer-
8 gency rule procedures, granting rule-making authority, making appropri-
9 ations 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 AND
INDEPENDENT DISBURSEMENTS**

Under current law and local, 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. A candidate for state office who accepts a grant from the Wisconsin election campaign fund and who agrees to be bound by the disbursement limit applicable to the office which the candidate seeks may receive a grant equal to 45% of that disbursement limit, less certain committee contributions accepted by the candidate, if there are sufficient moneys in the fund to finance the full amount of grants for which candidates qualify.

Current law also imposes registration and financial reporting requirements on committees and individuals making disbursements independently of a candidate in support of or in opposition to a candidate for a state or local office. One requirement is the obligation of the committee or individual to inform the appropriate filing officer within 24 hours of making such a disbursement, if the cumulative amount of such disbursements made by the committee or individual later than 15 days prior to a primary or election exceeds \$20.

The bill:

1. Eliminates the requirement, applicable to candidates for the offices of state senator and representative to the assembly, that the overall disbursement 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:

<u>Office</u>	<u>Current Level</u>	<u>Proposed Level</u>
Governor	\$1,078,200	\$2,000,000
Lieutenant governor	323,475	250,000
Attorney general	539,000	700,000
Secretary of state	215,625	250,000
State treasurer	215,625	250,000
Supreme court justice	215,625	250,000
State superintendent	215,625	250,000
State senator	34,500	80,000
Representative to the assembly	17,250	40,000

3. Increases disbursement levels for candidates who are challenging incumbent officeholders to 125% of the statutory disbursement levels. This additional authorization does not increase the maximum grant which a candidate may receive from the Wisconsin election campaign fund.

4. Authorizes a candidate to make disbursements exceeding statutory disbursement limits to the extent of independently incurred obligations and disbursements in opposition to his or her candidacy or in support of his or her opponent, if the obligations and disbursements exceed \$250 cumulatively. In connection with this change, the bill waives a contribution limitation that applies to cumulative contributions received by a candidate from political party and legislative campaign committees to the extent of the cumulative amount of independently incurred obligations and disbursements.

5. Replaces the provision requiring reports of cumulative independent disbursements exceeding \$20 made later than 15 days prior to a primary or election with a provision that requires a committee which or an individual who makes disbursements or incurs obligations independently of a candidate to inform the appropriate filing officer no later than 21 days (14 days in the case of a primary or election that is not held concurrently with the spring or September primary or spring or general election) prior to the activity which the committee or individual intends to fund with cumulative disbursements or obligations of more than \$250.

6. Creates a biennial cost-of-living adjustment that causes the statutory disbursement levels to be adjusted biennially, beginning in 1995, 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 decreases the limitation on total contributions that a candidate may accept from committees other than political party and legislative campaign committees from 45% of the disbursement level for the office which the candidate seeks to 33% of the disbursement level for that office. However, the bill does not change the limitation on the total grant that a candidate for state office may receive from the Wisconsin election campaign fund. Under the bill, grants from the Wisconsin election campaign fund are not subject to the 33% limitation.

CONTRIBUTIONS BY LOBBYISTS AND LOBBYING PRINCIPALS

Under current law, neither a lobbyist nor a principal (person who employs a lobbyist) may make a contribution to a candidate for partisan state office at the general election, except during the period from June 1 in the year of the general election to the date of that election, if the legislature has concluded its final floorperiod and is not in special or extraordinary session at the time that the contribution is made.

The bill transfers jurisdiction over enforcement of this provision from the state ethics board to the state elections board and removes principals from coverage by the provision.

OTHER CONTRIBUTION RESTRICTIONS

The bill creates the following new prohibitions on contributions:

1. It prohibits contributions by individuals under the age of 18 years to any candidate for a statewide office, state senator or representative to the assembly.
2. 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 made to an incumbent who is subject to a recall election from the date on which the petition for a recall election is filed until the date of the recall election.
3. It prohibits contributions to legislative campaign committees from the first Monday of 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.

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. Applying to contributions transferred by conduits the 45% limit (33% under this bill) that applies to cumulative contributions that a candidate may accept from all committees other than political party and legislative campaign committees.
3. 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 or legislative campaign committee.
4. 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.

DISPOSITION OF RESIDUAL FUNDS

Under current law, residual funds remaining when a person who is required to register under the campaign financing law disbands or ceases incurring obligations, making disbursements or accepting contributions may be used for any lawful political purpose, returned to the original contributors or donated to a charitable organization or the common school fund.

The bill allows residual funds remaining when a registrant disbands or ceases incurring obligations, making disbursements or accepting contributions to be transferred to the Wisconsin election campaign fund. The bill also requires residual contributions received by a personal campaign committee formed to support the campaign of a partisan state officeholder who seeks election to another office and, subsequently, decides not to run for that other office to be either returned to the donors or transferred to the Wisconsin election campaign fund. In addition, the bill limits the amount of contributions which remain unencumbered after December 31 of an even-numbered year that a candidate for partisan state office or such a candidate's personal campaign committee may carry over from a general election campaign to another campaign to not more than 50% of the candidate's disbursement

level. Under the bill, contributions in excess of that amount must be transferred to the Wisconsin election campaign fund.

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 could 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. In addition, before beginning persuasive telephoning, any person who proposes to engage in or to retain a telephone bank operator to engage in such telephoning must file with the appropriate filing officer or agency a report that the person will be conducting persuasive telephoning. That officer is then directed to contact each candidate who is opposed by the telephoning to provide that information. The report must be filed before the telephoning is begun or, if an election is scheduled within 3 days of that time, at least 24 hours before the telephoning is begun.

The bill requires every person who engages in or retains a telephone bank operator to engage in persuasive telephoning to provide to the elections board, upon request, a copy of any question that was asked, in substantially identical form, of more than one individual during the telephoning.

The bill requires each campaign finance registrant who or which does not engage in or retain any other person to engage in persuasive telephoning to file a statement to that effect with the appropriate filing officer or agency.

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.

The bill also requires each candidate or personal campaign committee of a candidate to disclose to the appropriate filing officer or agency the telephone number and facsimile transmission number, if any, at which the candidate may be contacted.

In addition, the bill empowers the elections board, upon showing of probable cause to believe there is a violation of the campaign finance law, to obtain a search

warrant to inspect records of a telecommunications utility. Currently, the board has no such authority.

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 \$1,000, or \$1 for each communication that is subject to disclosure which the person fails to disclose in a timely manner, whichever is greater.

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 offices and candidates for those offices may qualify for grants from the fund. 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 \$3. Under the bill, individuals filing a joint return may separately choose whether to make the \$3 checkoff.

2. Eliminates a current state income and franchise tax deduction for certain business expenses related to lobbying. Currently, this deduction may be claimed for expenses incurred in direct connection with: a) appearances before, submission of statements to, or sending communications to a federal, state or local legislative body, a legislative committee or an individual legislator with respect to legislation or proposed legislation of direct interest to a taxpayer; or b) communications between a taxpayer and an organization of which the taxpayer is a member with respect to legislation or proposed legislation of direct interest to the taxpayer and the organization. Under the bill, dues paid to any organization remain deductible to the extent that they are attributable to expenses of these activities.

3. Authorizes the state elections board to set aside an amount not exceeding 5% of the moneys transferred to the Wisconsin election campaign fund in each year, before distributions are made to candidate office accounts, to provide public information concerning the purpose and effect of the fund and the income tax checkoff for the fund. As part of the public information program, the board must prepare an easily understood description of the purpose and effect of the fund and the tax checkoff. The department of revenue is required to include and highlight the description in its income tax preparation instructions related to the tax checkoff.

4. Creates 2 general purpose revenue appropriations to supplement amounts available for campaign financing through the Wisconsin election campaign fund. Under one appropriation, \$900,000 is appropriated annually. No funds are appropriated under the other appropriation.

The tax changes made by the bill first apply to tax returns for taxable years commencing on or after January 1, 1996.

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 which applicants meet the following eligibility requirements:

1. A candidate for a partisan state office at a general election must have received at least 6% of the total votes cast in the primary and won the primary. A candidate for a partisan state office at a special election 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 the 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.

The bill:

1. Eliminates the requirement that, to be eligible to receive a grant from the Wisconsin election campaign fund, a candidate for a partisan state office must receive at least 6% of the total votes cast in the primary election. Also, it eliminates the 6% vote requirement for such a candidate at a special election.

2. Provides that the contributions of \$100 or less from individuals used to determine eligibility for a grant from the Wisconsin election campaign fund must be made by individuals who reside in the state.

3. Allows a candidate for state senator or representative to the assembly to receive 50% of the grant to which he or she would otherwise be entitled if the candidate raises an amount equal to at least 5% but less than 10% of the disbursement level

for the office which the candidate seeks through contributions from individuals of \$100 or less, within the time period specified in current law. The bill also provides that, if within the next 14 days the candidate raises additional individual contributions of \$100 or less so that the total amount raised through such contributions is 10% or more of the disbursement level for the office, the candidate is eligible for the remainder of the grant.

4. Allows a candidate for a partisan state office who accepts a grant from the Wisconsin election campaign fund to exceed statutory contribution and disbursement limitations if the candidate has an opponent who does not accept a grant and does not voluntarily adhere to disbursement limitations, without regard to the percentage of votes that the opponent received in the primary. Also, it provides that the only contribution limitation that may be exceeded by a candidate whose opponent does not adhere to contribution and disbursement limitations is the limitation on a candidate's contributions to his or her own campaign.

5. 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 (45% of the statutorily specified disbursement level for the office).

The bill applies to elections held on or after January 1, 1997.

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:

1 **SECTION 1.** 5.05 (1) (b) of the statutes is amended to read:

2 5.05 (1) (b) In the discharge of its duties and upon notice to the party or parties
3 being investigated, subpoena and bring before it any person in the state and require
4 the production of any papers, books or other records relevant to an investigation. A
5 circuit court may by order permit the inspection and copying of the accounts and the
6 depositor's and loan records at any financial institution, as defined in s. 705.01 (3),
7 doing business in the state or the records of any telecommunications utility, as de-
8 fined in s. 196.01 (10), doing business in this state, to obtain evidence of any violation

1 of ch. 11 upon showing by the board of probable cause to believe there is a violation
2 and that such accounts and or records may have a substantial relation to the viola-
3 tion. In the discharge of its duties, the board may cause the deposition of witnesses
4 to be taken in the manner prescribed for taking depositions in civil actions in circuit
5 court.

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

7 7.08 (2) (c) As soon as possible after the canvass of the spring and September
8 primary votes, but no later than the first Tuesday in March and the 4th Tuesday in
9 September, transmit to the state treasurer a certified list of all eligible candidates
10 for state office who have filed applications under s. 11.50 (2) and whom the board de-
11 termines to be eligible to receive payments from the Wisconsin election campaign
12 fund. The list shall contain each candidate's name, the mailing address indicated
13 upon the candidate's registration form, the office for which the individual is a candi-
14 date and, the party or principle which he or she represents, if any, and, for a candi-
15 date whose application is approved under s. 11.50 (2) (bm) 1., an indication that the
16 candidate is eligible for 50% of the amount that would have been available to the can-
17 didate if his or her application had been approved under s. 11.50 (2) (b). As soon as
18 possible after receiving supplemental reports under s. 11.50 (2) (bm) 2., but no later
19 than 28 days after the date specified in s. 11.50 (2) (b) 5., the board shall transmit
20 to the state treasurer a certified list of all candidates who are eligible for supplemen-
21 tal payments under s. 11.50 (2) (bm) 2.

22 (cm) As soon as possible after the canvass of a special primary, or the date that
23 the primary would be held, if required, transmit to the state treasurer a certified list
24 of all eligible candidates for state office who have filed applications under s. 11.50 (2)
25 and whom the board determines to be eligible to receive a grant from the Wisconsin

1 election campaign fund prior to the election. The board shall also transmit a similar
2 list of candidates, if any, who have filed applications under s. 11.50 (2) and whom the
3 board determines to be eligible to receive a grant under s. 11.50 (1) (a) 2. after the
4 special election. The list shall contain each candidate's name, the mailing address
5 indicated upon the candidate's registration form, the office for which the individual
6 is a candidate and, the party or principle which he or she represents, if any, and, for
7 a candidate whose application is approved under s. 11.50 (2) (bm) 1., an indication
8 that the candidate is eligible for 50% of the amount that would have been available
9 to the candidate if his or her application had been approved under s. 11.50 (2) (b).
10 As soon as possible after receiving supplemental reports under s. 11.50 (2) (bm) 2.,
11 but not later than 28 days after the date specified in s. 11.50 (2) (b) 5., the board shall
12 transmit to the state treasurer a certified list of all candidates who are eligible for
13 supplemental payments under s. 11.50 (2) (bm) 2.

14 **SECTION 3.** 8.16 (5) of the statutes is repealed.

15 **SECTION 4.** 10.02 (3) (b) 2m. of the statutes is amended to read:

16 10.02 (3) (b) 2m. At the September primary, the elector shall select the party
17 ballot of his or her choice or the ballot containing the names of the independent candi-
18 dates for state office, and make a cross [X] in the square at the right of or depress
19 the lever or button next to the candidate's name for each office for whom the elector
20 intends to vote or insert or write in the name of the elector's choice for a party candi-
21 date, if any. In order to qualify for participation in the Wisconsin election campaign
22 fund, a candidate for state office at the September primary, other than a candidate
23 for district attorney, must receive at least 6% of all votes cast on all ballots for the
24 office for which he or she is a candidate, in addition to other requirements.

25 **SECTION 5.** 11.01 (18s) of the statutes is created to read:

1 11.01 **(18s)** “Relative” means a parent, grandparent, child, grandchild, brother,
2 sister, parent-in-law, grandparent-in-law, brother-in-law, sister-in-law, uncle,
3 aunt, nephew, niece, spouse, fiance or fiancée.

4 **SECTION 6.** 11.05 (3) (m) of the statutes is created to read:

5 11.05 **(3)** (m) In the case of a personal campaign committee, the name of the
6 candidate on whose behalf the committee was formed or intends to operate and the
7 office or offices that the candidate seeks.

8 **SECTION 7.** 11.05 (3) (q) and (r) of the statutes are created to read:

9 11.05 **(3)** (q) If the committee, group or individual does not engage in or retain
10 any other person to engage in persuasive telephoning, as defined in s. 11.095 (1) (a),
11 a separate statement, signed by the same individual who signs the registration form,
12 to this effect.

13 (r) In the case of a candidate or personal campaign committee of a candidate,
14 the telephone number or numbers and the facsimile transmission number, if any, at
15 which the candidate may be contacted.

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

17 11.06 **(1)** (a) An itemized statement giving the date, full name and street ad-
18 dress of each contributor who has made a contribution in excess of \$20, or whose con-
19 tribution if \$20 or less aggregates more than \$20 for the calendar year, together with
20 the amount of the contribution and the cumulative total contributions made by that
21 contributor for the calendar year and, if the contributor made the contribution
22 through a conduit, the identity of the conduit.

23 **SECTION 9.** 11.06 (11) (c) of the statutes is amended to read:

1 11.06 (11) (c) A contribution of money received from a conduit, accompanied by
2 the information required under par. (a), is considered to be a contribution from the
3 original contributor for purposes of s. 11.26 (1) and (4).

4 **SECTION 10.** 11.095 of the statutes is created to read:

5 **11.095 Regulation of certain telephoning activities. (1)** In this section:

6 (a) "Persuasive telephoning" means contacting, by telephone, potential voters
7 for the purpose of presenting them with information or viewpoints which could influ-
8 ence the attitudes of the voters toward candidates or referenda. "Persuasive tele-
9 phoning" does not include any contacts that are limited solely to an attempt to identi-
10 fy potential voters, to urge potential voters to participate in an election or to offer
11 assistance to potential voters to enable them to participate in an election, or ques-
12 tioning a random or representative sample of a universe of potential voters in a vot-
13 ing jurisdiction or voting group in an attempt to infer, using standard statistical tech-
14 niques and standard levels of statistical confidence, the attitudes or positions of the
15 voters concerning candidates or issues or potential candidates or issues, or their
16 knowledge of candidates or issues or potential candidates or issues.

17 (b) "Telephone bank operator" means any person who places or directs the
18 placement of telephone calls to individuals and engages in or directs persuasive tele-
19 phoning.

20 (2) Each individual who, or committee or group which, engages in or retains
21 a telephone bank operator to engage in persuasive telephoning with respect to any
22 election shall provide to the board, upon request, a copy of any question that was
23 asked by the individual, committee or group, or by the operator, in substantially iden-
24 tical form, of more than one individual during the telephoning.

1 **(3)** Each individual who, or committee or group which, engages in or retains
2 a telephone bank operator to engage in persuasive telephoning with respect to any
3 election shall file a written report, on a form prescribed by the board, disclosing the
4 name and address of the individual, committee or group; the name and address of any
5 operator who is retained; the amount paid to any such operator for the telephoning
6 services; the total amount expended by the individual, committee or group to conduct
7 persuasive telephoning; and, if the individual, committee or group engaged in or the
8 telephone bank operator engaged in such telephoning on behalf of the individual,
9 committee or group in more than one legislative district, the amount expended by the
10 individual, committee or group within each legislative district for persuasive tele-
11 phoning performed on behalf of each candidate or each personal campaign committee
12 of a candidate for legislative office in that district.

13 **(4)** Each individual who, or committee or group which, engages in or retains
14 a telephone bank operator to engage in persuasive telephoning shall report the in-
15 formation specified in sub. (3) on the dates specified for filing reports under s. 11.20
16 (2), (2m) and (4), unless all information relating to an election has previously been
17 reported by the individual, committee or group. Each report shall cover the period
18 specified in s. 11.20 (8).

19 **(5)** Each individual who, or committee or group which, engages in or retains
20 a telephone bank operator to engage in persuasive telephoning shall report the in-
21 formation specified in sub. (3) to the filing officer under s. 11.02 of each candidate
22 whose name appears on the ballot in opposition to a candidate on behalf of whom the
23 individual, committee or group is conducting persuasive telephoning.

24 **(6)** Any individual who, or committee or group which, engages in or retains a
25 telephone bank operator to engage in persuasive telephoning shall, prior to the time

1 that the telephoning is to be commenced, or, if the telephoning is to be conducted in
2 relation to an election that is scheduled to occur on a date within 3 days of the date
3 that the telephoning is to be commenced, no later than 24 hours prior to the time that
4 the telephoning is to be commenced, exclusive of Saturdays, Sundays and the days
5 specified in s. 230.35 (4) (a), deliver a written report to the filing officer under s. 11.02
6 of each candidate whose name appears on the ballot in opposition to a candidate on
7 behalf of whom the individual, committee or group intends to conduct persuasive
8 telephoning, of the intent of the individual, committee or group to conduct such tele-
9 phoning at a time specified in the report. The filing officer shall then, by expeditious
10 means, such as by telephone or facsimile transmission, provide such notice to each
11 candidate whose name appears on the ballot in opposition to a candidate on behalf
12 of whom the individual, committee or group intends to conduct persuasive telephon-
13 ing. The filing officer shall also promptly mail a copy of that notice to each such candi-
14 date at the address shown on the nomination papers or declaration of candidacy of
15 the candidate.

16 **SECTION 11.** 11.12 (6) of the statutes is renumbered 11.12 (6) (a) and amended
17 to read:

18 11.12 (6) (a) If any Except as provided in par. (b), if an individual or committee
19 incurs or intends to incur an obligation or makes or intends to make a disbursement
20 of more than \$20 \$250 cumulatively is made to advocate the election or defeat of a
21 clearly identified candidate by an individual or committee later than 15 days prior
22 to a primary or election in which the candidate's name appears on the ballot without
23 cooperation or consultation with a candidate or agent or authorized committee of a
24 candidate who is supported or whose opponent is opposed, and not in concert with
25 or at the request or suggestion of such a candidate, agent or committee, the individ-

1 ual or treasurer of the committee shall, ~~within 24 hours of making~~ no later than 21
2 days prior to the activity intended to be funded by the incurred obligation or dis-
3 bursement, inform the appropriate filing officer of the information required under
4 s. 11.06 (1) in such manner as the board may prescribe. The information shall also
5 be included in the next regular report of the individual or committee under s. 11.20.
6 For purposes of this subsection, obligations and disbursements cumulate beginning
7 with the day after the last date covered on the preprimary or preelection report and
8 ending with the day before the primary or election. Upon receipt of a report under
9 this subsection paragraph, the filing officer shall, within 24 hours of receipt, mail a
10 copy of the report to all candidates for any office in support of or opposition to one of
11 whom a an incurred obligation or disbursement identified in the report is to be made.

12 **SECTION 12.** 11.12 (6) (b) of the statutes is created to read:

13 11.12 (6) (b) If the independently incurred obligation or disbursement de-
14 scribed in par. (a) relates to a special primary or election not held concurrently with
15 the spring or September primary or the spring or general election, the individual who
16 or committee which incurs or intends to incur the obligation or makes or intends to
17 make the disbursement shall inform the appropriate filing officer no later than 14
18 days prior to the activity intended to be funded by the incurred obligation or dis-
19 bursement.

20 **SECTION 13.** 11.19 (title) and (1) of the statutes are amended to read:

21 **11.19** (title) **Dissolution Carry-over of surplus funds; dissolution of reg-**
22 **istrants; termination reports.** (1) Whenever any registrant disbands or deter-
23 mines that obligations will no longer be incurred, and contributions will no longer
24 be received nor disbursements made during a calendar year, and the registrant has
25 no outstanding incurred obligations, the registrant shall file a termination report

1 with the appropriate filing officer. Such report shall indicate a cash balance on hand
2 of zero at the end of the reporting period and shall indicate the disposition of residual
3 funds. ~~Residual~~ Except as provided in sub. (1m), residual funds may be used for any
4 political purpose not prohibited by law, returned to the donors in an amount not ex-
5 ceeding the original contribution, transferred to the board for crediting to the Wis-
6 consin election campaign fund, or donated to a charitable organization or the com-
7 mon school fund. The report shall be filed and certified as were previous reports, and
8 shall contain the information required by s. 11.06 (1). If a termination report or sus-
9 pension report under sub. (2) is not filed, the registrant shall continue to file periodic
10 reports with the appropriate filing officer, no later than the dates specified in s. 11.20.
11 This subsection does not apply to any registrant making an indication under s. 11.05
12 (2r).

13 **SECTION 14.** 11.19 (1m) and (6) of the statutes are created to read:

14 11.19 (1m) If the registration statement, under s. 11.05, of a personal campaign
15 committee indicates that the committee was formed or operates for the purpose of
16 influencing the election or nomination for election of a candidate who is a partisan
17 state officeholder to any state or local office other than the office held by the candi-
18 date and, subsequently, the candidate or personal campaign committee files, under
19 s. 11.05 (5), a change in the information in the registration statement indicating that
20 the candidate is no longer seeking that other office, the candidate or personal cam-
21 paign committee shall either return all contributions attributable to the candidate's
22 campaign for the office no longer sought, minus disbursements and incurred obliga-
23 tions for that campaign, to the donors in an amount not exceeding their original con-
24 tributions or donate an amount equal to any contributions not so returned, minus

1 disbursement and incurred obligations for that campaign, to the board for crediting
2 to the Wisconsin election campaign fund.

3 (6) No candidate or personal campaign committee of a candidate at the general
4 election may retain beyond December 31 of an even-numbered year unencumbered
5 contributions equal to more than 50% of the candidate's total disbursement level de-
6 termined under s. 11.31 (1), adjusted as provided for under s. 11.31 (9). A candidate
7 or treasurer of a personal campaign committee shall transfer excess contributions
8 to the board for crediting to the Wisconsin election campaign fund.

9 **SECTION 15.** 11.21 (15) of the statutes is amended to read:

10 11.21 (15) Inform each candidate who files an application to become eligible to
11 receive a grant from the Wisconsin election campaign fund of the dollar amount of
12 the applicable disbursement limitation under s. 11.31 (1), adjusted as provided under
13 s. 11.31 (9), or under s. 11.31 (1m) which applies to the office for which such person
14 ~~is a~~ that candidate, exclusive of any additional disbursements authorized under s.
15 11.31 (3m). Failure to receive the notice required by this subsection does not consti-
16 tute a defense to a violation of s. 11.27 (1) or 11.31.

17 **SECTION 16.** 11.24 (2) of the statutes is renumbered 11.24 (6).

18 **SECTION 17.** 11.24 (2) (c) and (3) to (5) of the statutes are created to read:

19 11.24 (2) (c) A campaign contribution made by a lobbyist to a relative of the lob-
20 byist or to a candidate who resides in the same household as the lobbyist is permitted
21 on any date.

22 (3) No individual under the age of 18 years may make a contribution to any can-
23 didate, or any personal campaign committee or support committee authorized under
24 s. 11.05 (3) (p) of a candidate, for election or nomination to any of the offices under

1 s. 11.26 (1) (a) to (c) or to any individual or committee under s. 11.06 (7) acting solely
2 in support of such a candidate or solely in opposition to the candidate's opponent.

3 (4) (a) No person may make a contribution to an incumbent partisan state elec-
4 tive official or to the personal campaign committee or support committee authorized
5 under s. 11.05 (3) (p) of that official for the purpose of promoting that official's nomi-
6 nation or reelection to the office held by the official during the period beginning on
7 the first Monday of January in each odd-numbered year and ending on the date of
8 enactment of the biennial budget act, under s. 16.47, and thereafter during any legis-
9 lative floorperiod, including any special or extraordinary session floorperiod.

10 (b) Notwithstanding par. (a), a person may make a contribution to an incum-
11 bent partisan state elective official against whom a recall petition has been filed dur-
12 ing the period beginning on the date that the petition offered for filing is filed by the
13 official under s. 9.10 (3) (b) and ending on the date of the recall election unless the
14 official resigns at an earlier date under s. 9.10 (3) (c).

15 (5) No person may make a contribution to a legislative campaign committee
16 during the period beginning on the first Monday of January in each odd-numbered
17 year and ending on the date of enactment of the biennial budget act, under s. 16.47,
18 and thereafter during any legislative floorperiod, including any special or extraordi-
19 nary session floorperiod.

20 **SECTION 18.** 11.26 (1) (intro.) of the statutes is amended to read:

21 11.26 (1) (intro.) No individual, except an individual serving as a conduit, may
22 make any contribution or contributions to a candidate for election or nomination to
23 any of the following offices and to any individual or committee under s. 11.06 (7) act-
24 ing solely in support of such a candidate or solely in opposition to the candidate's op-
25 ponent to the extent of more than a total of the amounts specified per candidate:

1 **SECTION 19.** 11.26 (2) (intro.) of the statutes is amended to read:

2 11.26 **(2)** (intro.) No committee, including a committee serving as a conduit,
3 other than a political party committee or legislative campaign committee, and no in-
4 dividual serving as a conduit may make or transfer any contribution or contributions
5 to a candidate for election or nomination to any of the following offices and to any in-
6 dividual or committee under s. 11.06 (7) acting solely in support of such a candidate
7 or solely in opposition to the candidate's opponent to the extent of more than a total
8 of the amounts specified per candidate:

9 **SECTION 20.** 11.26 (4) of the statutes is amended to read:

10 11.26 **(4)** No individual, except an individual serving as a conduit, may make
11 any contribution or contributions to all candidates for state and local offices and to
12 any individuals who or committees which are subject to a registration requirement
13 under s. 11.05, including legislative campaign committees and committees of a politi-
14 cal party, to the extent of more than a total of \$10,000 in any calendar year.

15 **SECTION 21.** 11.26 (9) (a) and (b) of the statutes are amended to read:

16 11.26 **(9)** (a) No individual who is a candidate for state or local office may receive
17 and accept more than 65% of the value of the total disbursement level for candidates
18 other than candidates challenging incumbent officeholders, as determined under s.
19 11.31 (1) and adjusted as provided under s. 11.31 (9), for the office for which he or she
20 is a candidate during any primary and election campaign combined from all commit-
21 tees subject to a filing requirement, including political party and legislative cam-
22 paign committees. A candidate for state office whose grant under s. 11.50 exceeds
23 the contribution limitation authorized by this paragraph may exceed the contribu-
24 tion limitation otherwise applicable to the extent required to accept the full amount
25 of the grant received by the candidate under s. 11.50, but any contributions received

1 and accepted by such a candidate from committees other than the Wisconsin election
2 campaign fund reduce the amount of the grant which the candidate may accept by
3 an amount equal to such contributions.

4 (b) No individual who is a candidate for state or local office may receive and
5 accept more than 45% 33% of the value of the total disbursement level for candidates
6 other than candidates challenging incumbent officeholders, as determined under s.
7 11.31 (1) and adjusted as provided under s. 11.31 (9), for the office for which he or she
8 is a candidate during any primary and election campaign combined from all commit-
9 tees other than political party and legislative campaign committees subject to a filing
10 requirement.

11 **SECTION 22.** 11.26 (9) (c) of the statutes is renumbered 11.26 (9) (c) 1. and
12 amended to read:

13 11.26 (9) (c) 1. For purposes of ~~pars. par. (a) and (b), a~~, “committee” includes the
14 Wisconsin election campaign fund.

15 **SECTION 23.** 11.26 (9) (c) 2. of the statutes is created to read:

16 11.26 (9) (c) 2. For the purposes of pars. (a) and (b), “committee” includes an
17 individual who or a committee which is a conduit.

18 **SECTION 24.** 11.26 (9m) of the statutes is created to read:

19 11.26 (9m) Notwithstanding sub. (9), if a candidate is opposed or a candidate’s
20 opponent is supported by an individual or committee incurring obligations or making
21 disbursements exceeding \$250 cumulatively without cooperation or consultation
22 with any candidate who is supported or who benefits from the obligation or disburse-
23 ment, or with such a candidate’s agent or authorized committee, and not in concert
24 with, or at the request or suggestion of, any such candidate, agent or authorized com-
25 mittee, then the candidate may receive and accept from political party or legislative

1 campaign committees additional contributions which, cumulatively, may not exceed
2 the cumulative amount of incurred obligations and disbursements not previously re-
3 ported as incurred obligations that are reported by the individual or committee un-
4 der s. 11.12 (6). For the purposes of this subsection, obligations and disbursements
5 cumulate as provided in s. 11.12 (6) (a).

6 **SECTION 25.** 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 26.** 11.31 (1) (a) to (d), (e) and (f) of the statutes are amended to read:

11 11.31 (1) (a) Candidates for governor, ~~\$1,078,200~~ \$2,000,000.

12 (b) Candidates for lieutenant governor, ~~\$323,475~~ \$250,000.

13 (c) Candidates for attorney general, ~~\$539,000~~ \$700,000.

14 (d) Candidates for secretary of state, state treasurer, justice or state superin-
15 tendent, ~~\$215,625~~ \$250,000.

16 (e) Candidates for state senator, ~~\$34,500 total in the primary and election, with~~
17 ~~disbursements not exceeding \$21,575 for either the primary or the election~~ \$80,000.

18 (f) Candidates for representative to the assembly, ~~\$17,250 total in the primary~~
19 ~~and election, with disbursements not exceeding \$10,775 for either the primary or the~~
20 ~~election~~ \$40,000.

21 **SECTION 27.** 11.31 (1m) of the statutes is created to read:

22 11.31 (1m) DISBURSEMENT LEVEL FOR CHALLENGERS. Notwithstanding sub. (1),
23 if an incumbent officeholder seeks reelection, the disbursement level under sub. (1)
24 for any other candidate for the same office is increased to 125% of the amount speci-
25 fied in sub. (1), adjusted as provided under sub. (9).

1 **SECTION 28.** 11.31 (2) of the statutes is amended to read:

2 11.31 (2) LIMITATION IMPOSED. No candidate for state office at a spring or general
3 election who files a sworn statement and application to receive a grant from the Wis-
4 consin election campaign fund may make or authorize total disbursements from the
5 campaign treasury in any campaign to the extent of more than the amount pre-
6 scribed in sub. (1) or (1m), whichever is applicable, adjusted as provided under sub.
7 (9), unless the board determines that the candidate is not eligible to receive a grant,
8 the candidate withdraws his or her application under s. 11.50 (2) (h), or s. 11.50 (2)
9 (i) applies. No candidate for state office at a special election who files a sworn state-
10 ment and application to receive a grant from the Wisconsin election campaign fund
11 may make or authorize total disbursements from the campaign treasury in any cam-
12 paign to the extent of more than the amount prescribed under sub. (1) or (1m), which-
13 ever is applicable, adjusted as provided under sub. (9), for the preceding spring or
14 general election for the same office, unless the board determines that the candidate
15 is not eligible to receive a grant, the candidate withdraws his or her application un-
16 der s. 11.50 (2) (h), or s. 11.50 (2) (i) applies.

17 **SECTION 29.** 11.31 (3) of the statutes is amended to read:

18 11.31 (3) GUBERNATORIAL CAMPAIGNS. For purposes of compliance with the li-
19 mitations imposed under sub. (2), candidates for governor and lieutenant governor
20 of the same political party who both accept grants from the Wisconsin election cam-
21 paign fund may agree to combine disbursement levels under sub. (1) (a) and (b), ad-
22 justed as provided under sub. (9), and reallocate the total level between them. The
23 candidates shall each inform the board of any such agreement.

24 **SECTION 30.** 11.31 (3m) of the statutes is repealed and recreated to read:

1 **11.31 (3m)** INDEPENDENT DISBURSEMENTS; EXCEPTION. Notwithstanding subs.
2 (1), (1m) and (2), if any incurred obligation or disbursement of more than \$250 cumu-
3 latively is incurred or made by an individual or committee to advocate the election
4 or defeat of a clearly identified candidate whose name appears on the ballot at an
5 election and the incurred obligation or disbursement is incurred or made without
6 cooperation or consultation with any candidate who is supported or who benefits
7 from the obligation or disbursement or such a candidate's agent or authorized com-
8 mittee, and not in concert with, or at the request or suggestion of, any such candidate,
9 agent or authorized committee, then each candidate whose name appears on the
10 same ballot and who is opposed or whose opponent is supported by that advocacy may
11 make or authorize total disbursements from the campaign treasury in excess of the
12 amount prescribed in sub. (1) or (1m) but not to exceed the amount prescribed in sub.
13 (1) or (1m) plus the total amount of incurred obligations and disbursements that are
14 reported to the appropriate filing officer under s. 11.12 (6). For the purposes of this
15 subsection, obligations and disbursements cumulate as provided in s. 11.12 (6) (a).

16 **SECTION 31.** 11.31 (4) of the statutes is repealed.

17 **SECTION 32.** 11.31 (9) of the statutes is created to read:

18 **11.31 (9)** COST-OF-LIVING ADJUSTMENT. (a) In this subsection, "consumer price
19 index" means the average of the consumer price index over each 12-month period,
20 all items, U.S. city average, as determined by the bureau of labor statistics of the U.S.
21 department of labor.

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

1 12-month period ending on December 31 of each odd-numbered year and the con-
2 sumer price index for the base period, calendar year 1995. The board shall increase
3 the disbursement limitations specified under sub. (1) by such amount each bien-
4 nium, rounded to the nearest multiple of \$25 in the case of amounts of \$1 or more,
5 which amount shall be in effect until a subsequent rule is promulgated under this
6 subsection. Notwithstanding s. 227.24 (3), determinations under this subsection
7 may be promulgated as an emergency rule under s. 227.24 without a finding of emer-
8 gency.

9 **SECTION 33.** 11.50 (1) (a) 1. and 2. of the statutes are amended to read:

10 11.50 (1) (a) 1. With respect to a spring or general election, any individual who
11 is certified under s. 7.08 (2) (a) as a candidate in the spring election for justice or state
12 superintendent, or an any individual who receives at least 6% of the vote cast for all
13 candidates on all ballots for any state office, except district attorney, for which the
14 individual is a candidate at the September primary and who is certified under s. 7.08
15 (2) (a) as a candidate for that any state office, except district attorney, in the general
16 election, or an individual who has been lawfully appointed and certified to replace
17 either such individual on the ballot at the spring or general election; and who has
18 qualified for a grant under sub. (2).

19 2. With respect to a special election, an individual who is certified under s. 8.50
20 (1) (d) as a candidate in a special election for state superintendent, or an individual
21 who is certified under s. 8.50 (1) (d) as a candidate in a special election for any state
22 office, except district attorney, on the ballot or column of a party whose candidate for
23 the same office at the preceding general election received at least 6% of the vote cast
24 for all candidates on all ballots for the office, or an individual who has been lawfully
25 appointed and certified to replace either such an individual on the ballot at a special

1 election, or an individual who receives at least 6% of the vote cast for all candidates
2 on all ballots for any state office, except district attorney, at a partisan special elec-
3 tion; and who qualifies for a grant under sub. (2). Where the boundaries of a district
4 in which an individual seeks office have been changed since the preceding general
5 election such that it is not possible to calculate the exact number of votes that are
6 needed by that individual to qualify as an eligible candidate prior to an election un-
7 der this subdivision, the number of votes cast for all candidates for the office at the
8 preceding general election in each ward, combination of wards or municipality which
9 is wholly contained within the boundaries of the newly formed district shall be calcu-
10 lated. If the candidate of the political party on whose ballot or column the individual
11 appears in the newly formed district obtained at least 6% of the number of votes cal-
12 culated, the individual is deemed to qualify as an eligible candidate prior to the elec-
13 tion under this subdivision.

14 **SECTION 34.** 11.50 (2) (b) 5. of the statutes is amended to read:

15 11.50 (2) (b) 5. The financial reports filed by or on behalf of the candidate as
16 of the date of the spring or September primary, or the date that the special primary
17 is or would be held, if required, indicate that the candidate has received at least the
18 amount provided in this subdivision, from contributions of money, other than loans,
19 made by individuals who reside in this state, which have been received during the
20 period ending on the date of the spring primary and July 1 preceding such date in
21 the case of candidates at the spring election, or the date of the September primary
22 and January 1 preceding such date in the case of candidates at the general election,
23 or the date that a special primary will or would be held, if required, and 90 days pre-
24 ceding such date or the date a special election is ordered, whichever is earlier, in the
25 case of special election candidates, which contributions are in the aggregate amount

1 of \$100 or less, and which are fully identified and itemized as to the exact source
2 thereof. A contribution received from a conduit ~~which is identified by the conduit as~~
3 ~~originating from an individual shall~~ may not be considered as a contribution made
4 by the an individual for the purpose of qualifying for a grant under this subdivision.
5 Only the first \$100 of an aggregate contribution of more than \$100 may be counted
6 toward the required percentage. For a candidate at the spring or general election for
7 an office identified in s. 11.26 (1) (a) or a candidate at a special election, the required
8 amount to qualify for a grant is 5% of the ~~candidate's~~ authorized disbursement li-
9 ~~mitation for candidates other than candidates challenging incumbent officeholders,~~
10 as determined under s. 11.31. For (1) and adjusted as provided under s. 11.31 (9).
11 Except as provided in par. (bm), for any other candidate at the general election, the
12 required amount to qualify for a grant is 10% of the candidate's authorized disburse-
13 ~~ment limitation for candidates other than candidates challenging incumbent office-~~
14 holders, as determined under s. 11.31 (1) and adjusted as provided under s. 11.31 (9).

15 **SECTION 35.** 11.50 (2) (bm) of the statutes is created to read:

16 11.50 (2) (bm) 1. The board shall approve an application of an eligible candidate
17 for whom the required amount to qualify for a grant under par. (b) 5. is 10% of the
18 candidate's authorized disbursement level under s. 11.31 if the candidate meets the
19 requirements of par. (b) 1. to 4. and the candidate receives contributions described
20 under par. (b) 5. during the applicable time period, as indicated by the reports filed
21 as of the dates specified under par. (b) 5., in an amount equal to at least 5% but less
22 than 10% of the candidate's authorized disbursement limitation under s. 11.31. Ex-
23 cept as provided in subd. 2., the amount of the grant available to a candidate whose
24 application is approved under this subdivision is equal to 50% of the amount of the

1 grant that would have been available to the candidate if his or her application had
2 been approved under par. (b).

3 2. If, as of 21 days after the date specified in par. (b) 5., a supplemental financial
4 report is filed by or on behalf of a candidate who qualifies for a grant under subd. 1.
5 that indicates that the candidate received the required amount of contributions un-
6 der par. (b) 5. during the period described under par. (b) 5. plus the immediately fol-
7 lowing 14 days, then the candidate shall be eligible for a supplemental grant equal
8 to 50% of the amount of the grant that would have been available to the candidate
9 if his or her application had been approved under par. (b). All information included
10 in a supplemental report under this subdivision shall also be included in the candi-
11 date's next report under s. 11.20.

12 **SECTION 36.** 11.50 (2) (c) and (d) of the statutes are amended to read:

13 11.50 (2) (c) If a candidate has not filed financial reports as of the date of the
14 spring primary, September primary, special primary, or date that the special primary
15 would be held, if required, which indicate that he or she has met the qualification
16 under par. (b) 5. or (bm) 1., the candidate may file a special report with the board.
17 Such report shall be filed not later than the 7th day after the primary, or 7th day after
18 the date the primary would be held, if required, and shall include such supplementa-
19 ry information as to sources of contributions which may be necessary to complete the
20 candidate's qualification. The special report shall cover the period from the day after
21 the last date covered on the candidate's most recent report, or from the date on which
22 the first contribution was received or the first disbursement was made, whichever
23 is earlier, if the candidate has not previously filed a report, to the date of such report.
24 All information included on the special report shall also be included in the candi-
25 date's next report under s. 11.20.

1 (d) For purposes of qualification under par. (b) 4. and 5. or (bm), the financial
2 reports of a former candidate are considered to be same as if filed by the candidate
3 who is lawfully appointed to replace such candidate whenever a vacancy after nomi-
4 nation occurs.

5 **SECTION 37.** 11.50 (2) (f) of the statutes is amended to read:

6 11.50 (2) (f) The board shall inform each candidate in writing of the approval
7 or disapproval of the candidate's application, as promptly as possible after the date
8 of the spring primary, September primary, special primary, or date that the primary
9 would be held, if required. ~~With respect to a candidate at a special election who ap-
10 plies for a postelection grant under sub. (1) (a) 2., the board shall inform the candi-
11 date in writing of the conditional approval or disapproval of the candidate's applica-
12 tion at the same time.~~

13 **SECTION 38.** 11.50 (2) (i) of the statutes is amended to read:

14 11.50 (2) (i) Notwithstanding par. (g), if an eligible candidate at the spring elec-
15 tion or a special nonpartisan any election who accepts a grant is opposed by one or
16 more candidates in the election, ~~or if an eligible candidate at the general election or
17 a special partisan election who accepts a grant is opposed by one or more candidates
18 in the election who receive at least 6% of the vote cast for all candidates for the same
19 office on all ballots at the September primary or a special partisan primary if a prima-
20 ry was held, and in either case if any such opponent of the eligible candidate who does
21 not accept a grant under this section in whole or in part, the eligible candidate is not
22 bound by the pledge made in his or her application to adhere to the contribution li-
23 mitations prescribed in s. 11.26 (10) and the disbursement limitation prescribed un-
24 der s. 11.31, unless each such opponent files an affidavit of voluntary compliance un-
25 der s. 11.31 (2m).~~

1 **SECTION 39.** 11.50 (2m) of the statutes is created to read:

2 11.50 **(2m)** PUBLIC INFORMATION. (a) Annually, no later than August 15, the
3 board may notify the state treasurer that an amount not exceeding 5% of the amount
4 transferred to the fund in that year shall be placed in a public information account.

5 Moneys in this account shall be expended by the board for the purpose of providing
6 public information concerning the purpose and effect of s. 71.10 (3) and this section.

7 (b) As part of the public information program under par. (a), the board shall
8 prepare an easily understood description of the purpose and effect of s. 71.10 (3) and
9 this section. The department of revenue shall include and highlight the description
10 in its income tax preparation instructions relating to s. 71.10 (3).

11 (c) Any amount placed in the public information account that is not expended
12 by the board in any year shall be retained in that account.

13 **SECTION 40.** 11.50 (3) (a) (intro.) of the statutes is amended to read:

14 11.50 **(3)** (a) (intro.) ~~Annually on August 15, Immediately after apportionment~~
15 under sub. (2m), the state treasurer shall annually apportion all moneys appro-
16 priated to the fund ~~shall be apportioned~~ as follows ~~by the state treasurer:~~

17 **SECTION 41.** 11.50 (3) (a) 1. and 2. of the statutes are amended to read:

18 11.50 **(3)** (a) 1. If an election for state superintendent is scheduled in the follow-
19 ing year, 8% of the fund shall be placed in a superintendency account. From this ac-
20 count, an equal amount shall be disbursed to the campaign depository account of
21 each eligible candidate by the state treasurer, except as provided in sub. (9) (b).

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

1 **SECTION 42.** 11.50 (4) (c), (cm) and (d) of the statutes are amended to read:

2 11.50 (4) (c) The legislative and special election campaign account shall be di-
3 vided into a senate campaign account to receive 25% of the moneys, and an assembly
4 campaign account to receive 75% of the moneys. Each account shall then be appor-
5 tioned between all eligible candidates for the same office in the entire state, based
6 on the assumption that all candidates who are eligible under sub. (2) (bm) 1. will also
7 be eligible under sub. (2) (bm) 2. No apportionment shall be made by legislative dis-
8 trict.

9 (cm) ~~Each~~ Except as provided in subs. (2) (bm) and (9) (b), each eligible candi-
10 date for the same office at a special election shall receive an equal amount, which
11 amount shall be equivalent to the maximum grant which was payable to any candi-
12 date for that office at the most recent spring or general election. The amount shall
13 be drawn from the senate campaign account and the assembly campaign account in
14 the same proportions as the balance in each account bears to the total balance in both
15 accounts at the time that payments are made. Whenever there are insufficient mo-
16 neys in the senate campaign account and the assembly campaign account to make
17 the payments required by this paragraph, payments shall be appropriately reduced
18 or discontinued by the board.

19 (d) ~~Within~~ Except as provided in sub. (9) (b), within the accounts established
20 under this subsection for each office at each general election, the entire amount of
21 all available moneys shall be apportioned equally to all eligible candidates, based on
22 the assumption that all candidates who are eligible under sub. (2) (bm) 1. will also
23 be eligible under sub. (2) (bm) 2.

24 **SECTION 43.** 11.50 (6) of the statutes is amended to read:

1 11.50 (6) EXCESS MONEYS. If the amounts which are to be apportioned to each
2 eligible candidate under subs. (3) and (4) are more than the amount which a candi-
3 date may accept under sub. (9), more than the amount for which the candidate quali-
4 fies under sub. (2) (bm), or more than the amount which a candidate elects to accept
5 under sub. (10), the excess moneys shall be retained in the fund.

6 **SECTION 44.** 11.50 (9) of the statutes is renumbered 11.50 (9) (a) and amended
7 to read:

8 11.50 (9) (a) The Except as provided in par. (b), the total grant available to an
9 eligible candidate may not exceed that amount which, when added to all other con-
10 tributions accepted from sources other than individuals, political party committees
11 and legislative campaign committees, is equal to 45% of the disbursement level speci-
12 fied for candidates for the applicable office other than candidates challenging incum-
13 bent officeholders, as determined under s. 11.31 (1) and adjusted as provided under
14 s. 11.31 (9). For the purposes of this paragraph, all contributions transferred to the
15 candidate by a conduit shall be considered to have been accepted from a source other
16 than an individual, political party committee or legislative campaign committee.

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

21 **SECTION 45.** 11.50 (9) (b) of the statutes is created to read:

22 11.50 (9) (b) If an eligible candidate who accepts a grant is opposed by one or
23 more eligible candidates in the election who does not accept a grant under this sec-
24 tion, the total grant available to the eligible candidate shall be increased by an
25 amount equal to 45% of the disbursement level specified for candidates for the appli-

1 cable office other than candidates challenging incumbent officeholders, as deter-
2 mined under s. 11.31 (1) and adjusted as provided under s. 11.31 (9), unless each such
3 opponent files an affidavit of voluntary compliance under s. 11.31 (2m).

4 **SECTION 46.** 11.60 (1) of the statutes is amended to read:

5 11.60 (1) ~~Any~~ Except as provided in sub. (3m), any person, including any com-
6 mittee or group, who or which violates this chapter may be required to forfeit not
7 more than \$500 for each violation.

8 **SECTION 47.** 11.60 (3m) of the statutes is created to read:

9 11.60 (3m) Any person, including any committee or group, who or which vio-
10 lates s. 11.095 in respect to any telephone communication in which the caller engages
11 in persuasive telephoning shall forfeit \$1,000, or \$1 for each such telephone commu-
12 nication with an individual that is subject to disclosure under s. 11.095 which the
13 person fails to disclose under that section within the time prescribed under that sec-
14 tion, whichever is greater.

15 **SECTION 48.** 11.61 (1) (a) of the statutes is amended to read:

16 11.61 (1) (a) Whoever intentionally violates s. 11.05 (1), (2), (2g) or (2r), 11.07
17 (1) or (5), 11.10 (1), 11.12 (5), 11.23 (6) or 11.24 ~~(4)~~ may be fined not more than \$10,000
18 or imprisoned not more than 3 years or both.

19 **SECTION 49.** 13.62 (11p) of the statutes is renumbered 11.01 (13).

20 **SECTION 50.** 13.62 (11r) of the statutes is renumbered 11.01 (14).

21 **SECTION 51.** 13.625 (1) (b) 3. of the statutes is amended to read:

22 13.625 (1) (b) 3. Food, meals, beverages, money or any other thing of pecuniary
23 value, except that a lobbyist may make a any campaign contribution ~~to a partisan~~
24 ~~elective state official or candidate for national, state or local office or to the official's~~

1 or candidate's personal campaign committee; but a lobbyist may make a contribution
2 to which par. (c) applies only as authorized in par. (c) authorized under ch. 11.

3 **SECTION 52.** 13.625 (1) (c) of the statutes is renumbered 11.24 (2) and is
4 amended to read:

5 11.24 (2) Except as permitted in this subsection, no lobbyist, as defined in s.
6 13.62 (11), may make a campaign contribution, as defined in s. 11.01 (6), to a partisan
7 elective state official for the purpose of promoting the official's election to any nation-
8 al, state or local office, or to a candidate for a partisan elective state office to be filled
9 at the general election or a special election, or the official's or candidate's personal
10 campaign committee. A campaign contribution to a partisan elective state official
11 or candidate for partisan elective state office or his or her personal campaign commit-
12 tee may be made in the year of a candidate's election between June 1 and the day
13 of the general election, except that:

14 (a) A ~~campaign~~ contribution to a candidate for legislative office may be made
15 during that period only if the legislature has concluded its final floor period, and is
16 not in special or extraordinary session.

17 (b) A ~~campaign~~ contribution by a lobbyist to the lobbyist's campaign for parti-
18 san elective state office may be made at any time.

19 **SECTION 53.** 13.625 (2), (3), (6) and (6r) of the statutes are amended to read:

20 13.625 (2) No principal may engage in the practices prohibited under sub. (1)
21 (b) and (e), except that a principal may make any campaign contribution authorized
22 under ch. 11. This subsection does not apply to the furnishing of transportation, lodg-
23 ing, food, meals, beverages or any other thing of pecuniary value which is also made
24 available to the general public.

1 **(3)** No candidate for an elective state office, elective state official, agency offi-
2 cial or legislative employe of the state may solicit or accept anything of pecuniary val-
3 ue from a lobbyist or principal, except as permitted under subs. (1) (b) 3. ~~and (e), (2),~~
4 (4), (5), (6), (7), (8) and (9). ~~No personal campaign committee of a candidate for state~~
5 ~~office may accept anything of pecuniary value from a lobbyist or principal, except as~~
6 ~~permitted for such a candidate under subs. (1) (b) 3. and (c), (2) and (6).~~

7 **(6)** Subsections (1) (b) ~~and (e),~~ (2) and (3) do not apply to the furnishing of any-
8 thing of pecuniary value by an individual who is a lobbyist or principal to a relative
9 of the individual or an individual who resides in the same household as the individu-
10 al, nor to the receipt of anything of pecuniary value by that relative or individual re-
11 siding in the same household as the individual.

12 **(6r)** Subsections (1) (b) ~~and (e)~~ and (3) do not apply to the furnishing of anything
13 of pecuniary value by a lobbyist or principal to an employe of that lobbyist or princi-
14 pal who is a legislative official or an agency official solely because of membership on
15 a state commission, board, council, committee or similar body if the thing of pecuni-
16 ary value is not in excess of that customarily provided by the employer to similarly
17 situated employes and if the legislative official or agency official receives no com-
18 pensation for his or her services other than a per diem or reimbursement for actual
19 and necessary expenses incurred in the performance of his or her duties, nor to the
20 receipt of anything of pecuniary value by that legislative official or agency official un-
21 der those circumstances.

22 **SECTION 54.** 13.625 (10) of the statutes is created to read:

23 13.625 **(10)** This section does not apply to the solicitation, acceptance or fur-
24 nishing of anything of pecuniary value relating to campaign financing activities gov-
25 erned by ch. 11.

1 **SECTION 55.** 13.69 (6) of the statutes is amended to read:

2 13.69 (6) Any candidate for an elective state office, elective state official, agency
 3 official or legislative employe of the state who, ~~or any personal campaign committee~~
 4 ~~which,~~ violates s. 13.625 (3) may be required to forfeit not more than \$1,000.

5 **SECTION 56.** 20.005 (3) (schedule) of the statutes: at the appropriate place, in-
 6 sert the following amounts for the purposes indicated:

			1995-96	1996-97
20.510 Elections board				
(1)	ADMINISTRATION OF ELECTION AND CAMPAIGN LAWS			
(b)	Campaign financing	GPR A	-0-	-0-

10 **20.855 Miscellaneous appropriations**

(4)	TAX, ASSISTANCE AND TRANSFER PAYMENTS			
(bm)	Election campaign payments	GPR A	900,000	900,000

13 **SECTION 57.** 20.510 (1) (b) of the statutes is created to read:

14 20.510 (1) (b) *Campaign financing.* The amounts in the schedule to be trans-
 15 ferred to the Wisconsin election campaign fund annually on August 1 to provide for
 16 payments to eligible candidates certified under s. 7.08 (2) (c).

17 **SECTION 58.** 20.510 (1) (q) of the statutes is amended to read:

18 20.510 (1) (q) *Wisconsin election campaign fund.* As a continuing appropri-
 19 ation, from the Wisconsin election campaign fund, the moneys determined under s.
 20 11.50 to provide for payments to eligible candidates whose names are certified under
 21 s. 7.08 (2) (c) and (cm) and to provide for public information as authorized under s.
 22 11.50 (2m).

23 **SECTION 59.** 20.855 (4) (bm) of the statutes is created to read:

1 20.855 (4) (bm) *Election campaign payments*. The amounts in the schedule to
2 be transferred to the Wisconsin election campaign fund annually on August 1.

3 **SECTION 60.** 25.42 of the statutes is amended to read:

4 **25.42 Wisconsin election campaign fund.** All moneys appropriated under
5 ~~s. ss. 20.510 (1) (b) and 20.855 (4) (b) and (bm)~~ together with all moneys credited un-
6 der s. 11.19 (1), (1m) and (6), all moneys reverting to the state under s. 11.50 (8) and
7 all gifts, bequests and devises received under s. 11.50 (13) constitute the Wisconsin
8 election campaign fund, to be expended for the purposes of s. 11.50. All moneys in
9 the fund not disbursed by the state treasurer shall continue to accumulate indefinite-
10 ly.

11 **SECTION 61.** 71.05 (6) (a) 21. of the statutes is created to read:

12 71.05 (6) (a) 21. Any amount deducted under section 162 (e) (1) of the internal
13 revenue code.

14 **SECTION 62.** 71.07 (5) (a) 7. of the statutes is created to read:

15 71.07 (5) (a) 7. Expenses under section 162 (e) (1) of the internal revenue code.

16 **SECTION 63.** 71.10 (3) (a) of the statutes is amended to read:

17 71.10 (3) (a) Every individual filing an income tax return who has a tax liability
18 or is entitled to a tax refund may designate \$1 ~~\$3~~ for the Wisconsin election campaign
19 fund for the use of eligible candidates under s. 11.50. If the individuals filing a joint
20 return have a tax liability or are entitled to a tax refund, each individual may make
21 a designation of \$1 ~~\$3~~ under this subsection.

22 **SECTION 64.** 71.26 (1) (a) of the statutes is amended to read:

23 71.26 (1) (a) *Certain corporations*. Income of corporations organized under ch.
24 185 or operating under subch. I of ch. 616 which are bona fide cooperatives operated
25 without pecuniary profit to any shareholder or member, or operated on a cooperative

1 plan pursuant to which they determine and distribute their proceeds in substantial
2 compliance with s. 185.45, and the income, except the unrelated business taxable in-
3 come as defined in section 512 of the internal revenue code, of all religious, scientific,
4 educational, benevolent or other corporations or associations of individuals not orga-
5 nized or conducted for pecuniary profit. In computing unrelated business taxable in-
6 come for the purposes of this paragraph, the expenses identified in section 162 (e) (1)
7 of the internal revenue code may not be deducted. This paragraph does not apply to
8 the income of savings banks, mutual loan corporations or savings and loan associa-
9 tions. This paragraph applies to the income of credit unions except to the income of
10 any credit union that is derived from public deposits for any taxable year in which
11 the credit union is approved as a public depository under ch. 34 and acts as a deposi-
12 tory of state or local funds under s. 186.113 (20). For purposes of this paragraph, the
13 income of a credit union that is derived from public deposits is the product of the cred-
14 it union's gross annual income for the taxable year multiplied by a fraction, the nu-
15 merator of which is the average monthly balance of public deposits in the credit union
16 during the taxable year, and the denominator of which is the average monthly bal-
17 ance of all deposits in the credit union during the taxable year.

18 **SECTION 65.** 71.26 (2) (b) 1g. of the statutes is created to read:

19 71.26 (2) (b) 1g. In computing the net income under this paragraph of a corpora-
20 tion, conduit or common law trust which qualifies as a regulated investment compa-
21 ny, real estate mortgage investment conduit or real estate investment trust, ex-
22 penses identified in section 162 (e) (1) of the internal revenue code may not be
23 deducted.

24 **SECTION 66.** 71.26 (3) (em) of the statutes is created to read:

