

2014-GAB-03

CAMPAIGN FINANCE – REDIRECTION OF CONDUIT FUNDS

A question arises from a recent change to the campaign finance and lobbying laws, 2013 Act 153 (2013 Senate Bill 655), which made provision for a conduit to redirect deposited funds that have been unclaimed for two years if the contributor is unreachable, or if the contributor has died and the surviving spouse or executor authorizes the redirection.

The language of the bill, enacted into law, is as follows:

11.185 (1) In this section, "sponsor" means a committee, including a support committee, political party committee, legislative campaign committee, and special interest committee, but excluding a personal campaign committee, that is *associated with a conduit*.

(2) A conduit may redirect any contribution received from an individual or organization to a sponsor or, if there is no sponsor, to an administrative fund of the conduit if all of the following apply:

(Emphasis added).

The statute does not define “associated.” However, the dictionary defines associated as “closely connected”. Webster’s Ninth New Collegiate Dictionary (1983). Thus, the term “associated” is very broad and can include sibling (as well as founding) political committees. That is, it can include a PAC and a conduit established by the same organization or that have some other kind of association with the conduit.

The bill’s drafting file contains the following description of the bill’s intent:

The bill allows a conduit to redirect contributions made to the conduit but unclaimed for a period of two years to *a committee*, other than a personal campaign committee, *that sponsors the conduit* if there is such a committee or, if there is not such a committee, to the conduit’s administrative fund.

(Emphasis added). Identical language appears in the LRB’s bill analysis. Nonetheless, that is not the way the statute is drafted and we must follow its plain meaning.

Advice

The Government Accountability Board advises that a conduit may redirect contributions to a PAC or other committee under Wis. Stat. §11.185 (1) if it has established or paid the administrative expenses of the conduit, whether or not it has registered as a sponsoring committee, or (2) if the committee was established by the same organization that established the conduit. The Board further advises that a mere confluence of interests or the fact that a depositor has previously directed the conduit to make a contribution to a PAC is not enough to consider the two entities as “associated” within the meaning of the statute.