

NOTICE OF OPEN AND CLOSED MEETING

Wisconsin Ethics Commission

101 E. Wilson Street, Yahara Room
Madison, Wisconsin
Tuesday, August 20, 2019, 9:00 a.m.

Open Session Agenda

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|---|--------------|
| A. Call to Order | |
| B. Report of Appropriate Meeting Notice – Staff Counsel | |
| C. Approval of Minutes of Prior Meetings | |
| 1. Open Session Minutes for Meeting on June 18, 2019 | Page 3 |
| D. Personal Appearances | |
| E. Legislative Recommendations and Approval of Draft Bill | Page 9 |
| F. Ethics Opinion Review | Page 77 |
| G. Administrative Rules Update | Page 85 |
| H. Consideration of Guidance Documents | Page 111 |
| I. Review Settlement Schedules | Page 285 |
| J. Convenience Fees for Electronic Payments | Page 307 |
| K. Campaign Finance Auditing Procedure – Address/Occupation Information | Page 311 |
| L. Lobbying Law and Due Process | Supplemental |
| M. Annual Report Review Draft | Page 317 |
| N. IT Projects Report | Page 383 |
| O. Staff Report | Page 385 |
| P. Consideration of Future Agenda Items | |
| Q. Closed Session | |
| 1. Requests for Advice | |
| 2. Complaints and Investigations | |
| R. Discussion of Administrator Assignments, If Any | |
| S. Adjourn | |

Future Ethics Commission Meetings Scheduled:

- Tuesday, December 3, 2019 at 9:00 AM
- Tuesday, March 3, 2020 at 9:00 AM
- Tuesday, June 16, 2020 at 9:00 AM
- Tuesday, August 18, 2020 at 9:00 AM
- Tuesday, October 13, 2020 at 9:00 AM
- Tuesday, December 8, 2020 at 9:00 AM

The Ethics Commission will convene in open session but may move to closed session under WIS. STAT. § 19.85(1)(c), (g), (h), or WIS. STAT. § 19.851. This notice is to inform the public that the Commission intends to convene in open session, but may move to closed session. The Commission plans to return to open session following that closed session, as outlined in the above agenda. WIS. STAT. § 19.85(2).

WIS. STAT. §§ 19.50 & 19.55(3) No employee of the Commission may disclose information related to an investigation or prosecution under ch. 11, subchapter III of ch. 13, or ch. 19.

WIS. STAT. § 19.85(1) Any meeting of a governmental body, upon motion duly made and carried, may be convened in closed session under one or more of the exemptions provided in this section. The motion shall be carried by a majority vote in such manner that the vote of each member is ascertained and recorded in the minutes. No motion to convene in closed session may be adopted unless the chief presiding officer announces to those present at the meeting at which such motion is made, the nature of the business to be considered at such closed session, and the specific exemption or exemptions under this subsection by which such closed session is claimed to be authorized. Such announcement shall become part of the record of the meeting. No business may be taken up at any closed session except that which relates to matters contained in the chief presiding officer's announcement of the closed session. A closed session may be held for any of the following purposes:

- (g) Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved.
- (h) Consideration of requests for confidential written advice from the elections commission under s. 5.05 (6a) or the ethics commission under s. 19.46 (2), or from any county or municipal ethics board under s. 19.59 (5).

WIS. STAT. § 19.851(2) The commission shall hold each meeting of the commission for the purpose of deliberating concerning an investigation of any violation of the law under the jurisdiction of the commission in closed session under this section.



Wisconsin Ethics Commission

Campaign Finance | Lobbying | Ethics
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Wisconsin Ethics Commission

101 E. Wilson Street
St. Croix Room
Madison, Wisconsin
June 18, 2019
9:00 a.m.

Open Session Minutes

Present: Katie McCallum, Tamara Packard, Mac Davis, David Halbrooks,
Pat Strachota, and Timothy Van Akkeren

Staff Present: Daniel Carlton, David Buerger, Julie Nischik, Colette Greve,
Harry Broderick, Caroline Russell, and Deb Brauer

A. Call to Order

Commission Chair Katie McCallum called the meeting to order at 9:10 a.m.

B. Report of Appropriate Meeting Notice

Staff Counsel David Buerger reported that appropriate notice of the Commission meeting had been given to the public and news media.

C. Approval of Minutes of Prior Meeting

1. Minutes of April 9, 2019 Open Session Meeting

MOTION: Approve the April 9, 2019 open session minutes. Moved by Commissioner Packard, seconded by Commissioner Strachota. Motion carried unanimously.

D. Personal Appearances

There were no personal appearances by a member of the public.

E. Ethics Opinion Review

Ethics Specialist Colette Greve presented the memo on page 7 of the meeting materials.

The Commissioners discussed the opinions recommended for withdrawal.

MOTION: Withdraw opinion Eth. Bd. Op. 05-10 for lack of substantive analysis, withdraw Eth. Bd. Op. 06-05 as inconsistent with the Commission's current policy, and revise Eth. Bd. Op. 92-04 and Eth. Bd. Op. 92-07 summaries to clarify the Commission's discretion in making preliminary decisions. Moved by Commissioner Strachota, seconded by Commissioner Halbrooks. Motion carried unanimously.

The Commissioners discussed the opinions recommended for withdrawal.

MOTION: Withdraw Eth Bd. Op. 93-11, Eth. Bd. Op. 07-12, and 2008 GAB 03 as inconsistent with how the Commission would provide advice. Moved by Commissioner Strachota, seconded by Commissioner Packard. Motion carried unanimously.

The Commission discussed Eth. Bd. Op. 92-31 and Eth. Bd. Op. 93-08. The Commission directed staff to review these opinions and bring back for consideration at the next Commission meeting.

MOTION: Reaffirm the following opinions: Eth. Bd. Op. 91-05, Eth. Bd. Op. 91-10, Eth. Bd. Op. 91-11, Eth. Bd. Op. 92-08, Eth. Bd. Op. 92-09, Eth. Bd. Op. 92-17, Eth. Bd. Op. 93-02, Eth. Bd. Op. 95-02, Eth. Bd. Op. 96-02, Eth. Bd. Op. 96-04, Eth. Bd. Op. 97-03, Eth. Bd. Op. 97-15, Eth. Bd. Op. 98-09, Eth. Bd. Op. 99-05, Eth. Bd. Op. 03-01, Eth. Bd. Op. 03-03, Eth. Bd. Op. 05-09, and Eth. Bd. Op. 07-01. Moved by Commissioner Van Akkeren, seconded by Commissioner Strachota. Motion carried unanimously.

F. Administrative Rules Update

Staff Counsel David Buerger presented the memo on page 13 of the meeting materials.

The Commission discussed the feedback received from the Legislative Council Rules Clearinghouse.

The Commission opened the public hearing for Chapter ETH 1 – Act 117 Amendments/Attribution. No members of the public appeared to provide comments at the meeting. The hearing was then closed.

The Commission expressed interest in taking time to review the letter with comments on the rule from the Campaign Legal Center.

MOTION: The Commission directed staff to draft potential revisions for ETH 1.96, including options based on comments from the Campaign Legal Center, and prepare a broader scope statement based on the suggestions by the Legislative Council Rules Clearinghouse for the August meeting. Moved by Commissioner Halbrooks, seconded by Commissioner Van Akkeren. Motion carried unanimously.

G. Review of Settlement Schedules

Ethics Specialist Colette Greve presented the memo on page 35 of the meeting materials.

The Commission reviewed the existing settlement schedules for Campaign Finance, Lobbying, and Ethics. The Commission discussed the need to be consistent in determining dates as calendar days versus business days.

The Commission and staff discussed the settlement schedule for Exceeding Contributions Limits.

MOTION: For the Exceeding Contributions Limits settlement schedule, add statutory citations to the website related to this schedule. Moved by Commissioner Halbrooks, seconded by Commissioner Davis. Motion carried unanimously.

The Commission and staff discussed the settlement schedule for late filing of special post-election reports. The Commission directed staff to look at settlements related to special post-election reports, and settlement amounts and appeals to continuing reports, and bring back for review at the next meeting.

The Commission and staff discussed the settlement schedule related to late payment of lobbying fees. The Commission has received many appeals related to confusion about when the fees are due.

MOTION: Amend the settlement schedule for late payment of lobbying fees to:

Calendar days late	Lobbyist	Principal
1-30	Warning	Warning
31-45	\$100	\$200
46-60	\$200	\$400
61+	\$300	\$600

Moved by Commissioner Strachota, seconded by Commissioner Halbrooks.

The Commission discussed if this would be calendar days or business days, and agreed this schedule should be calendar days.

Motion carried unanimously.

MOTION: Direct staff to prepare a scope statement to amend the provisions of WIS. ADMIN. CODE ETH 26 related to late filing of semi-annual lobbying reports to clarify business days for all categories in the schedule. Moved by Commissioner Davis, seconded by Commissioner Van Akkeren. Motion carried unanimously.

Commission staff will conduct a review of all settlement schedules to determine where there are differences between calendar days late and business days late.

MOTION: Direct staff to prepare a scope statement to create new settlement schedules within WIS. ADMIN. CODE ETH 26 for unauthorized lobbying and late payment of lobbying fees. Moved by Commissioner Davis, seconded by Commissioner Van Akkeren. Motion carried unanimously.

H. Staff Report

Commission Administrator Daniel Carlton presented the report on page 43 of the meeting materials.

The Commission directed staff to investigate how other agencies deal with prosecution of violations, in addition to working with DOJ to develop criteria for referral.

I. Closed Session

MOTION: The Commission went into closed session pursuant to WIS. STAT. §§ 19.50, 19.55(3), 19.85(1)(c), (g), (h). Moved by Commissioner Van Akkeren, seconded by Commissioner Strachota. Motion carried unanimously.

1. Requests for Advice
2. Complaints and Investigations
3. Personnel Matters

J. Appointment of Administrator to 2019-2023 Term

MOTION: The Commission appoints Daniel Carlton to the position of administrator for the term starting July 1, 2019 and ending June 30, 2023. Moved by Commissioner Strachota, seconded by Commissioner Van Akkeren. Motion carried unanimously.

K. Consideration of Future Agenda Items

The Commissioners did not discuss any future agenda items.

L. Adjourn

MOTION: To adjourn. Moved by Commissioner Strachota, seconded by Commissioner Van Akkeren. Motion carried unanimously.

Meeting adjourned at 5:06 p.m.

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June 18, 2019 Wisconsin Ethics Commission meeting minutes prepared by:

Julie Nischik, Office Management Specialist

August 20, 2019

June 18, 2019 Wisconsin Ethics Commission meeting minutes certified by:

Tamara Packard, Vice Chair

August 20, 2019



Wisconsin Ethics Commission

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DATE: For the Commission Meeting on August 20, 2019
TO: Members, Wisconsin Ethics Commission
FROM: Daniel A. Carlton, Jr., Administrator
SUBJECT: Legislative Recommendation Package

FOR COMMISSION ACTION

Does the Commission:

1. Approve the draft bill as presented; or
2. Direct staff to make changes to the draft.

Since its inception, the Commission has adopted 33 recommendations concerning potential legislation. Of those, 30 recommendations were adopted as a part of the 2017 Annual Report. An additional recommendation was adopted and is contained in the 2018 Annual Report. The remaining two were adopted by the Commission at its meeting on April 9, 2019.

At its meeting on December 11, 2018, the Commission directed staff to seek legislation implementing its legislative recommendations. Since that time, staff has been in the process of discussing the legislative recommendations that the Commission has adopted with legislators and stakeholders, produced a draft bill containing the legislative recommendations, and prepared other documents that are necessary to explaining the legislative recommendations. At its meeting on June 18, 2019, staff advised the Commission that it would present the final version of the draft bill and provide any feedback that staff had received.

Draft Contents

This draft is intended to address the legislative recommendations that the Commission has made that are technical or clarifying in nature. The draft is intended to improve the statutes for the regulated communities and to provide more clear guidance on how the Commission is to administer those areas of the law. It is the intent of the Commission to put forth a draft bill containing legislative recommendations that can and will garner bipartisan support. For that reason, 6 of the 33 legislative recommendations from the Commission to date are not included in this bill.

The bill accomplishes the following recommendations:

- Amends the definition of “conduits” to clarify that only individuals can give through a conduit and to specify that an individual can give to any committee through a conduit;
- Amends the exempt status statute as follows:
 - No longer requires annual renewal for local candidate committees;
 - Allows committees to claim exempt status on an initial registration statement as well as the amended registration statement;
 - Changes threshold from \$2,000 to \$2,500;
 - Clarifies that a committee on exempt status does not have to file any reports;
 - Requires all committees to file termination reports;
- Requires only committees that register with the Commission to pay the filing fee, if required;
- Requires campaigns to maintain records for 3 years after the end of the reporting period, rather than 3 years from the date of the election;
- Clarify that the September Report contains information from the last report (either the July Continuing or pre-primary) until September 23rd;
- Maintains the requirement that candidate committees file a September Report every even year, regardless of whether they have activity;
- Maintains the current requirement that all other committees will only file September Reports if there is reportable activity;
- The September Report will be due on 9/30;
- Requires itemization of loans under \$20;
- Clarifies that the end date for reporting contributions on a 72-Hour Report is either the date of the primary or the date of the election, whichever applies;
- Provides the periods for calculating whether the threshold was reached to require 72-Hour Reports as follows:
 - For the Spring Election Cycle- a committee begins calculating 60 days prior to the Spring Primary Election and ends on the date of the Spring Election;
 - For the General Election Cycle- There are two periods. First- from 60 days prior to the partisan primary through the date of the partisan primary; Second, from 60 days before the General Election through the date of the General Election;
 - For Special Election Cycle- calculation begins 60 days prior to the Special Primary and ends on the date of the Special Election;
- Clarifies that the period to calculate contribution limits applies to contributions from “Other Persons” by including a missing cross-reference;
- Reverts contribution limits to periods ending on June 30th and December 31st;
- Repeals requirement that Donations to Charity or the Common School Fund be reported within 5 days;
- Requires disclaimers for express advocacy related to referenda;
- Clarifies that an LLC can give a contribution to any committee, not just a candidate committee;
- Rewrites the prohibitions and exceptions related to lobbyists and principals for better structure;
- Codifies the practice for principals and lobbyists hosting a “Lobby Day” by providing that a state public official may attend such an event if they pay either the cost of the food and drink or the cost of admission, whichever is higher; also, it allows a state public official to

attend for free if he or she does not accept food or drink and there is no discrete cost of admission;

- Allows the Commission to communicate failure to timely file reports by the most efficient means possible;
- Repeals outdated requirement to provide the legislative chief clerks the names of lobbyists and principals every Tuesday;
- Allows the Commission to ask for a lobbyist's residential address (not mandatory) and provides that the residential address is confidential;
- Repeals outdated requirement that the Commission maintain a website related to agency contracts;
- No longer requires disclosure of defined benefit retirement plans, annuities, money market funds, mutual funds, and ETFs on the SEI;
- Provides that an official required to file must only file and SEI if they have served 15 days or more in a calendar year;
- Requires the filing of a "terminal SEI" at the end of service;
- Repeals the unconstitutional prohibition on requesting appropriations that exceed the amount in the most recent agency budget request; and
- Codifies the disposition of gifts guideline for both state and local officials.

The following recommendations are not in this draft:

- It does not codify a definition of "strictly personal use." This recommendation addresses a policy issue. Defining this term should be done by the Legislature;
- It does not address the co-equal jurisdiction of the District Attorneys. This is a policy call. Additionally, staff received some negative feedback about the possibility of such a provision;
- It does not address source restrictions for outside 527s or PACs. This is a policy issue;
- It does not change the post-special election report requirement, which is a policy call;
- It does not address repealing certain conduit reports due to the fact that they're already done in CFIS. This report provides information that is useful to the public and should be required to be reported. In light of the upcoming changes to the campaign finance reporting websites, this requirement should be maintained at least until the new system is in place; and
- It does not address the issue of cryptocurrency. This involves numerous policy calls outside of the Commission's expertise. Additionally, it does not appear that there is a consensus about how to address this issue.

Finally, there are some new provisions that the Commission has not yet technically approved. At the Commission meeting on June 18, 2019, the Administrator advised the Commission that, rather than try to provide a revised Attorney General opinion request, staff would attempt to clarify the issues surrounding the exempt status statute in this draft. This draft includes those efforts. Specifically, the draft:

- Reaffirms for state level candidates that exempt status lasts only one calendar year;

- Clarifies that state candidate committees are not eligible for the exemption in years in which they appear on the ballot as a candidate or write in;
- Requires a state candidate who was on the ballot who wants to claim exempt status to do so in the period between the day after election day and January 15th;
- However, a state candidate that was on the ballot in November must still file the January Continuing report so that all information from the election cycle is reported;
- Every year thereafter, the state candidate committee must claim exempt status by December 31st;
- Specifies that failure to request exempt status by the deadline results in being required to file all reports required by law;
- Allows local candidate committees to claim the exemption at any time, even if on the ballot;
- Provides that, if a state or local candidate incorrectly claims exempt status, the filing officer is required to accept the registration statement or amended registration statement. However, the filing officer must notify the registrant that it is not eligible for exempt status within 10 days;
- Provides that if the registration statement or amended registration statement otherwise complies with legal requirements, incorrectly seeking exempt status is not a basis for denial of ballot access;
- Clarifies the provisions concerning what happens if a committee on exempt status receives a contribution as follows:
 - Current law says any contribution after exempt status requires the committee to either come off of exempt status or return the contribution within 60 days. However, the law has an internal conflict because it was written to allow committees to accept contributions and make disbursements so long as they stayed below the threshold. The draft clarifies that it's only a contribution that places the committee over the threshold the triggers the requirement to come off exempt status or return the contribution;
 - Because a committee could accept a contribution that puts it over the threshold near an election time, the 60-day time period does not provide sufficient transparency. The draft requires that, if a committee receives a contribution that places the committee over the threshold it must either immediate file an amended registration statement to come off of exempt status and, thereafter, file all required campaign finance reports for the remainder of the year. Alternatively, the committee could return the contribution within 15 days from the date it was received. This is consistent with the statute permitting return of prohibited contributions.

As the Commission may recall, in addition to the draft of the bill described herein, staff has prepared a chart that describes the changes made in the draft and identifies where in the draft those changes occur. This chart is designed to make it easier for interested individuals to see, in a general sense, what is being done and where they can look to see how it is accomplished. Additionally, staff has prepared a memorandum explaining the legislative changes contained in the draft. This provides a little more of an in depth look at what is being done and why it is being done. Those documents are also attached for the Commission's edification. Those documents are information in nature only, they do not require an action by the Commission.

Enclosures: LRB-2407/P5 (Bill Draft)
 Updated Chart
 Narrative Explanation Memorandum



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-2407/P5
JK&MPG:all

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 **AN ACT to repeal** 11.0104 (1) (b), 11.0104 (4), 11.1302, 13.625 (1) (d), 13.685 (7),
2 16.753, 19.45 (12), 19.48 (11) and 20.9305 (2) (e); **to renumber and amend**
3 11.1103 (1), 11.1103 (2), 13.625 (1) (b), 13.625 (2), 13.625 (4), 13.625 (5), 13.625
4 (6), 13.625 (6g) (a), 13.625 (6g) (b), 13.625 (6r), 13.625 (6s), 13.625 (6t), 13.625
5 (7), 13.625 (8), 13.625 (8m), 13.625 (9), 13.625 (10) and 19.42 (12); **to**
6 **consolidate, renumber and amend** 13.625 (1) (intro.) and (a); **to amend**
7 11.0101 (7), 11.0102 (2) (a), 11.0104 (1) (a), 11.0104 (2), 11.0104 (3), 11.0104 (5),
8 11.0105 (1) (a), 11.0201 (4), 11.0204 (1) (a) 7. (intro.), 11.0204 (2) (c), 11.0204 (3)
9 (b), 11.0204 (4) (c), 11.0204 (4) (d), 11.0204 (5) (b), 11.0204 (5) (c), 11.0204 (6) (a),
10 11.0204 (6) (b), 11.0204 (7), 11.0301 (4), 11.0304 (1) (a) 7. (intro.), 11.0304 (2) (c),
11 11.0304 (3) (b), 11.0304 (4) (c), 11.0304 (4) (d), 11.0304 (5) (b), 11.0304 (5) (c),
12 11.0304 (7), 11.0401 (4), 11.0404 (1) (a) 7. (intro.), 11.0404 (2) (c), 11.0404 (2) (d),
13 11.0404 (3) (b), 11.0404 (3) (c), 11.0404 (4), 11.0501 (4), 11.0504 (1) (a) 7. (intro.),
14 11.0504 (2) (c), 11.0504 (3) (b), 11.0504 (4) (c), 11.0504 (4) (d), 11.0504 (5) (b),
15 11.0504 (5) (c), 11.0601 (4), 11.0604 (1) (a) 7. (intro.), 11.0604 (2) (c), 11.0604 (3)

1 (b), 11.0604 (4) (c), 11.0604 (4) (d), 11.0604 (5) (b), 11.0604 (5) (c), 11.0701 (4),
2 11.0704 (2), 11.0704 (3) (a), 11.0704 (4) (a), 11.0704 (4) (b), 11.0704 (5) (a),
3 11.0704 (5) (b), 11.0804 (1) (a) 6. (intro.), 11.0804 (2) (c), 11.0804 (3) (b), 11.0804
4 (4) (c), 11.0804 (4) (d), 11.0804 (5) (b), 11.0804 (5) (c), 11.0901 (4), 11.0904 (1) (a)
5 7. (intro.), 11.0904 (2) (c), 11.0904 (3) (b), 11.0904 (4) (c), 11.0904 (4) (d), 11.0904
6 (5) (b), 11.0904 (5) (c), 11.1113 (3), 11.1303 (2) (a), 13.625 (1m) (a) (intro.), 13.625
7 (1m) (b) (intro.), 13.625 (3), 13.63 (1) (a), 13.68 (1) (d), 13.68 (6), 13.695 (4),
8 16.298 (5), 19.43 (1), 23.41 (5), 25.18 (1) (a), 25.18 (1) (f), 25.18 (1) (m), 84.01 (13),
9 84.01 (36) (e), 84.06 (2) (a), 84.06 (3), 84.06 (4), 85.015, 102.81 (2) and 655.27 (2);
10 **to repeal and recreate** 11.0505 (1) (a), 11.0605 (1) (a) and 11.1001 (1) (a); and
11 **to create** 11.0101 (7m), 11.0103 (3) (a) 4., 11.0104 (1) (bm) to (e), 11.0204 (4) (e),
12 11.0204 (5) (cm), 11.0204 (6) (c), 11.0304 (4) (e), 11.0304 (5) (cm), 11.0404 (2) (e),
13 11.0404 (3) (cm), 11.0504 (4) (e), 11.0504 (5) (cm), 11.0604 (4) (e), 11.0604 (5)
14 (cm), 11.0704 (4) (c), 11.0704 (5) (bm), 11.0804 (4) (e), 11.0804 (5) (d), 11.0904 (4)
15 (e), 11.0904 (5) (d), 11.1103 (1) (a) and (b), 11.1103 (2) (a) and (b), 11.1103 (3),
16 13.625 (4m) (b), 19.42 (12) (b), 19.42 (12) (c), 19.42 (12) (d), 19.42 (12) (e), 19.42
17 (12) (f), 19.43 (2m), 19.45 (14), 19.55 (2) (dm) and 19.59 (1b) of the statutes;
18 **relating to:** changes to laws governing lobbying, ethics, and campaign finance.

Analysis by the Legislative Reference Bureau

CAMPAIGN FINANCE

This bill makes the following changes related to campaign finance:

1. It expands the definition of “conduit” to mean an entity that receives a contribution, deposits the contribution in the entity’s account, and then releases the contribution to any committee at the direction of the contributor. Under current law, the release of the contribution must be to a candidate committee, legislative campaign committee, political party, or political action committee.

2. It provides that only a committee required to register and file with the Ethics Commission must pay the \$100 filing fee. Under current law, committees that are required to register and file with a local filing officer must also pay the filing fee.

3. It modifies the requirement that a committee treasurer maintain records in an organized and legible manner for not less than three years after the date of the election in which the committee participates to clarify that the treasurer must maintain records for a period specified in the bill.

4. It provides that a campaign finance report contain an itemized statement of all loans made to a committee. Current law does not require a committee to provide an itemized statement on any loan that is \$20 or less.

5. It increases the calendar year threshold for filing a statement of limited activity to \$2,500. Current law allows a committee, for campaign finance purposes, to file a statement of limited activity if the committee does not anticipate accepting or making contributions, making disbursements, or incurring obligations in an aggregate amount exceeding \$2,000 in a calendar year. Current law also exempts such a committee from filing campaign finance reports for the applicable calendar year. The bill clarifies the procedure for claiming that exemption.

6. It modifies the reporting requirement for late contributions so that contributions received during the period beginning on the day that is 14 days prior to a primary or election and ending on the day of the primary or election must be reported within 72 hours of receipt. Current law requires a contribution received later than 15 days prior to a primary or election to be reported within 72 hours of receipt.

7. It clarifies the reporting requirements for a person who spends \$2,500 or more on express advocacy within 60 days from the date of a primary or election.

8. It modifies the periods during which the contribution limits apply. For example, for a candidate seeking reelection at the general election to the office that the candidate holds, the limits apply from the January 1 immediately after the candidate is elected to his or her current term to the December 31 immediately after a successor is elected or the incumbent is reelected. For a candidate seeking reelection at the spring election to the office that the candidate holds, the limits apply from the July 1 immediately after the candidate is elected to his or her current term of office to the June 30 immediately after a successor is elected or the incumbent is reelected. Current law merely states that for an individual who is a candidate for an office that the individual holds the limits apply during the term of that office.

9. It eliminates the requirement that a committee report any donation to a charitable organization or the common school fund no later than five days after making the donation and provide an explanation as to why the committee did not retain the amount donated.

10. It requires that any communication supporting or opposing a referendum that is paid for by any contribution or disbursement identify its source.

11. It specifies that the September campaign finance report is due on September 30, rather than the fourth Tuesday in September, and includes all contributions received, disbursements made, and obligations incurred as of September 23.

LOBBYING

The bill reorganizes the statutes prohibiting and permitting certain activities by lobbyists and principals, and by candidates and elected officials who interact with lobbyists and principals. The bill also eliminates a requirement that the Ethics Commission regularly, during the course of a legislative session, give reports to the legislature that provide information about licensed lobbyists, principals, and their lobbying activities. Current law, with certain exceptions, prohibits a lobbyist or principal from providing anything of value to state officials or candidates for state office. Under the bill, a lobbyist or principal may provide to a state official or candidate for state office food, meals, or beverages at, or the cost of admission to, an event intended for, and conducive to, the discussion of state government processes, proposals, or issues if the official or candidate pays the highest of either the actual cost incurred by the lobbyist or principal or the actual cost of admission to the event.

Finally, current law requires an individual to include his or her social security number on the application for a lobbyist license. The bill allows the individual to also include the address of his or her primary residence on the license application. The address, like the social security number, is not open for public inspection.

ETHICS

The bill eliminates a requirement that the Ethics Commission compile and post on its Internet site for access by the public information received by the Ethics Commission from state agencies and related to certain pending contracts and orders with the agencies. The bill also eliminates a requirement that the Ethics Commission regularly, during the course of a legislative session, give reports to the legislature that provide information about licensed lobbyists, principals, and their lobbying activities.

The bill changes the definition of “security” as that term is used in connection with the types of financial information an individual required to file with the Ethics Commission must disclose on his or her statement of economic interests. Current law requires state public office holders and certain state employees to annually file a statement of economic interests and to identify the employers, investments, real estate, commercial clients, and creditors of the individual and his or her family members.

Current law requires a state public official to file a statement of economic interests with the Ethics Commission no later than April 30 of any year in which the individual held office on January 1 of that year. The bill modifies current law so that an official must file the statement only if he or she held office on January 1 and for at least 14 days. The bill also requires an official to file a statement no later than 21 days following the date on which the official leaves office. The individual is then not required to file another statement of economic interests until such time as the individual again becomes a state public official.

Under the bill, if a state or local public official receives an item that the code of ethics does not permit the official to accept or retain, the official must do one of the following:

1. Give the item to the official’s agency to use or sell, except that the agency may not sell the item to any government employee or official.

2. Give the item to another state or local agency or to a public institution, such as a local school, library, or museum, that can use the item.

3. Give the item to a charitable organization, not including a charitable organization to which the official or his or her immediate family is associated.

4. Return the item to the donor.

5. If the donor is neither a lobbyist nor a principal (a person who employs a lobbyist), purchase the item at its full retail value and keep the item.

This provision codifies the guideline issued by the Ethics Commission for the disposition of gifts received by state and local public officials.

Finally, the bill repeals a provision that prohibits an officer or employee of a state agency from requesting appropriations for that agency in excess of the appropriations already requested. The U.S. District Court in the Eastern District of Wisconsin, in *Barnett v. State Ethics Board*, 817 F. Supp. 67 (1993), found this to be an unconstitutional infringement on free speech.

For further information see the *state and local* 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.** 11.0101 (7) of the statutes is amended to read:

2 11.0101 (7) “Conduit” means a person other than an individual that receives
3 a contribution of money from an individual, deposits the contribution in an account
4 held by the person, and releases the contribution to a ~~candidate committee,~~
5 ~~legislative campaign committee, political party, or political action committee~~ at the
6 direction of the contributor.

7 **SECTION 2.** 11.0101 (7m) of the statutes is created to read:

8 11.0101 (7m) “Continuing report” means the reports due on January 15 and
9 July 15.

10 **SECTION 3.** 11.0102 (2) (a) of the statutes is amended to read:

11 11.0102 (2) (a) Except as provided in pars. (c) and (d), each committee that is
12 required to register ~~under this chapter~~ and file with the commission under sub. (1)
13 (a) shall annually pay a filing fee of \$100 to the commission. The commission may

1 accept payment under this subsection by credit card, debit card, or other electronic
2 payment mechanism, and may charge a surcharge to that committee to recover the
3 actual costs associated with the acceptance of that electronic payment.

4 **SECTION 4.** 11.0103 (3) (a) 4. of the statutes is created to read:

5 11.0103 (3) (a) 4. September 23 in the case of a September report required
6 under this chapter.

7 **SECTION 5.** 11.0104 (1) (a) of the statutes is amended to read:

8 11.0104 (1) (a) Except as provided in par. (b) (bm), any committee which does
9 not anticipate accepting or making contributions, making disbursements, or
10 incurring obligations, and any conduit which does not anticipate accepting or
11 releasing contributions, in an aggregate amount exceeding \$2,000 \$2,500 in a
12 calendar year may file claim an exemption from filing campaign finance reports by
13 filing a registration statement or an amended registration statement with the
14 appropriate filing officer indicating that fact the necessary facts, as described in this
15 paragraph, to claim the exemption. The committee or conduit shall certify the
16 registration statement or amended registration in the manner required under s.
17 11.0103 (3) (c) ~~and shall include the information required to be reported by that~~
18 ~~committee or conduit on its continuing reports.~~

19 **SECTION 6.** 11.0104 (1) (b) of the statutes is repealed.

20 **SECTION 7.** 11.0104 (1) (bm) to (e) of the statutes are created to read:

21 11.0104 (1) (bm) 1. A candidate committee of a candidate for state office may
22 not claim the exemption under par. (a) during the calendar year of an election in
23 which the candidate is appearing on the ballot or participating as a write-in
24 candidate and shall file the continuing report that is due on January 15 of the year

1 after he or she appeared on the ballot or participated as a write-in candidate, unless
2 the committee has dissolved, as provided in s. 11.0105.

3 2. A candidate committee of a candidate for state office may claim the
4 exemption under par. (a) during the calendar year after the year in which the
5 candidate appeared on the ballot or participated as a write-in candidate by filing an
6 amended registration statement no sooner than the day after the election and no
7 later than January 15 of the year after the election.

8 3. A candidate committee of a candidate for state office may claim the
9 exemption under par. (a) during a subsequent year by filing an amended registration
10 statement no later than December 31 of the year preceding the year in which the
11 exemption will apply.

12 4. A candidate committee of a candidate for state office that fails to claim the
13 exemption under par. (a) before the expiration of the deadline under subd. 2. or 3.,
14 as applicable, is ineligible for the exemption and shall file all required campaign
15 finance reports for the following calendar year.

16 (c) A candidate committee of a candidate for local office is eligible for an
17 exemption under par. (a) at any time and may claim the exemption on its initial
18 registration statement or on an amended registration statement. An exemption
19 claimed under this paragraph applies until the committee exceeds the threshold
20 established under par. (a), amends its registration statement to become a state
21 candidate committee, or is dissolved, as provided in s. 11.0105.

22 (d) If a filing officer receives a registration statement or amended registration
23 statement seeking to claim the exemption under par. (a) and the filing officer knows
24 that the candidate committee is not eligible for the exemption, the filing officer shall
25 accept the registration but notify the committee within 10 business days that it is not

1 eligible for the exemption for that calendar year. The notice shall also indicate that
2 the committee is required to file campaign finance reports.

3 (e) A candidate whose candidate committee files a registration statement or
4 amended registration statement incorrectly claiming the exemption may not be
5 denied placement on the ballot if the registration statement or amended registration
6 statement otherwise complies with the requirements of this chapter.

7 **SECTION 8.** 11.0104 (2) of the statutes is amended to read:

8 11.0104 (2) Upon receipt of a properly executed registration statement or
9 amended registration statement by a committee or conduit, the appropriate filing
10 officer shall suspend the requirement imposed upon that committee or conduit by
11 this chapter to file ~~continuing~~ campaign finance reports. ~~An indication of limited~~
12 ~~activity exemption~~ under this section is effective ~~only for the calendar year in which~~
13 ~~it is granted, as provided under sub. (1) (bm)~~ unless the committee or conduit alters
14 its status by filing an amended registration statement before the end of such year or
15 ~~files by filing~~ a termination report under s. 11.0105.

16 **SECTION 9.** 11.0104 (3) of the statutes is amended to read:

17 11.0104 (3) ~~An indication of limited activity exemption~~ made under ~~sub. (1) this~~
18 section may be revoked. If revoked, the committee or conduit shall comply with the
19 reporting requirements applicable to the committee or conduit under this chapter as
20 of the date of revocation, or the date that aggregate contributions, disbursements,
21 or obligations for the calendar year exceed ~~\$2,000~~ \$2,500. If the revocation is not
22 timely, the committee or conduit violates s. 11.1201.

23 **SECTION 10.** 11.0104 (4) of the statutes is repealed.

24 **SECTION 11.** 11.0104 (5) of the statutes is amended to read:

1 11.0104 (5) If a committee or conduit files an amended registration statement
2 under sub. (1) and ~~within 60 days~~ thereafter receives and accepts an unanticipated
3 contribution that results in the committee or conduit exceeding the threshold
4 established under sub. (1) (a), the committee or conduit shall do one of the following
5 ~~within 60 days~~ after receipt of the unanticipated contribution:

6 (a) File Immediately file an amended registration statement revoking the
7 exemption. An amended registration statement supersedes the previous
8 registration statement. The individual who certifies to the accuracy of the
9 registration statement shall also certify that the amended registration statement is
10 filed on account of the receipt of unanticipated contributions and the failure to file
11 a correct registration statement was not intentional. Thereafter, the committee or
12 conduit shall file all required campaign finance reports for the remainder of the
13 calendar year. Except as provided in sub. (1) (bm) 1., the committee or conduit may
14 again claim the exemption for the next calendar year.

15 (b) Return the contribution to the contributor or donate the contribution to the
16 common school fund or to a charitable organization no later than 15 days from the
17 date on which the contribution is received.

18 **SECTION 12.** 11.0105 (1) (a) of the statutes is amended to read:

19 11.0105 (1) (a) Except as provided in par. (b) ~~and s. 11.0104 (4)~~, whenever any
20 committee or conduit dissolves or determines that obligations will no longer be
21 incurred, contributions will no longer be received or, in the case of a conduit, accepted
22 and released, and disbursements will no longer be made during a calendar year, and
23 the committee has no outstanding incurred obligations, the committee or conduit
24 shall file with the appropriate filing officer a termination report that indicates a cash
25 balance of zero at the end of the reporting period. The committee or conduit shall

1 certify the termination report in the manner required under s. 11.0103 (3) (c) and the
2 committee shall include the information required to be reported by that committee
3 on its continuing reports.

4 **SECTION 13.** 11.0201 (4) of the statutes is amended to read:

5 11.0201 (4) The treasurer shall maintain the records of the candidate
6 committee for the period under s. 11.1103 in an organized and legible manner for not
7 less than 3 years after the ~~date of the election in which the candidate committee~~
8 ~~participates~~ last day of the period under s. 11.1103.

9 **SECTION 14.** 11.0204 (1) (a) 7. (intro.) of the statutes is amended to read:

10 11.0204 (1) (a) 7. (intro.) An itemized statement of each loan of money made
11 to the candidate committee ~~in an aggregate amount or value in excess of \$20,~~
12 together with all of the following:

13 **SECTION 15.** 11.0204 (2) (c) of the statutes is amended to read:

14 11.0204 (2) (c) Annually in each year of an election cycle, file a report on the
15 ~~15th day of the month in the months of January 15 and July 15.~~

16 **SECTION 16.** 11.0204 (3) (b) of the statutes is amended to read:

17 11.0204 (3) (b) Annually in each year of an election cycle, file a report on the
18 ~~15th day of the month in the months of January 15 and July 15.~~

19 **SECTION 17.** 11.0204 (4) (c) of the statutes is amended to read:

20 11.0204 (4) (c) In an odd-numbered year, file a report on ~~the 15th day of the~~
21 ~~month in the months of January 15 and July 15.~~

22 **SECTION 18.** 11.0204 (4) (d) of the statutes is amended to read:

23 11.0204 (4) (d) In an even-numbered year, file a report on ~~the 15th day of the~~
24 ~~month in the months of January and 15 and July, and on the 4th Tuesday in~~
25 ~~September 15.~~

1 **SECTION 19.** 11.0204 (4) (e) of the statutes is created to read:

2 11.0204 (4) (e) In an even-numbered year, file a report on September 30
3 indicating contributions, disbursements, and obligations received, made, or incurred
4 after July 1 that are not included in the preprimary report.

5 **SECTION 20.** 11.0204 (5) (b) of the statutes is amended to read:

6 11.0204 (5) (b) In an odd-numbered year, file a report on ~~the 15th day of the~~
7 ~~month in the months of~~ January 15 and July 15.

8 **SECTION 21.** 11.0204 (5) (c) of the statutes is amended to read:

9 11.0204 (5) (c) In an even-numbered year, file a report on ~~the 15th day of the~~
10 ~~month in the months of~~ January and 15 and July, ~~and on the 4th Tuesday in~~
11 September 15.

12 **SECTION 22.** 11.0204 (5) (cm) of the statutes is created to read:

13 11.0204 (5) (cm) In an even-numbered year, file a report on September 30
14 indicating contributions, disbursements, and obligations received, made, or incurred
15 after July 1 that are not included in the preprimary report.

16 **SECTION 23.** 11.0204 (6) (a) of the statutes is amended to read:

17 11.0204 (6) (a) In an odd-numbered year, file a report on ~~the 15th day of the~~
18 ~~month in the months of~~ January 15 and July 15.

19 **SECTION 24.** 11.0204 (6) (b) of the statutes is amended to read:

20 11.0204 (6) (b) In an even-numbered year, file a report on ~~the 15th day of the~~
21 ~~month in the months of~~ January and 15 and July, ~~and on the 4th Tuesday in~~
22 September 15.

23 **SECTION 25.** 11.0204 (6) (c) of the statutes is created to read:

1 11.0204 (6) (c) In an even-numbered year, file a report on September 30
2 indicating contributions, disbursements, and obligations received, made, or incurred
3 after July 1 that are not included in the preprimary report.

4 **SECTION 26.** 11.0204 (7) of the statutes is amended to read:

5 11.0204 (7) REPORTS OF LATE CONTRIBUTIONS. If any contribution or
6 contributions of \$1,000 or more cumulatively are received by a candidate committee
7 for a candidate for state office from a single contributor ~~later than 15~~ during the
8 period beginning on the day that is 14 days prior to a primary or election and ending
9 on the day of the primary or election, and the contribution or contributions are not
10 included in the preprimary or preelection report required of the committee under this
11 chapter, the treasurer of the committee or the individual receiving the contribution
12 shall, within 72 hours of receipt, provide the appropriate filing officer with the
13 information required to be reported for contributions received by the committee
14 under this subchapter in such manner as the commission may prescribe. The
15 information shall also be included in the committee's next regular report.

16 **SECTION 27.** 11.0301 (4) of the statutes is amended to read:

17 11.0301 (4) The treasurer shall maintain the records of the political party for
18 the period under s. 11.1103 in an organized and legible manner for not less than 3
19 years after the ~~date of the election in which the political party participates~~ last day
20 of the period under s. 11.1103.

21 **SECTION 28.** 11.0304 (1) (a) 7. (intro.) of the statutes is amended to read:

22 11.0304 (1) (a) 7. (intro.) An itemized statement of each loan of money made
23 to the political party ~~in an aggregate amount or value in excess of \$20~~, together with
24 all of the following:

25 **SECTION 29.** 11.0304 (2) (c) of the statutes is amended to read:

1 11.0304 (2) (c) Annually in each year of an election cycle, file a report on the
2 ~~15th day of the month in the months of January 15 and July 15.~~

3 **SECTION 30.** 11.0304 (3) (b) of the statutes is amended to read:

4 11.0304 (3) (b) Annually in each year of an election cycle, file a report on the
5 ~~15th day of the month in the months of January 15 and July 15.~~

6 **SECTION 31.** 11.0304 (4) (c) of the statutes is amended to read:

7 11.0304 (4) (c) In an odd-numbered year, file a report on the ~~15th day of the~~
8 ~~month in the months of January 15 and July 15.~~

9 **SECTION 32.** 11.0304 (4) (d) of the statutes is amended to read:

10 11.0304 (4) (d) In an even-numbered year, file a report on the ~~15th day of the~~
11 ~~month in the months of January and 15 and July, and on the 4th Tuesday in~~
12 ~~September 15.~~

13 **SECTION 33.** 11.0304 (4) (e) of the statutes is created to read:

14 11.0304 (4) (e) In an even-numbered year, file a report on September 30
15 indicating contributions, disbursements, and obligations received, made, or incurred
16 after July 1 that are not included in the preprimary report.

17 **SECTION 34.** 11.0304 (5) (b) of the statutes is amended to read:

18 11.0304 (5) (b) In an odd-numbered year, file a report on the ~~15th day of the~~
19 ~~month in the months of January 15 and July 15.~~

20 **SECTION 35.** 11.0304 (5) (c) of the statutes is amended to read:

21 11.0304 (5) (c) In an even-numbered year, file a report on the ~~15th day of the~~
22 ~~month in the months of January and 15 and July, and on the 4th Tuesday in~~
23 ~~September 15.~~

24 **SECTION 36.** 11.0304 (5) (cm) of the statutes is created to read:

1 11.0304 (5) (cm) In an even-numbered year, file a report on September 30
2 indicating contributions, disbursements, and obligations received, made, or incurred
3 after July 1 that are not included in the preprimary report.

4 **SECTION 37.** 11.0304 (7) of the statutes is amended to read:

5 11.0304 (7) REPORTS OF LATE CONTRIBUTIONS. If any contribution or
6 contributions of \$1,000 or more cumulatively are received by a political party from
7 a single contributor ~~later than 15~~ during the period beginning on the day that is 14
8 days prior to a primary or election and ending on the day of the primary or election,
9 and the contribution or contributions are not included in the preprimary or
10 preelection report required of the political party under this chapter, the treasurer of
11 the political party shall, within 72 hours of receipt, provide the appropriate filing
12 officer with the information required to be reported for contributions received by the
13 political party under this subchapter in such manner as the commission may
14 prescribe. The information shall also be included in the political party's next regular
15 report.

16 **SECTION 38.** 11.0401 (4) of the statutes is amended to read:

17 11.0401 (4) The treasurer shall maintain the records of the legislative
18 campaign committee for the period under s. 11.1103 in an organized and legible
19 manner for not less than 3 years after the ~~date of the election in which the legislative~~
20 ~~campaign committee participates~~ last day of the period under s. 11.1103.

21 **SECTION 39.** 11.0404 (1) (a) 7. (intro.) of the statutes is amended to read:

22 11.0404 (1) (a) 7. (intro.) An itemized statement of each loan of money made
23 to the legislative campaign committee ~~in an aggregate amount or value in excess of~~
24 ~~\$20,~~ together with all of the following:

25 **SECTION 40.** 11.0404 (2) (c) of the statutes is amended to read:

1 11.0404 (2) (c) In an odd-numbered year, file a report on ~~the 15th day of the~~
2 ~~month in the months of January 15 and July 15.~~

3 **SECTION 41.** 11.0404 (2) (d) of the statutes is amended to read:

4 11.0404 (2) (d) In an even-numbered year, file a report on ~~the 15th day of the~~
5 ~~month in the months of January and 15 and July, and on the 4th Tuesday in~~
6 ~~September 15.~~

7 **SECTION 42.** 11.0404 (2) (e) of the statutes is created to read:

8 11.0404 (2) (e) In an even-numbered year, file a report on September 30
9 indicating contributions, disbursements, and obligations received, made, or incurred
10 after July 1 that are not included in the preprimary report.

11 **SECTION 43.** 11.0404 (3) (b) of the statutes is amended to read:

12 11.0404 (3) (b) In an odd-numbered year, file a report on ~~the 15th day of the~~
13 ~~month in the months of January 15 and July 15.~~

14 **SECTION 44.** 11.0404 (3) (c) of the statutes is amended to read:

15 11.0404 (3) (c) In an even-numbered year, file a report on ~~the 15th day of the~~
16 ~~month in the months of January and 15 and July, and on the 4th Tuesday in~~
17 ~~September 15.~~

18 **SECTION 45.** 11.0404 (3) (cm) of the statutes is created to read:

19 11.0404 (3) (cm) In an even-numbered year, file a report on September 30
20 indicating contributions made or received and disbursements made after July 1 that
21 are not included in the preprimary report.

22 **SECTION 46.** 11.0404 (4) of the statutes is amended to read:

23 11.0404 (4) **REPORTS OF LATE CONTRIBUTIONS.** If any contribution or
24 contributions of \$1,000 or more cumulatively are received by a legislative campaign
25 committee from a single contributor ~~later than 15~~ during the period beginning on the

1 day that is 14 days prior to a primary or election and ending on the day of the primary
2 or election and the contribution or contributions are not included in the preprimary
3 or preelection report required of the committee under this chapter, the treasurer of
4 the committee shall, within 72 hours of receipt, provide the appropriate filing officer
5 with the information required to be reported for contributions received by the
6 committee under this subchapter in such manner as the commission may prescribe.
7 The information shall also be included in the committee's next regular report.

8 **SECTION 47.** 11.0501 (4) of the statutes is amended to read:

9 11.0501 (4) The treasurer shall maintain the records of the political action
10 committee for the period under s. 11.1103 in an organized and legible manner for not
11 less than 3 years after the ~~date of the election in which the political action committee~~
12 ~~partieipates~~ last day of the period under s. 11.1103.

13 **SECTION 48.** 11.0504 (1) (a) 7. (intro.) of the statutes is amended to read:

14 11.0504 (1) (a) 7. (intro.) An itemized statement of each loan of money made
15 to the political action committee ~~in an aggregate amount or value in excess of \$20,~~
16 together with all of the following:

17 **SECTION 49.** 11.0504 (2) (c) of the statutes is amended to read:

18 11.0504 (2) (c) Annually in each year of an election cycle, file a report on ~~the~~
19 ~~15th day of the month in the months of January~~ 15 and July 15.

20 **SECTION 50.** 11.0504 (3) (b) of the statutes is amended to read:

21 11.0504 (3) (b) Annually in each year of an election cycle, file a report on ~~the~~
22 ~~15th day of the month in the months of January~~ 15 and July 15.

23 **SECTION 51.** 11.0504 (4) (c) of the statutes is amended to read:

24 11.0504 (4) (c) In an odd-numbered year, file a report on ~~the 15th day of the~~
25 ~~month in the months of January~~ 15 and July 15.

1 **SECTION 52.** 11.0504 (4) (d) of the statutes is amended to read:

2 11.0504 (4) (d) In an even-numbered year, file a report on ~~the 15th day of the~~
3 ~~month in the months of January and 15 and July, and on the 4th Tuesday in~~
4 ~~September 15.~~

5 **SECTION 53.** 11.0504 (4) (e) of the statutes is created to read:

6 11.0504 (4) (e) In an even-numbered year, file a report on September 30
7 indicating contributions, disbursements, and obligations received, made, or incurred
8 after July 1 that are not included in the preprimary report.

9 **SECTION 54.** 11.0504 (5) (b) of the statutes is amended to read:

10 11.0504 (5) (b) In an odd-numbered year, file a report on ~~the 15th day of the~~
11 ~~month in the months of January 15 and July 15.~~

12 **SECTION 55.** 11.0504 (5) (c) of the statutes is amended to read:

13 11.0504 (5) (c) In an even-numbered year, file a report on ~~the 15th day of the~~
14 ~~month in the months of January and 15 and July, and on the 4th Tuesday in~~
15 ~~September 15.~~

16 **SECTION 56.** 11.0504 (5) (cm) of the statutes is created to read:

17 11.0504 (5) (cm) In an even-numbered year, file a report on September 30
18 indicating contributions, disbursements, and obligations received, made, or incurred
19 after July 1 that are not included in the preprimary report.

20 **SECTION 57.** 11.0505 (1) (a) of the statutes is repealed and recreated to read:

21 11.0505 (1) (a) 1. For the period beginning 60 days prior to the spring primary
22 and ending on the date of the spring election, a political action committee spending
23 \$2,500 or more in the aggregate on express advocacy for one or more candidates at
24 the spring primary or spring election shall submit statements to the commission
25 under par. (b) for express advocacy.

1 2. For the period beginning 60 days prior to the partisan primary and ending
2 on the date of the general election, a political action committee spending \$2,500 or
3 more in the aggregate on express advocacy for one or more candidates at the partisan
4 primary or general election shall submit statements to the commission under par. (b)
5 for express advocacy as follows:

6 a. During the period beginning 60 days prior to the partisan primary and
7 ending on the date of the partisan primary.

8 b. During the period beginning 60 days prior to the general election and ending
9 on the date of the general election.

10 3. For the period beginning 60 days prior to a special primary and ending on
11 the date of the special election, a political action committee spending \$2,500 or more
12 in the aggregate on express advocacy for one or more candidates at the special
13 primary or special election shall submit statements to the commission under par. (b)
14 for express advocacy.

15 **SECTION 58.** 11.0601 (4) of the statutes is amended to read:

16 11.0601 (4) The treasurer shall maintain the records of the independent
17 expenditure committee for the period under s. 11.1103 in an organized and legible
18 manner for not less than 3 years after the ~~date of the election in which the~~
19 ~~independent expenditure committee participates~~ last day of the period under s.
20 11.1103.

21 **SECTION 59.** 11.0604 (1) (a) 7. (intro.) of the statutes is amended to read:

22 11.0604 (1) (a) 7. (intro.) An itemized statement of each loan of money made
23 to the independent expenditure committee ~~in an aggregate amount or value in excess~~
24 ~~of \$20,~~ together with all of the following:

25 **SECTION 60.** 11.0604 (2) (c) of the statutes is amended to read:

1 11.0604 (2) (c) Annually in each year of an election cycle, file a report on the
2 ~~15th day of the month in the months of January 15 and July 15.~~

3 **SECTION 61.** 11.0604 (3) (b) of the statutes is amended to read:

4 11.0604 (3) (b) Annually in each year of an election cycle, file a report on the
5 ~~15th day of the month in the months of January 15 and July 15.~~

6 **SECTION 62.** 11.0604 (4) (c) of the statutes is amended to read:

7 11.0604 (4) (c) In an odd-numbered year, file a report on the ~~15th day of the~~
8 ~~month in the months of January 15 and July 15.~~

9 **SECTION 63.** 11.0604 (4) (d) of the statutes is amended to read:

10 11.0604 (4) (d) In an even-numbered year, file a report on the ~~15th day of the~~
11 ~~month in the months of January and 15 and July, and on the 4th Tuesday in~~
12 ~~September 15.~~

13 **SECTION 64.** 11.0604 (4) (e) of the statutes is created to read:

14 11.0604 (4) (e) In an even-numbered year, file a report on September 30
15 indicating contributions, disbursements, and obligations received, made, or incurred
16 after July 1 that are not included in the preprimary report.

17 **SECTION 65.** 11.0604 (5) (b) of the statutes is amended to read:

18 11.0604 (5) (b) In an odd-numbered year, file a report on the ~~15th day of the~~
19 ~~month in the months of January 15 and July 15.~~

20 **SECTION 66.** 11.0604 (5) (c) of the statutes is amended to read:

21 11.0604 (5) (c) In an even-numbered year, file a report on the ~~15th day of the~~
22 ~~month in the months of January and 15 and July, and on the 4th Tuesday in~~
23 ~~September 15.~~

24 **SECTION 67.** 11.0604 (5) (cm) of the statutes is created to read:

1 11.0604 (5) (cm) In an even-numbered year, file a report on September 30
2 indicating contributions, disbursements, and obligations received, made, or incurred
3 after July 1 that are not included in the preprimary report.

4 **SECTION 68.** 11.0605 (1) (a) of the statutes is repealed and recreated to read:

5 11.0605 (1) (a) 1. For the period beginning 60 days prior to the spring primary
6 and ending on the date of the spring election, an independent expenditure committee
7 spending \$2,500 or more in the aggregate on express advocacy for one or more
8 candidates at the spring primary or spring election shall submit statements to the
9 commission under par. (b) for express advocacy.

10 2. For the period beginning 60 days prior to the partisan primary and ending
11 on the date of the general election, an independent expenditure committee spending
12 \$2,500 or more in the aggregate on express advocacy for one or more candidates at
13 the partisan primary or general election shall submit statements to the commission
14 under par. (b) for express advocacy as follows:

15 a. During the period beginning 60 days prior to the partisan primary and
16 ending on the date of the partisan primary.

17 b. During the period beginning 60 days prior to the general election and ending
18 on the date of the general election.

19 3. For the period beginning 60 days prior to a special primary and ending on
20 the date of the special election, an independent expenditure committee spending
21 \$2,500 or more in the aggregate on express advocacy for one or more candidates at
22 the special primary or special election shall submit statements to the commission
23 under par. (b) for express advocacy.

24 **SECTION 69.** 11.0701 (4) of the statutes is amended to read:

1 11.0701 (4) The administrator shall maintain the records of the conduit for the
2 period under s. 11.1103 in an organized and legible manner for not less than 3 years
3 ~~after the date of the election in which the conduit participates~~ last day of the period
4 under s. 11.1103.

5 **SECTION 70.** 11.0704 (2) of the statutes is amended to read:

6 11.0704 (2) REPORTS TO SUPPORT OR OPPOSE CANDIDATES AT SPRING PRIMARY. A
7 conduit that releases a contribution of money to a recipient to support or oppose one
8 or more candidates for office at a spring primary or a candidate at a special primary
9 held to nominate nonpartisan candidates to be voted for at a special election held to
10 fill a vacancy in one or more of the nonpartisan state or local offices voted for at the
11 spring election, or to support or oppose committees engaging in such activities, shall,
12 annually in each year of an election cycle, file a report on ~~the 15th day of the month~~
13 ~~in the months of~~ January 15 and July 15.

14 **SECTION 71.** 11.0704 (3) (a) of the statutes is amended to read:

15 11.0704 (3) (a) Annually in each year of an election cycle, file a report on ~~the~~
16 ~~15th day of the month in the months of~~ January 15 and July 15.

17 **SECTION 72.** 11.0704 (4) (a) of the statutes is amended to read:

18 11.0704 (4) (a) In an odd-numbered year, file a report on ~~the 15th day of the~~
19 ~~month in the months of~~ January 15 and July 15.

20 **SECTION 73.** 11.0704 (4) (b) of the statutes is amended to read:

21 11.0704 (4) (b) In an even-numbered year, file a report on ~~the 15th day of the~~
22 ~~month in the months of~~ January and 15 and July, ~~and on the 4th Tuesday in~~
23 September 15.

24 **SECTION 74.** 11.0704 (4) (c) of the statutes is created to read:

1 11.0704 (4) (c) In an even-numbered year, file a report on September 30
2 indicating contributions released after July 1 that are not included in the preprimary
3 report.

4 **SECTION 75.** 11.0704 (5) (a) of the statutes is amended to read:

5 11.0704 (5) (a) In an odd-numbered year, file a report on ~~the 15th day of the~~
6 ~~month in the months of~~ January 15 and July 15.

7 **SECTION 76.** 11.0704 (5) (b) of the statutes is amended to read:

8 11.0704 (5) (b) In an even-numbered year, file a report on ~~the 15th day of the~~
9 ~~month in the months of~~ January and 15 and July, ~~and on the 4th Tuesday in~~
10 ~~September~~ 15.

11 **SECTION 77.** 11.0704 (5) (bm) of the statutes is created to read:

12 11.0704 (5) (bm) In an even-numbered year, file a report on September 30
13 indicating contributions released after July 1 that are not included in the preprimary
14 report.

15 **SECTION 78.** 11.0804 (1) (a) 6. (intro.) of the statutes is amended to read:

16 11.0804 (1) (a) 6. (intro.) An itemized statement of each loan of money made
17 to the referendum committee ~~in an aggregate amount or value in excess of \$20,~~
18 together with all of the following:

19 **SECTION 79.** 11.0804 (2) (c) of the statutes is amended to read:

20 11.0804 (2) (c) Annually in each year of an election cycle, file a report on ~~the~~
21 ~~15th day of the month in the months of~~ January 15 and July 15.

22 **SECTION 80.** 11.0804 (3) (b) of the statutes is amended to read:

23 11.0804 (3) (b) Annually in each year of an election cycle, file a report on ~~the~~
24 ~~15th day of the month in the months of~~ January 15 and July 15.

25 **SECTION 81.** 11.0804 (4) (c) of the statutes is amended to read:

1 11.0804 (4) (c) In an odd-numbered year, file a report on ~~the 15th day of the~~
2 ~~month in the months of January~~ 15 and July 15.

3 **SECTION 82.** 11.0804 (4) (d) of the statutes is amended to read:

4 11.0804 (4) (d) In an even-numbered year, file a report on ~~the 15th day of the~~
5 ~~month in the months of January and~~ 15 and July, ~~and on the 4th Tuesday in~~
6 ~~September~~ 15.

7 **SECTION 83.** 11.0804 (4) (e) of the statutes is created to read:

8 11.0804 (4) (e) In an even-numbered year, file a report on September 30
9 indicating contributions, disbursements, and obligations received, made, or incurred
10 after July 1 that are not included in the preprimary report.

11 **SECTION 84.** 11.0804 (5) (b) of the statutes is amended to read:

12 11.0804 (5) (b) In an odd-numbered year, file a report on ~~the 15th day of the~~
13 ~~month in the months of January~~ 15 and July 15.

14 **SECTION 85.** 11.0804 (5) (c) of the statutes is amended to read:

15 11.0804 (5) (c) In an even-numbered year, file a report on ~~the 15th day of the~~
16 ~~month in the months of January and~~ 15 and July, ~~and on the 4th Tuesday in~~
17 ~~September~~ 15.

18 **SECTION 86.** 11.0804 (5) (d) of the statutes is created to read:

19 11.0804 (5) (d) In an even-numbered year, file a report on September 30
20 indicating contributions, disbursements, and obligations received, made, or incurred
21 after July 1 that are not included in the preprimary report.

22 **SECTION 87.** 11.0901 (4) of the statutes is amended to read:

23 11.0901 (4) The treasurer shall maintain the records of the recall committee
24 for the period under s. 11.1103 in an organized and legible manner for not less than

1 3 years after the date of the election in which the recall committee participates last
2 day of the period under s. 11.1103.

3 **SECTION 88.** 11.0904 (1) (a) 7. (intro.) of the statutes is amended to read:

4 11.0904 (1) (a) 7. (intro.) An itemized statement of each loan of money made
5 to the recall committee in an aggregate amount or value in excess of \$20, together
6 with all of the following:

7 **SECTION 89.** 11.0904 (2) (c) of the statutes is amended to read:

8 11.0904 (2) (c) Annually in each year of an election cycle, file a report on the
9 ~~15th day of the month in the months of January~~ 15 and July 15.

10 **SECTION 90.** 11.0904 (3) (b) of the statutes is amended to read:

11 11.0904 (3) (b) Annually in each year of an election cycle, file a report on the
12 ~~15th day of the month in the months of January~~ 15 and July 15.

13 **SECTION 91.** 11.0904 (4) (c) of the statutes is amended to read:

14 11.0904 (4) (c) In an odd-numbered year, file a report on the ~~15th day of the~~
15 ~~month in the months of January~~ 15 and July 15.

16 **SECTION 92.** 11.0904 (4) (d) of the statutes is amended to read:

17 11.0904 (4) (d) In an even-numbered year, file a report on the ~~15th day of the~~
18 ~~month in the months of January and~~ 15 and July, and on the ~~4th Tuesday in~~
19 ~~September~~ 15.

20 **SECTION 93.** 11.0904 (4) (e) of the statutes is created to read:

21 11.0904 (4) (e) In an even-numbered year, file a report on September 30
22 indicating contributions, disbursements, and obligations received, made, or incurred
23 after July 1 that are not included in the preprimary report.

24 **SECTION 94.** 11.0904 (5) (b) of the statutes is amended to read:

1 11.0904 (5) (b) In an odd-numbered year, file a report on ~~the 15th day of the~~
2 ~~month in the months of~~ January 15 and July 15.

3 **SECTION 95.** 11.0904 (5) (c) of the statutes is amended to read:

4 11.0904 (5) (c) In an even-numbered year, file a report on ~~the 15th day of the~~
5 ~~month in the months of~~ January and 15 and July, ~~and on the 4th Tuesday in~~
6 ~~September~~ 15.

7 **SECTION 96.** 11.0904 (5) (d) of the statutes is created to read:

8 11.0904 (5) (d) In an even-numbered year, file a report on September 30
9 indicating contributions, disbursements, and obligations received, made, or incurred
10 after July 1 that are not included in the preprimary report.

11 **SECTION 97.** 11.1001 (1) (a) of the statutes is repealed and recreated to read:

12 11.1001 (1) (a) 1. For the period beginning 60 days prior to the spring primary
13 and ending on the date of the spring election, any person, other than a committee,
14 spending \$2,500 or more in the aggregate on express advocacy for one or more
15 candidates at the spring primary or spring election shall submit statements to the
16 commission under par. (b) for express advocacy.

17 2. For the period beginning 60 days prior to the partisan primary and ending
18 on the date of the general election, any person, other than a committee, spending
19 \$2,500 or more in the aggregate on express advocacy for one or more candidates at
20 the partisan primary or general election shall submit statements to the commission
21 under par. (b) for express advocacy as follows:

22 a. During the period beginning 60 days prior to the partisan primary and
23 ending on the date of the partisan primary.

24 b. During the period beginning 60 days prior to the general election and ending
25 on the date of the general election.

1 3. For the period beginning 60 days prior to a special primary and ending on
2 the date of the special election, any person, other than a committee, spending \$2,500
3 or more in the aggregate on express advocacy for one or more candidates at the
4 special primary or special election shall submit statements to the commission under
5 par. (b) for express advocacy.

6 **SECTION 98.** 11.1103 (1) of the statutes is renumbered 11.1103 (1) (intro.) and
7 amended to read:

8 11.1103 (1) (intro.) For an individual who is a candidate ~~for an~~ seeking
9 reelection to the office that the individual holds, the limits under s. 11.1101 (1) to ~~(3)~~
10 ~~(4)~~ apply during the term of that office. as follows:

11 **SECTION 99.** 11.1103 (1) (a) and (b) of the statutes are created to read:

12 11.1103 (1) (a) For a candidate elected to an office at the general election, from
13 the January 1 immediately after the candidate is elected to his or her current term
14 to the December 31 immediately after a successor is elected or the incumbent is
15 reelected.

16 (b) For a candidate elected to an office at the spring election, from the July 1
17 immediately after the candidate is elected to his or her current term of office to the
18 June 30 immediately after a successor is elected or the incumbent is reelected.

19 **SECTION 100.** 11.1103 (2) of the statutes is renumbered 11.1103 (2) (intro.) and
20 amended to read:

21 11.1103 (2) (intro.) For an individual who is a candidate for an office that the
22 individual does not hold, the limits under s. 11.1101 (1) to ~~(3)~~ ~~(4)~~ apply during the
23 period beginning on the date on which the individual becomes a candidate under s.
24 11.0101 (1) (a) and ending on the day before the term of office begins for the office
25 sought by the candidate. as follows:

1 **SECTION 101.** 11.1103 (2) (a) and (b) of the statutes are created to read:

2 11.1103 (2) (a) For an individual seeking election to an office at the general
3 election, from the date on which the individual becomes a candidate to the December
4 31 immediately after the election.

5 (b) For an individual seeking election to an office at the spring election, from
6 the date on which the individual becomes a candidate to the June 30 immediately
7 after the election.

8 **SECTION 102.** 11.1103 (3) of the statutes is created to read:

9 11.1103 (3) For an individual seeking election to an office at a special election,
10 the limits under s. 11.1101 (1) to (4) apply from the date on which the individual
11 becomes a candidate to the 22nd day after the election. If the individual is elected
12 at the special election, the limits under s. 11.1101 (1) to (4) apply from the 23rd day
13 after the special election to the end of the applicable period under sub. (1).

14 **SECTION 103.** 11.1113 (3) of the statutes is amended to read:

15 11.1113 (3) LIMITED LIABILITY COMPANIES. (a) A contribution made to a
16 committee by a limited liability company treated as a partnership by the federal
17 internal revenue service pursuant to 26 CFR 301.7701-3 is considered a contribution
18 made by each of the contributing members and subject to the limits under this
19 subchapter. A limited liability company that makes a contribution under this
20 paragraph shall affirm to the candidate committee that it is treated as a partnership
21 for federal tax purposes and eligible to make the contribution. The company shall
22 provide to the committee the names of the contributing members and the amount of
23 the individual contribution made by each member. For purposes of determining the
24 individual contribution amounts made by each member, the company shall attribute
25 the individual contributions according to each member's share of the company's

1 profits, unless the members agree to apportion the contribution in a different
2 manner.

3 (b) A contribution made to a ~~candidate~~ committee by a single-member limited
4 liability company in which the sole member is an individual is considered a
5 contribution made by that individual and subject to the individual limits under s.
6 11.1101 (1). A limited liability company that makes a contribution under this
7 paragraph shall affirm to the ~~candidate~~ committee that it is a single-member limited
8 liability company in which the sole member is an individual and eligible to make the
9 contribution.

10 **SECTION 104.** 11.1302 of the statutes is repealed.

11 **SECTION 105.** 11.1303 (2) (a) of the statutes is amended to read:

12 11.1303 (2) (a) Every printed advertisement, billboard, handbill, sample ballot,
13 television or radio advertisement, or other communication containing express
14 advocacy or supporting or opposing a referendum which is paid for by any
15 contribution or disbursement shall clearly identify its source.

16 **SECTION 106.** 13.625 (1) (intro.) and (a) of the statutes are consolidated,
17 renumbered 13.625 (1) and amended to read:

18 13.625 (1) No lobbyist may: ~~(a) Instigate~~ instigate legislative or administrative
19 action for the purpose of obtaining employment in support or opposition ~~thereto~~ to
20 such action or contract to receive or receive compensation dependent in any manner
21 upon the success or failure of any legislative or administrative action.

22 **SECTION 107.** 13.625 (1) (b) of the statutes is renumbered 13.625 (1g), and
23 13.625 (1g) (intro.), as renumbered, is amended to read:

24 13.625 (1g) (intro.) ~~Give~~ No lobbyist or principal may give to any agency official
25 or legislative employee of the state or to any elective state official or candidate for an

1 elective state office, or to the candidate committee of the official, employee, or
2 candidate:

3 **SECTION 108.** 13.625 (1) (d) of the statutes is repealed.

4 **SECTION 109.** 13.625 (1m) (a) (intro.) of the statutes is amended to read:

5 13.625 (1m) (a) (intro.) Except as provided in par. (b), ~~a~~ no lobbyist or principal
6 may ~~not~~ do any of the following:

7 **SECTION 110.** 13.625 (1m) (b) (intro.) of the statutes is amended to read:

8 13.625 (1m) (b) (intro.) A lobbyist or principal may make a personal
9 contribution to a partisan elective state official or candidate for partisan elective
10 state office or to the candidate committee of the official or candidate between the first
11 day authorized by law for the circulation of nomination papers as a candidate at a
12 general election or special election and the day of the general election or special
13 election, except that:

14 **SECTION 111.** 13.625 (2) of the statutes is renumbered 13.625 (4m) (a) and
15 amended to read:

16 13.625 (4m) (a) ~~No principal may engage in the practices prohibited under~~
17 ~~subs. (1) (b) and (1m). This subsection does not apply to the furnishing of~~
18 Notwithstanding sub. (1g), the provision by a principal of transportation, lodging,
19 food, meals, beverages, or any other thing of pecuniary value which that is also made
20 available to the general public.

21 **SECTION 112.** 13.625 (3) of the statutes is amended to read:

22 13.625 (3) No candidate for an elective state office, elective state official, agency
23 official, or legislative employee of the state may solicit or accept anything of
24 pecuniary value from a lobbyist or principal, except as permitted under subs. (1) (b)
25 ~~3., (1m), (2), (4), (5), (6), (7), (8) and (9)~~ this section. No candidate committee of a

1 candidate for state office may accept anything of pecuniary value from a lobbyist or
2 principal, except as permitted for such a candidate under subs. ~~(1) (b) 3., (1m), (2),~~
3 ~~and (6) this section.~~

4 **SECTION 113.** 13.625 (4) of the statutes is renumbered 13.625 (4m) (intro.) and
5 amended to read:

6 13.625 (4m) (intro.) ~~Subsections (1) (b) and (3) do~~ This section does not apply
7 to the compensation or furnishing any of the following:

8 (c) Compensation paid or the provision of employee benefits by a principal to
9 an employee who is a candidate for an elective state office but who does not hold such
10 an office if the employee is neither an agency official nor legislative employee, and
11 if the principal or employee can demonstrate by clear and convincing evidence that
12 the principal's employment of the employee and the compensation and employee
13 benefits paid to the employee are unrelated to the candidacy. If the employee was
14 employed by the principal prior to the first day of the 12th month commencing before
15 the deadline for the filing of nomination papers for the office sought and the
16 employment continues uninterrupted, without augmentation of compensation or
17 employee benefits, except as provided by a preexisting employment agreement, it is
18 rebuttably presumed that the employment and compensation and benefits paid are
19 unrelated to the candidacy.

20 **SECTION 114.** 13.625 (4m) (b) of the statutes is created to read:

21 13.625 (4m) (b) The provision by a lobbyist or principal of food, meals, or
22 beverages at, or the cost of admission to, an event intended for, and conducive to, the
23 discussion of state governmental processes, proposals, or issues if the agency official,
24 elective state official, legislative employee, or candidate for an elective state office
25 pays the highest of either the actual cost incurred by the lobbyist or principal or the

1 cost of admission to the event. An agency official, elective state official, legislative
2 employee, or candidate for an elective state office may attend such an event without
3 providing reimbursement only if there is no discrete cost of admission for any
4 attendee and he or she does not accept food, meals, or beverages.

5 **SECTION 115.** 13.625 (5) of the statutes is renumbered 13.625 (4m) (d) and
6 amended to read:

7 13.625 (4m) (d) ~~This section does not apply to food~~ Food, meals, beverages, or
8 entertainment provided by the governor when acting in an official capacity.

9 **SECTION 116.** 13.625 (6) of the statutes is renumbered 13.625 (4m) (e) and
10 amended to read:

11 13.625 (4m) (e) ~~Subsections (1) (b), (1m), (2), and (3) do not apply to the~~
12 furnishing The provision of anything of pecuniary value by an individual who is a
13 lobbyist or principal to a relative of the individual lobbyist or principal or to an
14 individual who resides in the same household as the individual, ~~nor to~~ lobbyist or
15 principal or the receipt of anything of pecuniary value by that relative or individual
16 residing in the same household as the individual lobbyist or principal.

17 **SECTION 117.** 13.625 (6g) (a) of the statutes is renumbered 13.625 (4m) (f) and
18 amended to read:

19 13.625 (4m) (f) ~~Subsections (1) (b) and (3) do not apply to the furnishing~~ The
20 provision of anything of pecuniary value by a principal that is a local governmental
21 unit to a legislative official or an agency official who is an elected official of that local
22 governmental unit, or ~~to~~ the solicitation or acceptance thereof by such a legislative
23 official or agency official, in an amount not exceeding the amount furnished provided
24 to other similarly situated elected officials of the same local governmental unit.

1 **SECTION 118.** 13.625 (6g) (b) of the statutes is renumbered 13.625 (4m) (g) and
2 amended to read:

3 13.625 **(4m)** (g) ~~Subsections (1) (b) and (3) do not apply to the furnishing~~ The
4 provision of a per diem or reimbursement for actual and reasonable expenses by a
5 principal that is a local governmental unit to a legislative official or an agency official
6 who is an appointed official of that local governmental unit, or to the solicitation or
7 acceptance thereof by such a legislative official or agency official, in an amount not
8 exceeding the amount ~~furnished~~ provided to other similarly situated appointed
9 officials of the same local governmental unit.

10 **SECTION 119.** 13.625 (6r) of the statutes is renumbered 13.625 (4m) (h) and
11 amended to read:

12 13.625 **(4m)** (h) ~~Subsections (1) (b), (1m), and (3) do not apply to the furnishing~~
13 The provision of anything of pecuniary value by a lobbyist or principal to an employee
14 of that lobbyist or principal who is a legislative official or an agency official solely
15 because of membership on a state commission, board, council, committee, or similar
16 body if the thing of pecuniary value is not in excess of that customarily provided by
17 the employer to similarly situated employees and if the legislative official or agency
18 official receives no compensation for his or her services other than a per diem or
19 reimbursement for actual and necessary expenses incurred in the performance of his
20 or her duties, ~~nor to~~ or the receipt of anything of pecuniary value by that legislative
21 official or agency official under those circumstances.

22 **SECTION 120.** 13.625 (6s) of the statutes is renumbered 13.625 (4m) (i) and
23 amended to read:

24 13.625 **(4m)** (i) ~~Subsections (1) (b) and (3) do not apply to the furnishing~~ The
25 provision of anything of pecuniary value by a principal to an officer or employee of

1 the University of Wisconsin System, or the solicitation or acceptance thereof by such
2 an officer or employee, for service as a member of the governing body of the principal,
3 in an amount not exceeding the amount ~~furnished~~ provided to other members of the
4 governing body for the same service.

5 **SECTION 121.** 13.625 (6t) of the statutes is renumbered 13.625 (4m) (j) and
6 amended to read:

7 13.625 (4m) (j) ~~Subsections (1) (b), (2) and (3) do not apply to the furnishing~~ The
8 provision of educational or informational material by a lobbyist or principal to an
9 elected state official, legislative official, or agency official, or acceptance thereof by
10 an elected state official, legislative official, or agency official.

11 **SECTION 122.** 13.625 (7) of the statutes is renumbered 13.625 (4m) (k) and
12 amended to read:

13 13.625 (4m) (k) ~~This section does not apply to the furnishing~~ The provision or
14 receipt of a reimbursement or payment for actual and reasonable expenses
15 authorized under s. 19.56 for the activities listed in that section.

16 **SECTION 123.** 13.625 (8) of the statutes is renumbered 13.625 (4m) (L) and
17 amended to read:

18 13.625 (4m) (L) ~~Subsection (3) does not apply to the~~ The solicitation of anything
19 of pecuniary value for the benefit of the endangered resources program, as defined
20 in s. 71.10 (5) (a) 2., by an agency official who administers the program.

21 **SECTION 124.** 13.625 (8m) of the statutes is renumbered 13.625 (4m) (m) and
22 amended to read:

23 13.625 (4m) (m) ~~Subsection (3) does not apply to the~~ The solicitation of
24 anything of pecuniary value to pay the costs of remedying environmental

1 contamination, as defined in s. 292.51 (1), by an agency official of the department of
2 natural resources.

3 **SECTION 125.** 13.625 (9) of the statutes is renumbered 13.625 (4m) (n) and
4 amended to read:

5 13.625 (4m) (n) ~~This section does not apply to the~~ The solicitation, acceptance,
6 or ~~furnishing~~ provision of anything of pecuniary value by the Wisconsin Economic
7 Development Corporation, or ~~to the provision by a principal furnishing of~~ anything
8 of pecuniary value to the Wisconsin Economic Development Corporation, under s.
9 19.56 (3) (e) or (f) for the activities specified in s. 19.56 (3) (e).

10 **SECTION 126.** 13.625 (10) of the statutes is renumbered 13.625 (4m) (o) and
11 amended to read:

12 13.625 (4m) (o) ~~This section does not apply to the~~ The solicitation, acceptance,
13 or ~~furnishing~~ provision of anything of pecuniary value by the department of tourism,
14 or ~~to the provision by a principal furnishing of~~ anything of pecuniary value to the
15 department of tourism, under s. 19.56 (3) (em) or (f) for the activity specified in s.
16 19.56 (3) (em).

17 **SECTION 127.** 13.63 (1) (a) of the statutes is amended to read:

18 13.63 (1) (a) An applicant for a license to act as a lobbyist may obtain an
19 application from and file the application with the commission. Except as authorized
20 under par. (am), an applicant shall include his or her social security number and may
21 include the address of his or her primary residence on the application. The applicant
22 shall, under the penalty for making false statements under s. 13.69 (6m), sign the
23 application. The applicant shall submit with the application the applicable fee under
24 s. 13.75 (1g) (a) or (am). Upon approval of the application by the commission, the
25 commission shall issue a license to the applicant. A license issued under this

1 paragraph entitles the licensee to practice lobbying on behalf of each registered
2 principal for whom or which an authorization for that lobbyist, as required under s.
3 13.65, has been filed and for whom or which the authorization fee under s. 13.75 (1g)
4 (d) has been paid. A license issued under this paragraph shall expire on December
5 31 of each even-numbered year.

6 **SECTION 128.** 13.68 (1) (d) of the statutes is amended to read:

7 13.68 (1) (d) The name of any agency official, legislative employee, elective
8 state official, or candidate for elective state office to whom the principal or any
9 lobbyist for the principal provided reimbursement authorized under s. 13.625 (7)
10 (4m) (k) and the date and amount reimbursed.

11 **SECTION 129.** 13.68 (6) of the statutes is amended to read:

12 13.68 (6) **SUSPENSION FOR FAILURE TO FILE A COMPLETE EXPENSE STATEMENT.** If a
13 principal fails to timely file a complete expense statement under this section, the
14 commission may suspend the privilege of any lobbyist to lobby on behalf of the
15 principal. Upon failure of a principal to file the required expense statement, the
16 commission shall ~~mail written notices~~ provide written notice by the most efficient
17 means available to the principal and to any lobbyist for whom a written
18 authorization has been filed under s. 13.65 to act as a lobbyist for the principal
19 informing them that unless the principal files the delinquent statement within 10
20 business days after the date of ~~mailing of the notices~~ on which the commission
21 provided notice, no lobbyist may lobby on behalf of the principal. The commission
22 shall immediately restore the privilege of any lobbyist to lobby on behalf of the
23 principal ~~shall be restored immediately upon the filing of the delinquent statement~~
24 by the principal. The ~~notices shall be sent~~ commission may send the notice by
25 certified mail to the last-known addresses of the principal and lobbyist or may send

1 the notice electronically to the last-known electronic mail address of the principal
2 and lobbyist. Any principal or lobbyist who is aggrieved by a suspension of lobbying
3 privileges under this subsection may request a hearing under s. 227.42 regarding the
4 suspension.

5 **SECTION 130.** 13.685 (7) of the statutes is repealed.

6 **SECTION 131.** 13.695 (4) of the statutes is amended to read:

7 13.695 (4) No officer or employee of an agency who is identified in a statement
8 filed under this section may engage in the prohibited practices set forth in s. 13.625
9 (1) ~~(a) or (d)~~, or use state funds to engage in the practices set forth in s. 13.625 ~~(1) (b)~~
10 ~~(1g)~~ or to make a contribution. This subsection does not prohibit an agency official
11 who is identified in a statement filed under this section from authorizing salaries and
12 other payments authorized by law to be paid to state officers, employees, consultants,
13 or contractors, or candidates for state office, or from authorizing property or services
14 of the agency to be provided for official purposes or other purposes authorized by law,
15 whenever that action is taken in the normal course of affairs.

16 **SECTION 132.** 16.298 (5) of the statutes is amended to read:

17 16.298 (5) PURCHASING EXEMPTION. A contract is subject to ~~ss. 16.753 and s.~~
18 16.765, but is otherwise exempt from subch. IV.

19 **SECTION 133.** 16.753 of the statutes is repealed.

20 **SECTION 134.** 19.42 (12) of the statutes is renumbered 19.42 (12) (intro.) and
21 amended to read:

22 19.42 (12) (intro.) "Security" has the meaning given under s. 551.102 (28),
23 except that the term does not include ~~a~~ any of the following:

24 (a) A certificate of deposit or a deposit in a savings and loan association, savings
25 bank, credit union or similar association organized under the laws of any state.

1 **SECTION 135.** 19.42 (12) (b) of the statutes is created to read:

2 19.42 (12) (b) A defined benefit retirement plan.

3 **SECTION 136.** 19.42 (12) (c) of the statutes is created to read:

4 19.42 (12) (c) An annuity.

5 **SECTION 137.** 19.42 (12) (d) of the statutes is created to read:

6 19.42 (12) (d) A money market fund.

7 **SECTION 138.** 19.42 (12) (e) of the statutes is created to read:

8 19.42 (12) (e) A mutual fund.

9 **SECTION 139.** 19.42 (12) (f) of the statutes is created to read:

10 19.42 (12) (f) An exchange-traded fund.

11 **SECTION 140.** 19.43 (1) of the statutes is amended to read:

12 19.43 (1) Each individual who in January of any year is an official required to
13 file, and who is an official required to file for at least 14 days in that year, shall file
14 with the commission no later than April 30 of that year a statement of economic
15 interests meeting each of the requirements of s. 19.44 (1). The information contained
16 on the statement shall be current as of December 31 of the preceding year.

17 **SECTION 141.** 19.43 (2m) of the statutes is created to read:

18 19.43 (2m) Each individual who is an official required to file shall file with the
19 commission a statement of economic interests meeting each of the requirements of
20 s. 19.44 (1) no later than 21 days following the date on which the individual's term
21 of office ends or the individual leaves the office. The information contained on the
22 statement shall be current as of the date on which the individual's term of office ends
23 or the individual leaves the office. An individual who files a statement as provided
24 under this subsection is not required to file another statement of economic interests
25 until such time as the individual again becomes an official required to file.

1 **SECTION 142.** 19.45 (12) of the statutes is repealed.

2 **SECTION 143.** 19.45 (14) of the statutes is created to read:

3 19.45 **(14)** If a state public official receives an item that the official is not
4 permitted to accept or retain under this subchapter or subch. III of ch. 13, the official
5 shall do one of the following:

6 (a) Give the item to the official's agency to use or sell, except that the agency
7 may not sell the item to any government employee or official.

8 (b) Give the item to another state agency or to a public institution, such as a
9 local school, library, or museum, that can use the item.

10 (c) Give the item to a charitable organization, as defined in s. 11.0101 (4), not
11 including a charitable organization with which the official or his or her immediate
12 family is associated.

13 (d) Return the item to the donor.

14 (e) If the donor is neither a lobbyist, as defined in s. 13.62 (11), nor a principal,
15 as defined in s. 13.62 (12), purchase the item at its full retail value and keep the item.

16 **SECTION 144.** 19.48 (11) of the statutes is repealed.

17 **SECTION 145.** 19.55 (2) (dm) of the statutes is created to read:

18 19.55 **(2)** (dm) Records of the address of the primary residence of any individual
19 who files an application for licensure as a lobbyist under s. 13.63.

20 **SECTION 146.** 19.59 (1b) of the statutes is created to read:

21 19.59 **(1b)** If a local public official receives an item that the official is not
22 permitted to accept or retain under this subsection, the official shall do one of the
23 following:

24 (a) Give the item to the official's agency to use or sell, except that the agency
25 may not sell the item to any government employee or official.

1 (b) Give the item to another local agency or to a public institution, such as a
2 local school, library, or museum, that can use the item.

3 (c) Give the item to a charitable organization, as defined in s. 11.0101 (4), not
4 including a charitable organization with which the official or his or her immediate
5 family is associated.

6 (d) Return the item to the donor.

7 (e) If the donor is neither a lobbyist, as defined in s. 13.62 (11), nor a principal,
8 as defined in s. 13.62 (12), purchase the item at its full retail value and keep the item.

9 **SECTION 147.** 20.9305 (2) (e) of the statutes is repealed.

10 **SECTION 148.** 23.41 (5) of the statutes is amended to read:

11 23.41 (5) Each contract for construction work entered into by the department
12 under this section shall be awarded on the basis of bids or competitive sealed
13 proposals in accordance with procedures established by the department. Each
14 contract for construction work shall be awarded to the lowest responsible bidder or
15 the person submitting the most advantageous competitive sealed proposal as
16 determined by the department. If the bid of the lowest responsible bidder or the
17 proposal of the person submitting the most advantageous competitive sealed
18 proposal is determined by the department to be in excess of the estimated reasonable
19 value of the work or not in the public interest, the department may reject all bids or
20 competitive sealed proposals. Every such contract is exempted from ss. 16.70 to
21 16.75, 16.755, 16.76, 16.767 to 16.77, 16.78 to 16.82, 16.855, 16.87, and 16.89, but ss.
22 16.528, ~~16.753~~, 16.754, and 16.765 apply to the contract. Every such contract
23 involving an expenditure of more than \$60,000 is not valid until the contract is
24 approved by the governor.

25 **SECTION 149.** 25.18 (1) (a) of the statutes is amended to read:

1 25.18 (1) (a) Notwithstanding s. 20.930 and all provisions of subch. IV of ch.
2 16, ~~except s. 16.753~~, employ special legal or investment counsel in any matters
3 arising out of the scope of its investment authority. ~~Section 16.753 does not apply to~~
4 ~~the employment of legal or investment counsel for the purpose of assisting the board~~
5 ~~with investments.~~ The employment of special legal counsel shall be with the advice
6 and consent of the attorney general whenever such special counsel is to be
7 compensated by the board. Any expense of counsel so employed shall be borne by the
8 fund for which the services shall be furnished.

9 **SECTION 150.** 25.18 (1) (f) of the statutes is amended to read:

10 25.18 (1) (f) Maintain and repair any building or other structure or premises
11 which it owns in fee or in which it owns the beneficial interest and, notwithstanding
12 all provisions of subch. IV or V of ch. 16, ~~except s. 16.753~~, it shall have exclusive
13 authority to make such agreements and enter into such contracts as it deems
14 necessary for such purpose. ~~Section 16.753 does not apply to agreements and~~
15 ~~contracts entered into by the board for the purpose of assisting the board with~~
16 ~~investments.~~ All noncapital costs under this paragraph shall be charged to the
17 current income accounts of the funds having an interest in the building, structure
18 or premises.

19 **SECTION 151.** 25.18 (1) (m) of the statutes is amended to read:

20 25.18 (1) (m) Notwithstanding all provisions of subchs. IV and V of ch. 16,
21 ~~except s. 16.753~~, employ professionals, contractors or other agents necessary to
22 evaluate or operate any property if a fund managed by the board has an interest in,
23 or is considering purchasing or lending money based upon the value of, that property.
24 ~~Section 16.753 does not apply to the employment of any person for the purpose of~~

1 assisting the board with investments. Costs under this paragraph shall be paid by
2 the fund and charged to the appropriate account under s. 40.04 (3).

3 **SECTION 152.** 84.01 (13) of the statutes is amended to read:

4 84.01 (13) ENGINEERING SERVICES. The department may engage such
5 engineering, consulting, surveying, or other specialized services as it deems
6 advisable. Any engagement of services under this subsection is exempt from ss.
7 16.70 to 16.75, 16.755 to 16.82, and 16.85 to 16.89, but ss. 16.528, 16.752, ~~16.753~~, and
8 16.754 apply to such engagement. Any engagement involving an expenditure of
9 \$3,000 or more shall be by formal contract approved by the governor. The
10 department shall conduct a uniform cost-benefit analysis, as defined in s. 16.70 (3g),
11 of each proposed engagement under this subsection that involves an estimated
12 expenditure of more than \$300,000 in accordance with standards prescribed by rule
13 of the department and consider and document the results of the analysis before the
14 determination of whether to undertake the proposed engagement. The department
15 shall review periodically, and before any renewal, the continued appropriateness of
16 contracting pursuant to each engagement under this subsection that involves an
17 estimated expenditure of more than \$300,000.

18 **SECTION 153.** 84.01 (36) (e) of the statutes is amended to read:

19 84.01 (36) (e) For each agreement under par. (b), the contract shall be awarded
20 on the basis of competitive proposals in accordance with procedures established by
21 the department. Requests for proposals shall be advertised in the manner
22 determined by the department. Each contract shall be awarded to the person
23 submitting the most advantageous competitive proposal as determined by the
24 department. If the proposal of the person submitting the most advantageous
25 competitive proposal is determined by the department to be less than the estimated

1 reasonable value to the department or not in the public interest, the department may
2 reject all proposals. The secretary shall enter into each contract on behalf of the
3 state. Every such contract is exempted from ss. 16.70 to 16.75, 16.755 to 16.82, 16.87,
4 and 16.89, but ss. 16.528, 16.752, ~~16.753~~, and 16.754 apply to the contract.

5 **SECTION 154.** 84.06 (2) (a) of the statutes is amended to read:

6 84.06 (2) (a) All such highway improvements shall be executed by contract
7 based on bids unless the department finds that another method as provided in sub.
8 (3) or (4) would be more feasible and advantageous. Bids shall be advertised for in
9 the manner determined by the department. Except as provided in s. 84.075, the
10 contract shall be awarded to the lowest competent and responsible bidder as
11 determined by the department. If the bid of the lowest competent bidder is
12 determined by the department to be in excess of the estimated reasonable value of
13 the work or not in the public interest, all bids may be rejected. The department shall,
14 so far as reasonable, follow uniform methods of advertising for bids and may
15 prescribe and require uniform forms of bids and contracts. Except as provided in par.
16 (b), the secretary shall enter into the contract on behalf of the state. Every such
17 contract is exempted from ss. 16.70 to 16.75, 16.755 to 16.82, 16.87 and 16.89, but
18 ss. 16.528, 16.752, ~~16.753~~, and 16.754 apply to the contract. Any such contract
19 involving an expenditure of \$1,000 or more shall not be valid until approved by the
20 governor. The secretary may require the attorney general to examine any contract
21 and any bond submitted in connection with the contract and report on its sufficiency
22 of form and execution. The bond required by s. 779.14 (1m) is exempt from approval
23 by the governor and shall be subject to approval by the secretary. This subsection
24 also applies to contracts with private contractors based on bids for maintenance
25 under s. 84.07.

1 **SECTION 155.** 84.06 (3) of the statutes is amended to read:

2 84.06 (3) CONTRACTS WITH COUNTY OR MUNICIPALITY; DIRECT LABOR; MATERIALS. If
3 the department finds that it would be more feasible and advantageous to have the
4 improvement performed by the county in which the proposed improvement is located
5 and without bids, the department may, by arrangement with the county highway
6 committee of the county, enter into a contract satisfactory to the department to have
7 the work done by the county forces and equipment. In such contract the department
8 may authorize the county to purchase, deliver, and store materials and may fix the
9 rental rates of small tools and equipment. The contract shall be between the county
10 and the state and shall not be based on bids, and may be entered into on behalf of the
11 county by the county highway committee and on behalf of the state by the secretary.
12 Such contract is exempted from s. 779.14 and from all provisions of chs. 16 and 230,
13 except ~~ss. 16.753 and s.~~ 16.754. If the total estimated indebtedness to be incurred
14 exceeds \$5,000 the contract shall not be valid until approved by the governor. The
15 provisions of this subsection relating to agreements between a county and the state
16 shall also authorize and apply to such arrangements between a city, town, or a village
17 and the state. In such cases, the governing body of the city, town, or village shall
18 enter into the agreement on behalf of the municipality.

19 **SECTION 156.** 84.06 (4) of the statutes is amended to read:

20 84.06 (4) SPECIAL CONTRACTS WITH RAILROADS AND UTILITIES. If an improvement
21 undertaken by the department will cross or affect the property or facilities of a
22 railroad or public utility company, the department may, upon finding that it is
23 feasible and advantageous to the state, arrange to perform portions of the
24 improvement work affecting such facilities or property or perform work of altering,
25 rearranging, or relocating such facilities by contract with the railroad or public

1 utility. Such contract shall be between the railroad company or public utility and the
2 state and need not be based on bids. The contract may be entered into on behalf of
3 the state by the secretary. Every such contract is exempted from s. 779.14 and from
4 all provisions of chs. 16 and 230, except ss. 16.528, 16.752, ~~16.753~~, and 16.754. No
5 such contract in which the total estimated debt to be incurred exceeds \$5,000 shall
6 be valid until approved by the governor. As used in this subsection, “public utility”
7 means the same as in s. 196.01 (5), and includes a telecommunications carrier as
8 defined in s. 196.01 (8m), and “railroad” means the same as in s. 195.02. “Property”
9 as used in this subsection includes but is not limited to tracks, trestles, signals, grade
10 crossings, rights-of-way, stations, pole lines, plants, substations, and other
11 facilities. Nothing in this subsection shall be construed to relieve any railroad or
12 public utility from any financial obligation, expense, duty, or responsibility
13 otherwise provided by law relative to such property.

14 **SECTION 157.** 85.015 of the statutes is amended to read:

15 **85.015 Transportation assistance contracts.** All contracts entered into
16 under this chapter to provide financial assistance in the areas of railroads, urban
17 mass transit, specialized transportation, and harbors are subject to ss. 16.528, and
18 ~~16.752, and 16.753~~ but are exempt from ss. 16.70 to 16.75, 16.755 to 16.82, 16.85 to
19 16.87, and 16.875 to 16.89.

20 **SECTION 158.** 102.81 (2) of the statutes is amended to read:

21 102.81 (2) The department may retain an insurance carrier or insurance
22 service organization to process, investigate and pay claims under this section and
23 may obtain excess or stop-loss reinsurance with an insurance carrier authorized to
24 do business in this state in an amount that the secretary determines is necessary for
25 the sound operation of the uninsured employers fund. In cases involving disputed

1 claims, the department may retain an attorney to represent the interests of the
2 uninsured employers fund and to make appearances on behalf of the uninsured
3 employers fund in proceedings under ss. 102.16 to 102.29. Section 20.930 and all
4 provisions of subch. IV of ch. 16, ~~except s. 16.753~~, do not apply to an attorney hired
5 under this subsection. The charges for the services retained under this subsection
6 shall be paid from the appropriation under s. 20.445 (1) (rp). The cost of any
7 reinsurance obtained under this subsection shall be paid from the appropriation
8 under s. 20.445 (1) (sm).

9 **SECTION 159.** 655.27 (2) of the statutes is amended to read:

10 655.27 (2) FUND ADMINISTRATION AND OPERATION. Management of the fund shall
11 be vested with the board of governors. The commissioner shall either provide staff
12 services necessary for the operation of the fund or, with the approval of the board of
13 governors, contract for all or part of these services. Such a contract is subject to ~~ss.~~
14 ~~16.753~~ and s. 16.765, but is otherwise exempt from subch. IV of ch. 16. The
15 commissioner shall adopt rules governing the procedures for creating and
16 implementing these contracts before entering into the contracts. At least annually,
17 the contractor shall report to the commissioner and to the board of governors
18 regarding all expenses incurred and subcontracting arrangements. If the board of
19 governors approves, the contractor may hire legal counsel as needed to provide staff
20 services. The cost of contracting for staff services shall be funded from the
21 appropriation under s. 20.145 (2) (u). The fund shall pay to the commissioner
22 amounts charged for organizational support services, which shall be credited to the
23 appropriation account under s. 20.145 (1) (g) 2.

24 **SECTION 160. Effective date.**

2019-2020 ETHICS COMMISSION RECOMMENDATIONS (Draft LRB 19- 2407/P5)

SUBJECT	CURRENT LAW	PROPOSED CHANGES	REASON	Draft Bill Section
Conduits	Definition- person that accepts, deposits and releases contributions to a candidate committee, legislative campaign committee, political party, or PAC	<ul style="list-style-type: none"> • Change to any committee • Specify that only individuals can contribute to and through a conduit 	<ul style="list-style-type: none"> • Individuals can give to any committee • Legislative history indicates intent was limit use of conduits to individuals 	Section 1
Exempt Status	Annual Renewal	No longer require annual renewal for local candidate committees	Efficiency for local clerks- Virtually all local committees are exempt and stay that way the entire time the person holds office	Section 7
	Requires “amended registration”	<ul style="list-style-type: none"> • Allow committees claiming exempt status to do so on initial registration statement • Change threshold to \$2,500 	<ul style="list-style-type: none"> • Clarity and efficiency • Match threshold required for other committees to register 	Section 5 Conforming change in Section 8. Threshold Change- Sections 5 and 9.

2019-2020 ETHICS COMMISSION RECOMMENDATIONS (Draft LRB 19- 2407/P5)

SUBJECT	CURRENT LAW	PROPOSED CHANGES	REASON	Draft Bill Section
Exempt Status (Cont'd.)	Reporting Obligations- exemption only applies to continuing reports	Rephrase to exempt from any reports	Intent appears to have been to exempt from all reports, however the language seems to require pre-primary, pre-election, and 72 Hour reports	Section 8
	Committees on exempt status do not have to file a termination report	Require exempt committees to file termination reports	Ensure disclosure of how funds were disposed	Section 10
	State Committee Requirements	Require Annual Renewal (Calendar year basis) Year of Election can claim from day after election day through January 15 (must file January Continuing Report) Subsequent Years claim by December 31.	Statutes were drafted to require this due to frequency of state officials coming on or going off of exempt status. Had to create clear deadlines to apply for exempt status.	Section 7
Exempt Status (Acceptance of Registration Statement and Ballot Access)	Statutes are silent.	Provide that filing officers must accept committee registration, even if the committee is not eligible Filing Officer notify the committee it is not exempt within 10 days Candidate not denied ballot placement	These subjects were the subject of an ethics opinion request. The Commission requested guidance from the DoJ and the Legislature. This addresses concerns that were not answered.	Section 7

2019-2020 ETHICS COMMISSION RECOMMENDATIONS (Draft LRB 19- 2407/P5)

SUBJECT	CURRENT LAW	PROPOSED CHANGES	REASON	Draft Bill Section
Exempt Status (Cont'd.)	60 days to either amend registration or return contribution	Require immediate filing of amended registration statement only if exceeds the threshold Alternatively, can return the contribution within 15 days of receipt	Current law treats it like a termination, which it isn't. A committee can accept contributions as long as they stay below the threshold. The committee can choose to come off exemption or return the contribution in the same manner as other contributions are returned.	Section 11
Filing Fees	Each committee required to register under Ch. 11 shall annually pay a \$100 filing fee to the Commission.	Amend to only committees required to register with the Commission.	Previous statute required only committees that register with the board had to pay filing fees. Currently, local recall committees and referendum committees that register with local clerks must pay that fee.	Section 3
Campaign Recordkeeping	3 years after date of election in which the candidate committee participates	Require records be kept for 3 years after the end of the campaign period	For officers that hold office for terms longer than 3 years, the Commission will lose access to first year's (or longer) records, impacting accuracy and thoroughness of audits	Sections 13, 27, 38, 47, 58, 69, 87 Sections 98-102: technical rewrite to clarify contribution limit periods

2019-2020 ETHICS COMMISSION RECOMMENDATIONS (Draft LRB 19- 2407/P5)

SUBJECT	CURRENT LAW	PROPOSED CHANGES	REASON	Draft Bill Section
September Continuing Reports	Candidate committees file in even years, other committees only when there's activity	<ul style="list-style-type: none"> Require all committees to file in even years regardless of activity, OR Provide time period in which activity would trigger filing requirement (i.e.- election period or calendar year) 	<ul style="list-style-type: none"> If all committees were required to file Sept. reports there would be uniformity; OR If intent is to have non-candidate committees required to file only when activity occurs, there should be specificity as to applicable period 	<p>Sections 19, 22, 25, 33, 36, 42, 45, 53, 56, 64, 67, 74, 77, 83, 86, 93, 96</p> <p>Section 4- Clarifies that the September Continuing Report contains info up until 9/23. In conjunction with existing law, will create a report that covers from either July Continuing or Pre-primary (if filed) until 9/23.</p> <p>Remaining Sections: Candidate committees will continue to file every even year regardless of activity; Every other committee will file by 9/30 if there's reportable activity</p>
Loans Under \$20	One section requires itemization of each contribution while another says loans under \$20 do not have to be itemized	Remove phrase "in excess of \$20")	Itemization of all loans consistent with itemization of all other contributions	Section 14, 28, 39, 48, 59, 78, 88
72 Hour Reports	Requires reporting contributions received beginning 15 days of election within 72 hours	Include an end date (either primary date or election date, as applicable)	Provide a clear ending to 72 hour reporting	Section 26, 37, 46

2019-2020 ETHICS COMMISSION RECOMMENDATIONS (Draft LRB 19- 2407/P5)

SUBJECT	CURRENT LAW	PROPOSED CHANGES	REASON	Draft Bill Section
72 Hour Reports (Cont'd.)	72 Hour Reports required for specific express advocacy but no time period provided to calculate \$2500 threshold	Apply to specific periods (i.e.- start calculating 60 days prior to primary through date of election)	Clarity and certainty that 72 hour reporting threshold has been met	<p>Section 57 (PACs); Section 68 (IE Committees); and Section 97 (“Other Persons”)</p> <p>Provides clear beginning and end point for calculation of \$2,500 threshold as follows:</p> <p>Spring election cycle: from 60 days prior to spring primary through date of Spring election;</p> <p>General election cycle has two periods (Section 68):</p> <ol style="list-style-type: none"> 1) From 60 days prior to partisan primary through date of partisan primary; 2) From 60 days prior to general election through date of general election. <p>Special election: from 60 days prior to special primary through the date of special election.</p>

2019-2020 ETHICS COMMISSION RECOMMENDATIONS (Draft LRB 19- 2407/P5)

SUBJECT	CURRENT LAW	PROPOSED CHANGES	REASON	Draft Bill Section
Contribution Acceptance	Periods for calculating: <ul style="list-style-type: none"> • In office they're seeking-during term of office • Not in office they're seeking-date became candidate until day before winner takes office 	Amend cross-reference to include § 11.1101(4)	Clarify that period for calculating contribution limits applies to contributions from "Other Persons"	Section 100
	For those in office, period ends day before they take office	Revert to period ending date of 12/31 and 6/30	Ease of reporting for treasurers and allows more timely audits by the Commission	Section 98-102
Donations to Charity or Common School Fund	Must be reported within 5 days	Remove	Unclear why such a short period is warranted when it will be included on next report. Allowed to make such donations in another section of statutes.	Section 104
Express Advocacy Disclaimer	Source identification is required for any express advocacy paid for by any contribution or disbursement	Require source identification for referenda committees	"Express Advocacy" is only communications about a clearly identified candidate, does not include express advocacy on an issue	Section 105
Authority to initiate civil/criminal proceedings	Our statutes: only initiate upon a finding of probable cause by the Commission. Other statutes & AG Opinion: expressly have co-equal jurisdiction and do not have to wait.	Revise to reflect co-equal jurisdiction of the Commission, AG, and DAs	Clarity and consistency amongst statutes	REMOVED FROM VERSION P5

2019-2020 ETHICS COMMISSION RECOMMENDATIONS (Draft LRB 19- 2407/P5)

SUBJECT	CURRENT LAW	PROPOSED CHANGES	REASON	Draft Bill Section
LLC Contributions Exception	<ul style="list-style-type: none"> Not a prohibited contribution Some subsections say "committee" others say "candidate committee" 	Remove "candidate" where followed by "committee"	<ul style="list-style-type: none"> Consistency and uniform treatment of contributions Resolve ambiguity and apply to all committees 	Section 103
Prohibited practices for licensed lobbyists	<ul style="list-style-type: none"> Outlines prohibited practices Provides Exceptions 	<p>Revise for better construction</p> <p>Add statutory provision matching prior guidance concerning an official paying his or her way at a lobby day sponsored by a principal.</p>	This section mixes prohibited practices in with exceptions; provide clarity for regulated community	<p>Sections 106-126</p> <p>Section 114 (Lobby Days Exception)</p>
Mailing of Written Notices to Lobbyists	Certified mail for failure to timely file reports	Change to "most effective mean available" or email	Almost 100% of communications with this regulated community are via electronic means; would represent cost savings and efficiency	Sections 129
Lobbying information to be provided to legislative chief clerks	Commission required to provide the legislative chief clerks with names of the licensed lobbyists, the principals they represent, and state agency legislative liaisons every Tuesday. It also requires this report to be available to the public.	Repeal	Available on Commission's Lobbying Website	Section 130

2019-2020 ETHICS COMMISSION RECOMMENDATIONS (Draft LRB 19- 2407/P5)

SUBJECT	CURRENT LAW	PROPOSED CHANGES	REASON	Draft Bill Section
Lobbyist License Application	Specifies information required	Allow lobbyists to voluntarily provide home address	Audit Accuracy for prohibited contributions audit	Section 127 Confidentiality Section 145
Maintaining site related to §16.753(4)	Commission must maintain website for agencies to post information about pending contracts	Repeal	<ul style="list-style-type: none"> • Also available on VendorNet and OpenBook Wisconsin • 2011 LAB Report noted it was outdated and should be terminated 	Section 133, 144, 147
SEI	Defines “security” that is required to be disclosed	Revise to exclude defined benefit retirement plans, annuities, money market funds, mutual funds, and exchange-traded funds	These holdings provide no substantial information regarding the official’s economic interests that could influence their actions. They consist of a variety of securities, none of which are under the direct or indirect control of the official.	Section 134-139
	Requires that any official required to file SEIs with the Commission file an SEI for a year in which they serve as a state official even on day in that year.	Only require if an official serves 15 days or more in a calendar year; or create a terminating report within 21 days of terminating state service	Generally affects officials whose term ends the first Tuesday in January or other state officials during transition periods after gubernatorial elections	Only file if held office for at least 14 days in Section 140 Created terminal report in Section 141

2019-2020 ETHICS COMMISSION RECOMMENDATIONS (Draft LRB 19- 2407/P5)

SUBJECT	CURRENT LAW	PROPOSED CHANGES	REASON	Draft Bill Section
Standards of conduct for public officials relating to state agency finance, accounting, and budgets	Cannot request appropriations which exceed the amount in the most recent request under §16.42	Repeal	Unconstitutional. <i>Barnett v. State Ethics Board</i> , 817 F. Supp. 67 (1993)	Section 142
Disposition of Gifts	Not provided under law	Codify Guideline 1235- Treat as given to agency; give to agency that can use it; give to charity; Return to donor; Purchase, if not from lobbyist/principal	The practices in this Guideline are so commonly accepted and used by the regulated community that they should be codified.	Section 143 (State Public Officials) and Section 146 (Local Public Officials)



Wisconsin Ethics Commission

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MEMORANDUM

The draft bill contains numerous recommendations for legislative changes from the Wisconsin Ethics Commission. Almost all of these recommendations can be found in the Commission's 2018 Annual Agency Report. Most of them are simply technical or clarifying in nature. The recommendations are separated by program area and described below.

I. CAMPAIGN FINANCE

A. Exempt Status

[WIS. STAT. § 11.0104](#) provides committees with limited activity the opportunity to seek an exemption from filing continuing reports. *See*, [WIS. STAT. § 11.0104\(2\)](#). The statute lacks sufficient clarity for the Commission or local filing officers to implement it and enforce it. The Commission has recommended that this statute be clarified and has also sought an Attorney General Opinion regarding its application. Those efforts were unsuccessful. In order for the Commission and local filing officers to be able to implement and enforce this exemption properly, it needs significant revision. Several questions go unanswered: When can committees claim it? Why can't committees seek this exemption in their initial registration statement, especially at the local level? What should happen when a candidate (state or local) files for the exemption, but is not eligible to claim it? Should the filing officer reject the amended statement? Should the candidate be prohibited from being placed on the ballot? This draft clarifies the exemption process for the Commission and local filing clerks and contains the other legislative recommendations made by the Commission concerning its application as follows:

[WIS. STAT. § 11.0104\(1\)\(a\)](#) requires committees that wish to claim exempt status to file an amended registration statement with their filing officer. It is not clear why this cannot be done on the initial registration statement. Local committees may never raise or spend more than the threshold, so they should be allowed to claim exempt status in their initial filing. Also, some state candidates create their first committee more than a year prior to the election the candidate is going to participate in. If the candidate is not raising/spending above the threshold, such a candidate could be allowed on exempt status until they exceed the threshold. Otherwise, they would have to file at least two "No Activity Reports." Also, technically, this would seem to require the unnecessary step of filing of a registration statement and then a subsequent amendment. The Commission's first recommendation regarding exempt status is to allow committees to claim exempt status on their initial registration statement. These changes take place in Sections 5 and 8 of the draft bill.

The second recommendation concerns changing the threshold in [WIS. STAT. § 11.0104\(1\)\(a\)](#) from \$2,000 to \$2,500. Other committees do not have to register until they hit \$2,500 in contributions and disbursements. This will establish a clear, bright-line threshold that is consistent across the board. These changes take place in Sections 5 and 9 of the draft bill.

Third, [WIS. STAT. § 11.0104\(2\)](#) makes it appear as though the reporting exemption only applies to continuing reports. This seems to be inconsistent with the legislative intent to exempt committees from

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filing any reports. The Commission recommends that the statute be rephrased to clearly provide that exempt committees do not have to file any reports. This change can be found in Section 8 of the draft bill.

Additionally, [Wis. STAT. § 11.0104\(4\)](#) does not require a termination report for committees on exempt status. This conflicts with a provision in [Wis. STAT. § 11.0104\(2\)](#) that says the exempt status applies for the calendar year unless the committee alters its status or files a termination report. Further, in order to ensure disclosure of how funds were disposed, the Commission recommends that exempt committees be required to file termination reports. Section 10 of the draft bill requires the filing of termination reports by committees on exempt status that request termination by repealing current [Wis. STAT. § 11.0104\(4\)](#). [Wis. STAT. § 11.0104\(2\)](#) requires a committee on exempt status to renew that status annually. For state level elected officials, this makes sense as they are more likely to alternate between being active and exempt status. However, many local elected officials will never raise or spend more than the threshold during a calendar year. For that reason, the Commission recommends allowing the committees for local elected officials to remain on exempt status until such time as they exceed the threshold. If they exceed the threshold, they will have to file the reports. This is accomplished in Section 7 of the draft bill (specifically, lines 16-21 of page 7). The draft requires state level committees to renew the exemption annually as will be discussed below.

Consistent with the apparent intent in the current version of the statutes, Section 7 of the draft bill also clarifies that candidates for state level offices cannot claim exempt status during the calendar year that they are running for office. They would be allowed to claim the exemption no sooner than the day after the election, but no later than the next January 15th. However, they are still required to file the continuing report covering from July 1-December 31. Thereafter, until the next time they run for state office, the candidate must renew exempt status by December 31 of the year before they are to be exempt. Failure to claim the exemption before these deadlines results in being required to file campaign finance reports for the next calendar year.

Section 7 of the draft bill also answers many of the questions posed to the Attorney General. Specifically, it provides that if a filing officer receives a request for exemption, and the filing officer knows the committee is not eligible for exempt status, the filing officer must accept the registration statement or amended registration statement. However, he or she must notify the committee within 10 business days that it is not eligible and is required to file campaign finance reports. It further clarifies that a candidate that files for exemption when he or she is not eligible may not be denied placement on the ballot if their registration statement or amended registration statement otherwise complies with the filing requirements.

Section 11 of the draft bill clarifies what occurs when a committee receives an unanticipated contribution. This language used to track the language concerning receipt of contributions after termination. However, because the committee is not terminated, there are different considerations that required fleshing out. Specifically:

- The language previously said that if a committee accepts an unanticipated contribution, the committee either had to amend their registration statement and come off of exempt status or the committee had to return the contribution. However, this approach failed to account for the fact that a committee can accept contributions and make disbursements so long as the aggregate of those contributions and disbursements do not exceed the threshold. Exempt status does not

require no activity, it allows for limited activity. So, the draft requires the committee to come off of exempt status or to return to contribution only if it places the committee above the threshold.

- The language previously allowed the committee 60 days to come off of exempt status or return the contribution. In the context of terminated committees, this would be acceptable. However, committees could receive a contribution that places them over the threshold within the 60 days before an election. Therefore, the draft requires a committee that is going to accept the contribution to immediately file an amended registration statement revoking the exemption or to return the contribution or donate it to the common school fund within 15 days of receipt.

B. 72 Hour Reports

The statutes currently require contributions made to candidate committees, political parties, and legislative campaign committees that are received within the 15 days before an election to be reported within 72 hours. Though the Legislature probably intended that the 72-hour reporting period to end after the election is conducted, the statutes do not clearly state that. Therefore, the Commission recommends that the statutes be amended to clarify that the 72-hour reporting requirement runs from 14 days prior to the election through election day. This is done in Sections 26, 37, and 46.

Additionally, PACs, Independent Expenditure Committees, and “Other Persons” are required to disclose on 72 hour reports any disbursements that they make after they have exceeded the \$2,500 threshold. The statutes do not say when to start counting and end counting for the purposes of determining whether the \$2,500 threshold has been reached. Therefore, the Commission recommends that the Legislature clarify when the period begins and ends to determine whether the committee or Other Person has reached or exceeded the \$2,500 threshold. This is done in Section 57, 68, and 97. Consistent with the Commission’s current interpretation, the beginning of the period for a Spring Election is 60 days before the spring primary and the period runs through the date of the spring election. The periods for the general election are split as follows: 60 days prior to the partisan primary through the date of the partisan primary; and then, from 60 days before the general election through the date of the general election. Finally, the period for special elections would be from 60 days before the special primary through the special election.

C. September Reports

The statutes require candidate committees to file September reports in even years. Other committees are only required to file the September reports when there’s activity during that period. The Commission proposed either requiring all committees to file in even years, regardless of activity, or that the statute specify a period of time in which activity would trigger the September Report filing requirement. The draft clarifies that the September Report covers information until September 23rd. This is accomplished in Section 4 of the draft. Section 19 of the draft maintains the requirement that a candidate committee to file a September Report every even year but adds that the due date is September 30th. This occurs in Sections 19, 22 and 25 of the draft. Since the draft specifies periods of time that require the report, consistent with current law, all other committees will only file the report if there’s reportable activity. The due date is September 30th for these committees also. This is done in Sections 33, 36, 42, 45, 53, 56, 64, 67, 74, 77, 83, 86, 93, and 96.

D. Contributions

Currently, [WIS. STAT. § 11.1103\(1\)](#) provides the periods for calculating contributions limits. However, that section omits a cross reference to [WIS. STAT. § 11.1101\(4\)](#) which provides the contribution limits for “Other Persons.” As a result of the omission, it is unclear when to begin calculating contribution limits from “Other Persons” and when to end calculating them. The Legislature should correct this technical deficiency. This is done in Section 100 of the draft bill.

Additionally, the Commission has recommended returning to the previous period for calculating whether the committee has exceeded contribution limits. Currently, the period for most state officials ends on the date that the official takes office. Those officials could accept contributions into the first week of January. Those transactions would not be reported until the July Continuing report. As a result, the Commission cannot audit for contribution limits until after the July Continuing report due date, at the earliest. The draft specifies the periods to calculate contribution limits as follows:

	Spring Election	General Election	Special Election
Candidate Does Not Hold Office He or She is Seeking	From the date on which the individual becomes a candidate through June 30 th immediately after election	From the date on which the individual becomes a candidate until December 31 immediately after the election	From the date on which the individual becomes a candidate until the 22 nd day after the special election. The contribution limit period for the winner begins on the 23 rd day after the special election and ends either: <ul style="list-style-type: none"> • If the office is elected in the general election, December 31st after successor is elected or incumbent is reelected; or • If the office is normally elected in the spring election, June 30th after the successor is elected or incumbent reelected.
(Cont'd from prior page)	Spring Election	General Election	Special Election

Candidate Holds Office He or She is Seeking	July 1 immediately after election through June 30 th after successor is elected or incumbent reelected	January 1 after the election until December 31 after a successor is elected or the incumbent is reelected	N/A
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These changes take place in Sections 98-102.

Additionally, Wis. Stat. § 11.1113 allows contributions from sole proprietorships (sub. 1), partnerships (sub. 2), and LLCs (sub 3.) *to any committee*. The entity making the contributions must report the names of the members and the share of the contribution attributable to each member. However, the language requiring the identification of the members and share of the contributions attributable to them is different in the provisions concerning LLCs than it is in the provisions concerning sole proprietorships and partnerships. The provision applicable to sole proprietorships and partnerships requires that the information be given “to the committee.” However, the language concerning LLCs adds in some parts the word “candidate” before “committee.” As a result of the drafting, it appears that LLCs are only required to provide the names of their members and the share of the contribution attributable to them if the contribution is made to a “candidate committee.” It is unclear why LLCs should be subject to different requirements than sole proprietorships and partnerships. The Commission recommends amending [WIS. STAT. § 11.1113\(3\)](#) to remove “candidate” where it appears immediately before “committee.” This change occurs in Section 103 of the draft.

E. Conduits

A conduit is a person other than an individual that receives a contribution of money, deposits the contribution in their account, and then releases contribution to a candidate committee, legislative campaign committee, political party, or PAC at the direction of the contributor. *See*, [WIS. STAT. § 11.0101\(7\)](#). The Commission recommends clarifying that only individuals can contribute through a conduit. Additionally, because individuals can give to any committee in their capacity as an individual, an individual should be allowed to contribute to any committee via a conduit. This is accomplished in Section 1 of the draft.

F. Filing Fees

Currently, the law requires each committee that is required to register to pay a \$100 filing fee to the Commission. *See*, [WIS. STAT. § 11.0102\(2\)\(a\)](#). Previously, the statutes only required committees that had to register with the board to pay filing fees. As a result, the statutes require local recall committees and local referendum committees that register with local clerks to pay that filing fee to the Commission. The Commission recommends that only to committees that are required to register with the Commission must pay the filing fee. This is accomplished in Section 3 of the draft.

G. Campaign Recordkeeping

Currently, the statutes require the treasurers of candidate committees, political parties, legislative campaign committees, PACs, IE Committees, conduits, and recall committees to maintain the records for a period of 3 years *after the date of the election* in which the committee participates. The drafting of this provision leaves the following possibilities:

For a candidate who does not hold office he or she is seeking, the contribution period runs from the date he or she becomes a candidate until the day before that term of office begins. The Commission would have 3 years from the date of the election to audit for contribution limits violations. The current wording of the statute works in this scenario.

However, the recordkeeping statute does not properly address what happens once a candidate is sworn into the office. When do they have to begin keeping records for the new period that runs from when they take office until the end of that term? If the term is longer than 3 years, how far back can the Commission require records? What does “participate” mean here? Does a candidate committee participate in an election when it contributes to another committee, but its candidate does not appear on the ballot? Or does a candidate committee only participate in an election when the candidate actually appears on the ballot? What happens if, at the end of a 4-year, 6 year, or 10-year term, the candidate decides not to run again? When does the recordkeeping requirement end in that situation?

The draft addresses these issues by cross-referencing the periods that contribution limits are calculated in [WIS. STAT. § 11.1103](#) (as amended, see explanation in subsection c above) and then requiring a candidate committee to keep records for 3 years from the last day of the period in [WIS. STAT. § 11.1103](#) (as amended). So, under the draft, a candidate that doesn’t hold office has a contribution period that runs from when he or she becomes a candidate until the day before the winner takes office. Records from that period must be kept for 3 years after the day before the winner takes office. If he or she wins, the candidate must then keep records covering from the day that he or she takes office until the day before the winner of the next election is sworn in. Those records must be maintained for 3 years after the day before the winner is sworn into a new term of office. By doing this, the Commission can not only audit for contribution limit violations for “new” candidates, it can also audit to ensure that an officeholder does not violate the contribution limits during his or her term of office. These changes occur in Sections 13, 27, 38, 47, 58, 69, and 87 of the draft. The contribution limit periods have been amended for clarity as described in Subsection C herein in Section 98-102.

H. Loans Under \$20

Currently, the statutes require a committee to give the date, full name, and street address of each person who has made a contribution to the committee, together with the amount of the contribution. There is no applicable threshold, so each contribution must be reported. The definition of “contribution” in [WIS. STAT. § 11.0101\(8\)\(a\)1](#) defines “contribution” to include a loan. However, the statutes also have a specific reporting requirement of “each loan of money made to the committee in an aggregate amount or value in excess of \$20” and requiring certain information. Since a loan is a contribution, the Commission recommends that the \$20 threshold applicable only to loans be removed. This will result in itemizations of loans in a manner that is consistent with all other contributions. This is accomplished in Sections 14, 28, 39, 48, 59, 78, and 88.

I. Common School Fund

[Wis. STAT. § 11.1302](#) requires a committee making a donation to a charitable organization or the common school fund to notify the committee’s filing officer within 5 days, and in writing, of the name of the donee, the date of the donation, and the reason the amount donated is not being retained in the account. It is not known why this information has to be provided within 5 days instead of when the next campaign finance report is due. Currently, the statutes allow charitable donations or donations to the common school funds for the following reasons: a committee on exempt status that receive an unanticipated contribution, disposal of residual funds after requesting termination, receives a contribution after filing a termination report, receives an anonymous contribution in excess of \$10, receives a cash contribution in excess of \$100, or may do so out of generosity. The Commission has recommended that the 5-day reporting requirement be repealed and that committees be required to disclose this information on its next campaign finance report. This is accomplished in Section 104 of the draft.

QUESTION: Does the Legislature wish to maintain the provision requiring an explanation for not retaining the amount donated to charitable organizations?

J. Express Advocacy Disclaimer

Wisconsin law requires source identification for any express advocacy paid for by any contribution or disbursement. Express advocacy is defined as communications about a clearly identified candidate. It does not include advocacy for or against an issue. The Commission recommends that referenda committees be required to have a disclaimer on their advocacy for or against an issue. This is accomplished in Section 105 of the draft.

II. LOBBYING

A. Prohibited Practices for lobbyists and principals

[Wis. STAT. § 13.625](#) is not clearly or logically organized. It meanders amongst prohibitions for lobbyists, prohibitions for lobbyists and principals, and it has exceptions interwoven throughout. The Commission recommends that this be reorganized into a clearer presentation of prohibitions and exceptions. This is done in Sections 106-126.

Additionally, the Commission has recommended that the Legislature codify the long-standing policy concerning “lobby days.” The practice has been that a public official can attend a lobby day event and accept food if they pay for it. This is not clearly addressed in statutes. This is accomplished in Section 114.

B. Mailing of Written Notices to Lobbyists

Statute requires the Commission to send certified mail to for failure to timely file reports. The Commission requests this be amended to allow for email notifications. The Commission currently utilizes this process with a high rate of success. This is accomplished in Section 129 of the draft.

C. Lobbying Information Provided to Chief Clerks

The statutes require to Commission to provide the Chief Clerks with names of licensed lobbyists, the principals they represent, and state agency legislative liaisons every Tuesday. The report is required to be made available to the public. This information is maintained on the eye on lobbying website and is updated daily. This requirement is no longer necessary. This is addressed in Section 130 of the draft.

D. Lobbyist License Application

Currently, the statutes require the Ethics Commission to obtain certain information when a lobbyist applies for a license. The statute is silent on whether the address provided must be the lobbyist's residential, professional, or other address. As a result, many simply provide their professional address. When the Commission audits to determine whether a lobbyist has made a contribution outside of the window during which lobbyists are allowed to make contributions, it can be difficult to determine whether it is the lobbyist or someone with an identical or similar name to a lobbyist that made the contribution. By providing that information before an audit is conducted, the Commission will be able to determine whether such contributions came from a lobbyist or some other person without having to contact the person. It will reduce "false positive" results that require Commission staff to follow up. The Commission recommends allowing lobbyists to voluntarily provide their residential address on their application. This is accomplished in Section 127 of the draft. The Commission also requests that the residential address be confidential. This is accomplished in Section 145 of the draft.

III. ETHICS

A. Statements of Economic Interest

Exclude the following from the definition of "security:" defined benefit retirement plans, annuities, money market funds, mutual funds, and exchange-traded funds. This is accomplished in Section 134-139 of the draft bill.

[WIS. STAT. § 19.43\(1\)](#) requires any person who is an "official required to file" in January of any year to file an SEI with the Commission no later than April 30th. A person is required to file even if they only hold office for one day in January. This is problematic in the context of some state public officials whose term ends in January. Even though those individuals may serve less than a week, they will be required to file an SEI. The Commission has recommended that officials only need to file an SEI if they held office for at least 14 days. This is done in Section 140 of the draft. Additionally, the Commission recommends creating a terminal report that must be filed within 21 days after leaving office. This is done in Section 141.

B. Agency Budget Request

[WIS. STAT. § 19.45\(12\)](#) prohibits an agency, or officer or employee of an agency, from using interests outside of the agency to present any request for appropriations which exceed the amount requested in the agency's most recent budget request. This provision was ruled unconstitutional. Therefore, it should be repealed. This is accomplished in Section 142 of the draft.

C. Disposition of Gifts

The Commission inherited from prior boards [Guideline 1235](#) that provides that, if an official receives a gift that they are not allowed to accept, they may dispose of it in the following fashion:

- Turn it over to their agency for use or sale (to persons other than agency employees);
- Turn it over to another state agency, public institution such as school, library or museum that can use the item;
- Donate it to a charity that he or she is not associated with;
- Return the item to the donor; or
- Purchase the item by paying full retail value and retain it (only if the donor is not a lobbyist or principal).

There is no statutory basis for this broad of a disposition policy. The only statutory disposition provision in subch. III, Ch. 19, of the Statutes is found in [Wis. STAT. § 19.56\(4\)](#). However, that provision applies only to unauthorized honoraria payments. It provides that the unauthorized payment must be deposited with his or her agency, return it, or convey it to the state or a charity other than one with which the official is associated with. The Commission recommends codifying the Guideline to provide a broader statutory exemption consistent with long standing precedent of its predecessors. For state level officials, this is done in Section 143 of the draft. For local level officials, this is done in Section 146 of the draft.

D. State Contract Website ([Wis. STAT. § 16.753\(4\)](#))

This statute requires the Commission to maintain a website for agencies to post information about pending contracts. This information is available on VendorNet and OpenBook Wisconsin. The Commission requests that, due to the duplicative nature of this requirement, it no longer be required to maintain this website. In a 2011 LAB report, it was noted that this requirement was outdated and should be repealed. This is accomplished in Section 133, 144, and 147 of the draft.



Wisconsin Ethics Commission

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DATE: For the Commission Meeting on August 20, 2019

TO: Members, Wisconsin Ethics Commission

FROM: Colette Greve, Ethics Specialist

SUBJECT: Review of Ethics Opinions of Previous Boards –
Conflict of Interest for State Public Officials

FOR COMMISSION ACTION

The Commission may decide to:

- a. Withdraw, modify, and reaffirm opinions as recommended by staff;
- b. Withdraw, modify, and reaffirm opinions as amended by today's discussion; or
- c. Direct staff to continue review of the opinions.

Background

The Commission is continuing to review formal advisory opinions of the previous boards. Staff has conducted an initial review of opinions related to conflicts of interest for state public officials.

The attached spreadsheet provides a link to each opinion, a summary of the advice given by the previous boards and the staff recommendation. Staff is recommending that one opinion be withdrawn and the remaining opinions (18) in this group be reaffirmed.

In addition to review of the opinions related to conflicts of interest for state officials, staff continued review of Eth. Bd. Op. 92-31 and Eth. Bd. Op. 93-08 as the Commission directed at the meeting on June 18, 2019.

Relevant Statutes

The most relevant statute section for this opinion subject is [WIS. STAT. § 19.46\(1\)](#), but many of these opinions also reference and contain analysis under WIS. STAT. §§ [19.42](#), [19.45](#), [19.56](#), and [19.59](#). There have been no major statutory changes relevant to the review of these opinions that would make any advice given in them inconsistent with current law.

Opinions Recommended for Withdrawal

Staff recommends that the following opinion be withdrawn as it is inconsistent with how the Commission would provide advice:

[Eth. Bd. Op. 95-06](#) – The question presented in this opinion is whether the Ethics Code restricts an agency from issuing grants to a company with which a member of the agency's governing board is associated. The member of the agency's board was also an officer of the company in question. The advice states that the individual member would be restricted from participating in action related to a grant that the company had applied for. This is accurate and consistent with advice the Commission would provide. However, this opinion goes beyond that and states that the state agency board would be restricted from awarding a grant to a business with which a member is associated. This goes beyond what the Code of Ethics prohibits and therefore is inconsistent with advice the Commission would provide.

Continued Review of Opinions from the Meeting on June 18, 2019

[Eth. Bd. Op. 92-31](#) – The Commission expressed concerns about the advice provided in this opinion, specifically that it advised an event is not prohibited under the Code of Ethics if only an *insignificant number* of officials attending an event are responsible for making or approving decisions related to the vendor, sponsor, or host of the event. This does not seem consistent with advice the Commission would provide, and the Code of Ethics does not provide an exception to the general prohibitions for circumstances when only an insignificant number of officials would be subject to the prohibitions. Even if there is only an insignificant number of officials that could have conflicts of interest, an entity that could be involved in these conflicts should not sponsor or host an event for any number of such officials. This opinion should be withdrawn as it is inconsistent with advice that would be given by the Commission.

[Eth. Bd. Op. 93-08](#) – The concerns with this opinion are the same as in Eth. Bd. Op. 92-31. The previous board again advised that an event is not prohibited under the Code of Ethics if only an *insignificant number* of officials attending an event are responsible for making or approving decision related to the vendor or host of the event. The advice further states that if the number of officials attending had been significant the vendor should not then have been a sponsor. The advice should not be based on whether there is a significant or insignificant number of officials that are in a position to influence interests of the vendor. This opinion should be withdrawn as it is inconsistent with advice that would be given by the Commission.

Attachments:

A. Ethics Opinions Spreadsheet for August 20, 2019 Commission Meeting

Subject	Opinion Number	Summary of opinion	Withdraw/Reaffirm/Revise
Disqualification; Statements of Economic Interests; Improper Use of Office	Eth. Bd. Op. 91-02	An official of a state agency may continue to receive income from a former partnership where the income is unrelated to the official's holding public office. The income is reportable but is not a security if it is derived from the former partner's share of receivables. The official need not disqualify from matters before the agency in which the former partnership is involved as long as the official has no economic interest in those matters. Eth. Bd. 622 January 10, 1991	Reaffirm
Disqualification Employment Conflicting with Official Duties	Eth. Bd. Op. 92-33	A member of a state regulatory board should refrain from participating in any discussions or decisions concerning educational and course requirements for members of the profession regulated by the board while the official serves as a consultant to an organization that sets generally accepted practice standards for the profession and approves educational courses required by many government bodies, and the official should not, in any way, use his or her position to benefit the organization. If these restrictions materially impede the official's ability to fulfill his or her responsibilities as a public official, the official might withdraw from the official's consulting contract or relinquish his or her public position so that another appointee may participate fully in the activities of the board. OEB 92-33 (December 3, 1992)	Reaffirm
Disqualification; Improper Use of Office; Legislators; Lobbying	Eth. Bd. Op. 94-03	The Ethics Board advises that the lobbying law does not pose an obstacle to an official's spouse's employment as a lobbyist. However, an official should avoid placing himself or herself in a position in which a conflict of interest may arise. In instances of occasional and infrequent conflicts, an official can avoid a violation of the Ethics Code by refraining from any official discussions or votes on matters on which the spouse's employer lobbies or has a demonstrated interest before the official's agency. An official should also refrain from extending any special access or assistance to his or her spouse or spouse's employer in agency matters. If conflicts are frequent and continuing, public policy may best be served by divesting either the private interest or the public responsibilities. OEB94-3 (August 18, 1994)	Reaffirm

Boards, Commissions, Agencies; Disqualification; Improper Use of Office	Eth. Bd. Op. 95-01	A member of an agency governing body who would receive an allocation of business opportunities regulated by the agency, whose spouse would receive an allocation, or whose business would use an allocation under a proposed rule should not participate, in an official capacity, in the rulemaking, even though, by statute, some members of the agency governing body must be active in the regulated business. OEB 95-1 (January 31, 1995)	Reaffirm
Disqualification; Employment Conflicting with Official Duties; Improper Use of Office	Eth. Bd. Op. 95-03	As a general proposition, a legislator's simultaneous membership on the governing board of a governmental entity is not an obstacle to the legislator's discussions, deliberations, and votes upon matters before the Legislature that affect the entity. A legislator should not simultaneously receive compensation for services as a member of a governmental agency's governing board and participate as a legislator in actions affecting a bill that would increase or sustain or preserve the legislator's eligibility to receive compensation from the entity. OEB 95-3 (June 21, 1995)	Reaffirm
Disqualification; Improper Use of Office	Eth. Bd. Op. 95-06	The Ethics Board advises that a member of the governing board of a state agency should not participate in discussing, evaluating, or voting whether to award a financial grant to a business with which the member is associated or to a grant competitor. Moreover, the board should not award a grant to any business in which a member of the board or the member's immediate family has a direct pecuniary interest. OEB95-6 (September 18, 1995)	Withdraw
Disqualification; Improper Use of Office	Eth. Bd. Op. 96-03	Unless a legislator's family's business determines that it will try to benefit financially from video gambling devices if those devices are legalized, the legislator may, without restriction from the Ethics Code, sponsor, promote, or vote on legislation to legalize such devices. OEB 96-3 (February 22, 1996)	Reaffirm

Disqualification; Improper Use of Office	Eth. Bd. Op. 97-01	The Ethics Board advises that a legislator not advocate for, or participate in discussions, deliberations, or votes on funding a state contract with a foundation in which the legislator's spouse is executive director. If the biennial budget appropriates money to the foundation, the legislator may participate in debate, discussion, and voting on all other budget issues, and vote on the budget itself. (April 10, 1997)	Reaffirm
Disqualification; Improper Use of Office	Eth. Bd. Op. 98-14	The Ethics Board advises: (1) That a state public official not accept compensation from the official's private clients for time spent serving as a state public official on a task force created by the Legislature to investigate and report on tax issues affecting the industry of which the clients are a part; and (2) That a state public official not participate as a member of the task force in matters that could have a substantial financial impact on the official's private clients or that could produce a substantial benefit for them.	Reaffirm
Disqualification	Eth. Bd. Op. 99-08	The Ethics Code does not limit a legislator's participation in the consideration of a bill to limit fees chargeable for copies of health care records where the bill does not affect the legislator's personal interests nor the interests of a current or future customer of the legislator's business except to the extent it would affect anyone who would want a copy of a patient's health care records.	Reaffirm
Disqualification; Employment Conflicting with Official Duties; Improper Use of Office	Eth. Bd. Op. 04-06	A legislator should not accept money from a private organization to affect the laws of other states and simultaneously participate in legislative discussions, consideration, or votes in Wisconsin on the same issues. The legislator may cure the conflict between the private employment and governmental responsibilities by forgoing one of those relationships. Short of eliminating the conflict, the legislator may mitigate it by withdrawing from legislative discussions, consideration, or votes on public policy issues in Wisconsin which the legislator is being paid to affect elsewhere.	Reaffirm

Disqualification; Employment Conflicting with Official Duties; Improper Use of Office	Eth. Bd. Op. 04-06	You should not participate in discussions, deliberations, or votes of the legislature, its caucuses, committees, or components that pertain to the issues or matters proximately related to issues about which you provide services to your employer. That directive is tempered by our recognition that you may, consistent with our advice, participate in discussions, deliberations, and votes on all other portions of and the passage of the state budget and omnibus bills only small components of which pertain to the subjects on which your governmental action is proscribed.	Reaffirm
Disqualification	Eth. Bd. Op. 07-02	A legislator who owns a small business may vote to support legislation when it seems doubtful that the bill will have a discernible effect on the legislator's business and the bill is intended to promote competition.	Reaffirm
Disqualification	Eth. Bd. Op. 07-03	The Ethics Code is unlikely to be an obstacle to a legislator's participation in the discussion, deliberation, or votes on a bill that would create a tax incentive for individuals who purchase a commodity that can use a product manufactured by a company in which the legislator owns a small number of shares of stock when there is no basis to believe there will be a substantial financial affect on the legislator's interest.	Reaffirm
Disqualification	Eth. Bd. Op. 07-05	The Ethics Board advises that a legislator not participate in any discussions, debate, or votes on a proposed budget provision that would provide tax credits totaling several million dollars to each of only a handful of businesses in Wisconsin and the value of the credits to the legislator's family could be as much as several thousand dollars. If the proposal is incorporated in the budget, it will not be an obstacle to the legislator's participation in the consideration of other budget provisions or the budget as a whole.	Reaffirm

Disqualification	Eth. Bd. Op. 07-10	<p>does not bar your voting on, or otherwise participating in the consideration of 2007 Assembly Bill 243. ¶15 First, the bill’s effect, if any, on your spouse’s finances is remote and speculative. Public policy supports a public official’s exercise of official duties when the financial effect of an official decision on the official’s personal interests is uncertain and speculative. Second, as we noted in the Ethics Board’s guideline, “Mitigating conflicting interests: private interest vs. public responsibility” [Ethics Board publication #232], an official may participate in a legislative action, even though the action will affect the official or a member of the official's immediate family as long as:</p> <ul style="list-style-type: none"> • The official's action affects a whole class of similarly-situated interests; • Neither the official's interest, the interest of a member of the official's immediate family, nor the interest of a business or organization with which the official is associated is significant when compared to all affected interests in the class; AND • The action's effect on the interests of the official or of a member of the official's immediate family is neither significantly greater nor less than upon other members of the class. <p>¶17 Your participation on matters affecting 2007 Assembly Bill 243</p>	Reaffirm
Disqualification	2008 GAB 02	<p>The Government Accountability Board advises that a legislator who is a lawyer may participate in the consideration and vote on a resolution which is a proposed constitutional amendment that would prohibit the Supreme Court from assessing lawyers to pay for legal services for the indigent.</p>	Reaffirm

Disqualification; Improper Use of Office	2008 GAB 09	The Government Accountability Board advises: 1) A member of an agency governing body who would receive an allocation of business opportunities regulated by the agency should not participate, in an official capacity, to increase those opportunities while the official is one of only a handful of licensees eligible for such increase. 2) The official may not shield himself or herself from application of the Ethics Code by transferring the member's allocation to a sibling unless the official can demonstrate that the transaction is not a mere sham and that neither the official nor the official's company will profit from the increase.	Reaffirm
Disqualification	2009 GAB 02	The Government Accountability Board advises: Under the facts described, three members of a citizen board that oversees a state agency who participate in an agency program may also take part in discussions and votes related to rules for that program.	Reaffirm



Wisconsin Ethics Commission

101 East Wilson Street | Room 127 | P.O. Box 7125 | Madison, WI 53707-7125
(608) 266-8123 | ethics@wi.gov | ethics.wi.gov

DATE: For the Commission Meeting on August 20, 2019
TO: Members, Wisconsin Ethics Commission
FROM: David Buerger, Staff Counsel
SUBJECT: Administrative Rule Update

FOR COMMISSION ACTION

1. For ETH 1 – Act 117 Amendments/Attributions, does the Commission wish to adopt any or all of the revisions suggested by the Campaign Legal Center?
2. For ETH 1 – Comprehensive Review of ETH 1 for Consistency with Statute, does the Commission approve of the draft statement of scope and direct staff to submit it to the Department of Administration and the Governor for review and approval?
3. For ETH 26 – Settlement Schedules, does the Commission approve of the draft statement of scope and direct staff to submit it to the Department of Administration and the Governor for review and approval?

I. Chapter ETH 1 – Act 117 Amendments/Attribution

This draft rule would amend WIS. ADMIN. CODE ETH [1.20\(9\)](#), [1.26\(2\)](#), [1.26\(6\)](#), [1.60\(1\)\(b\)](#), [1.70\(1\)](#), and [1.855\(2\)](#) to reflect the changes of 2015 Wisconsin Act 117; and create ETH 1.96 to clarify the attribution requirements of [WIS. STAT. § 11.1303](#).

At the Commission’s meeting on June 20, 2019, it conducted a hearing on the proposed rule and received public comment. The Commission directed staff to review the comments submitted by the Campaign Legal Center and draft potential revisions for ETH 1.96 for the Commission’s consideration. Upon further review, staff is also requesting a further repeal of the schedule number and title from ETH [1.26\(6\)](#). Staff has prepared a revised draft that should address all of the Campaign Legal Center’s recommendations and the suggested staff change to ETH [1.26\(6\)](#). Staff has also attached the original rule for comparison. Staff is seeking the Commission’s direction as to which provisions of the revised draft the Commission wishes to adopt, if any.

After all public comments have been considered and the rule is in its final draft form, it may be submitted to the Governor’s office for approval.

Wisconsin Ethics Commissioners

Mac Davis | David R. Halbrooks | Katie McCallum | Tamara Packard | Pat Strachota | Timothy Van Akkeren

Administrator

Daniel A. Carlton, Jr.

See Attachment A for a copy of the comments from the Campaign Legal Center, a revised rule, and the original proposed rule.

II. Chapter ETH 1 – Comprehensive Review of ETH 1 for Consistency with Statute

At the Commission’s meeting on June 20, 2019, it directed staff to prepare a new broader scope statement based on the recommendation of the Legislative Council Rules Clearinghouse to conduct a comprehensive review of ETH 1 to ensure that the terms used in ETH 1 are consistent with the terms used in Chapter 11. This broader scope statement would permit the Commission to conform the rule to the statutes in the eleven other provisions in ETH 1 that were not within the scope of the earlier rulemaking.

Staff has prepared the attached draft scope statement for the Commission’s review. If the Commission is satisfied with the draft scope statement, the next step would be to direct staff to submit the draft scope statement to the Department of Administration for initial review and the Governor’s approval.

See Attachment B for the draft scope statement for review.

III. Chapter ETH 16 – Lobbying

This rule was published on July 29, 2019, and will be effective January 1, 2020, per the text of the rule. The rule provides for identification of topics and permits the Commission to request a lobbyist’s residential address. This delayed effective date will allow staff sufficient time to make changes to the Eye on Lobbying website and provide adequate training to the regulated community concerning how to report topics pursuant to the new rule prior to its implementation and enforcement. Additionally, the Commission’s legislative package contains a public record exemption for a lobbyist’s residential address, if they choose to provide it. Staff recommends pursuing this legislative change prior to requesting lobbyist address information.

IV. Chapter ETH 1 – 2015 Act 117 Repeals

This rule passed through JCRAR without objection and was sent to the Legislative Reference Bureau for final publication. It is scheduled to be published on August 26, 2019, with an effective date of September 1, 2019.

V. Chapter ETH 26 – Settlement Schedules

At the Commission’s meeting on June 20, 2019, it directed staff to prepare a scope statement to create new settlement schedules within WIS. ADMIN. CODE ETH 26 for unauthorized lobbying and late payment of lobbying fees as well as clarify the definition of a “day” within the rule to mean calendar days except for the schedule for late Statements of Lobbying Activity and Expenditures. Staff has prepared the attached draft scope statement for the Commission’s review. If the Commission is satisfied with the draft scope statement, the next step would be to direct staff to submit the draft scope

statement to the Department of Administration for initial review and the Governor's approval.

See Attachment C for the draft scope statement for review.

VI. Attachments

A. ETH 1

1. Campaign Legal Center Comments of June 17, 2019
2. Revised Rule
3. Original Rule

B. ETH 1 – Draft Scope Statement

C. ETH 26 – Draft Scope Statement



June 17, 2019

Submitted electronically to eth.rulecomments@wi.gov

Katie McCallum, Chair
Wisconsin Ethics Commission
101 E. Wilson Street, Suite 127
Madison, WI 53703

Dear Chair McCallum,

The Campaign Legal Center (“CLC”) respectfully submits these written comments to the Wisconsin Ethics Commission (“Commission”) regarding the proposed rulemaking to clarify attribution requirements for political communications under Wis. Stat. § 11.1303.¹

CLC is a nonpartisan, nonprofit organization dedicated to protecting and strengthening American democracy across all levels of government. Since the organization’s founding in 2002, CLC has participated in every major campaign finance case before the U.S. Supreme Court and in numerous other federal and state court cases. Our work promotes every citizen’s right to participate in the democratic process and to know the true sources of funds spent to influence elections.

We support the Commission’s decision to initiate this rulemaking in order to clarify Wisconsin’s requirements for attributions on political communications. Our comments are intended to help ensure the Commission promulgates a final rule that judiciously implements Wis. Stat. § 11.1303 and provides the people of Wisconsin with meaningful information about political advertising in state elections.

Our comments begin with an overview of Wisconsin’s statutory attribution requirements and the proposed rule. Next, the comments assess the proposed rule’s standard for whether an attribution is “readable, legible, and readily accessible,” and recommend the Commission add “safe harbors” for including attributions on different types of communications that will satisfy the “readable, legible, and readily accessible” standard. The third section assesses the exemption from attribution requirements for “online ads and similar electronic communications” in the proposed rule. In this section, we recommend that the final rule should: (i) not extend the attribution exemption beyond the statute’s limited terms; (ii) limit the exemption only to cover *small* online and electronic ads that cannot include complete attributions due to size or technological limitations; (iii) require sponsors of online

¹ Proposed Rule Making Order, CR 19-035, Wis. Admin. Reg. No. 760A3 (Apr. 15, 2019).

and electronic ads to establish, at the Commission’s request, that full attributions were not included on specific advertisements due to size or technological constraints; and (iv) specify guidelines for how online and electronic ads should display direct links to required information when full attributions cannot be placed on the ads.

I. Overview of Wis. Stat. § 11.1303 & Proposed Rule

Pursuant to Wis. Stat. § 11.1303(2)(b), an “express advocacy”² communication made by a committee must clearly identify its source by including the phrase “Paid for by” followed by the name of the sponsoring committee in the communication. Similarly, if an express advocacy communication is made by a person other than a committee and costs over \$2,500, it must include a “Paid for by” statement identifying its source.³ In addition, an express advocacy communication that is not made in coordination with a candidate’s campaign⁴ must state that the communication is “Not authorized by any candidate or candidate’s agent or committee.”⁵ The statute further stipulates that attributions on written communications must be “readable, legible, and readily accessible,” but does not define this standard.⁶

Express advocacy communications appearing on certain “small items,” including social media communications and small advertisements on mobile phones, are exempt from the statute’s attribution requirements if the required statements “cannot be conveniently printed” on the communications.⁷ Under the statute, the Commission is authorized to specify, by rule, “small items or other communications to which [attributions] shall not apply.”⁸ The rulemaking authorization in § 11.1303(2)(f) is in addition to the Commission’s general authority to promulgate rules necessary to “carry out” the state’s campaign finance law.⁹

The Commission has issued the proposed rule in an effort to update its regulatory requirements following significant changes to Wisconsin’s campaign finance law made by Wisconsin Act 117 (2015).¹⁰ Currently, the Commission provides advice to committees and others required to comply with § 11.1303, but has not formally issued rules on the requirements for attributions under state law. Thus, the proposed rule, in addition to eliminating references to outdated forms and repealed statutory provisions, is intended to clarify when an attribution is “readable,

² See Wis. Stat. § 11.0101(11) (defining “express advocacy” to include any communication that references the election or defeat of a “clearly identified candidate” and contains terms such as “vote for,” “vote against,” “elect,” or “defeat.”)

³ *Id.* § 11.1303(2)(c).

⁴ *Id.* §§ 11.0505(1)(b)(6); 11.0605(1)(b)(6); 11.1001(1)(b)(6).

⁵ *Id.* § 11.1303(2)(d).

⁶ *Id.* § 11.1303(2)(g).

⁷ *Id.* § 11.1303(2)(f).

⁸ *Id.*

⁹ *Id.* § 19.48(1). See also Wis. Stat. § 227.11(2)(a) (“Each agency may promulgate rules interpreting the provisions of any statute enforced or administered by the agency, if the agency considers it necessary to effectuate the purpose of the statute, but a rule is not valid if the rule exceeds the bounds of correct interpretation.”).

¹⁰ See Proposed Rule Making Order, CR 19-035, Wis. Admin. Reg. No. 760A3 (Apr. 15, 2019).

legible, and readily accessible” and to delineate the scope of the statutory exemption for communications on certain small items.¹¹

II. Proposed Rule’s Standard for “Readable, Legible, and Readily Accessible” Attributions

The proposed rule mandates that all attributions required by § 11.1303 must be “readable, legible, and readily accessible.” The proposal then separately defines the terms “readable,” “legible,” and “readily accessible.”¹² While defining each term in the “readable, legible, and readily accessible” standard would offer some explanation of this requirement, the Commission should describe in greater detail how attributions for different types of communications, including video, audio, and written or graphic advertisements, can satisfy the standard.

i. Recommendation: Add Safe Harbors for Including Attributions on Different Types of Communications

In the final rule, the Commission should consider adding “safe harbors” for including attributions on particular forms of communications that, if followed, will satisfy the “readable, legible, and readily accessible” standard. The Federal Election Commission (“FEC”) regulation for political advertising disclaimers generally requires all disclaimers to appear “in a clear and conspicuous manner,” and explains that a disclaimer does not satisfy this standard “if it is difficult to read or hear, or if the placement is easily overlooked.”¹³ In addition to the “clear and conspicuous” standard, the FEC’s regulation requires written disclaimers on print and television advertisements to appear in “clearly readable” writing.¹⁴

To explain when a disclaimer is “clearly readable,” the FEC regulation describes “safe harbor” criteria for including written disclaimers on print and television ads that, if met, satisfy the “clearly readable” requirement.¹⁵ For example, the FEC regulation specifies that a written disclaimer on a television advertisement is “clearly readable” if it: (i) appears in letters “equal to or greater than four (4) percent of the vertical picture height;” (ii) is visible for at least four seconds; and (iii) appears “with a reasonable degree of color contrast between the background and the disclaimer statement.”¹⁶

The Commission should review the safe harbor provisions in the FEC’s disclaimer regulation and consider adding similar safe harbor specifications for attributions in the final rule. Importantly, specifying safe harbors in the final rule

¹¹ *Id.*

¹² *See* Proposed Rule Making Order, Text of Rule § 7 (“In this section: (a) ‘Readable’ means able to be read easily. (b) ‘Legible’ means each individual letter or character is clearly printed so it can be easily understood. (c) ‘Readily accessible’ means capable of being seen without much difficulty.”).

¹³ 11 C.F.R. § 110.11(c)(1).

¹⁴ *Id.* § 110.11(c)(2)(i), (c)(3)(iii), (c)(4)(iii).

¹⁵ *Id.*

¹⁶ *Id.* § 110.11(c)(3)(iii)(A)-(C), (c)(4)(iii)(A)-(C).

would offer more clarity and guidance to committees and others subject to Wis. Stat. § 11.1303.

III. Proposed Rule’s Exemption for “Online Ads & Similar Electronic Communications”

The proposed rule includes a list of “material that does not need an attribution” under Wis. Stat. § 11.1303. The proposal’s list includes “online ads and similar electronic communications where the language required could not conveniently be printed, and that link directly to a website that includes the language require by s. 11.1303, Stats.” The proposed rule’s exemption for all “online ads and similar electronic communications” is significantly broader than the statute’s more limited exception for communications on certain “small items,” which, in terms of online and digital advertising, only exempts “social media communications” and “certain small advertisements on mobile phones” *if* the necessary attributions “cannot be conveniently printed” on them.¹⁷

In light of the rapid growth of online and digital advertising in recent elections, and the ease with which attribution disclaimers can now be conveniently printed on many such communications, the Commission should more carefully tailor the rulemaking proposal’s exemption for online ads and similar communications.

According to research firm Borrell Associates, digital ad spending in federal, state, and local elections exceeded \$1 billion both in 2018 and during the 2016 election cycle.¹⁸ The estimated \$1.8 billion spent on digital advertising in last year’s midterm elections alone represents a 2,400% increase over total digital expenditures made during the 2014 midterms.¹⁹ The upsurge in online political advertising is very likely to continue in future elections, as campaigns, PACs, and advocacy groups increasingly rely on digital media to target and engage prospective voters.

The rise in online campaign advertising has also exposed our democracy to new threats. Special Counsel Robert Mueller’s report on Russian election interference highlights how the Kremlin’s agents utilized Facebook, Twitter, and other online platforms as part of a “sweeping and systematic” operation to influence the 2016 U.S. presidential election.²⁰ To avoid detection, Russia’s operatives created numerous social media accounts using the names of fictitious American citizens and

¹⁷ Wis. Stat. § 11.1303(2)(f).

¹⁸ See Rob Lever, *Despite Restrictions, Digital Spending Hits Record in US Midterms*, AFP (Nov. 13, 2018), <https://www.yahoo.com/news/despite-restrictions-digital-spending-hits-record-us-midterms020115626.html>; Kate Kaye, *Data-Driven Targeting Creates Huge 2016 Political Ad Shift: Broadcast TV Down 20%, Cable and Digital Way Up*, ADAGE (Jan. 3, 2017), <https://adage.com/article/media/2016-political-broadcast-tv-spend-20-cable-52/307346>.

¹⁹ Rob Lever, *Despite Restrictions, Digital Spending Hits Record in US Midterms*, AFP (Nov. 13, 2018), <https://www.yahoo.com/news/despite-restrictions-digital-spending-hits-record-us-midterms020115626.html>.

²⁰ SPECIAL COUNSEL ROBERT S. MUELLER III, U.S. DEP’T OF JUST., REPORT ON THE INVESTIGATION INTO RUSSIAN INTERFERENCE IN THE 2016 PRESIDENTIAL ELECTION 1 (Mar. 29, 2019).

advocacy organizations.²¹ One Russian group, the Internet Research Agency, reportedly purchased over 3,500 political ads on Facebook prior to the 2016 election, and ultimately reached as many as 126 million people through the social media platform.²² As noted in the Mueller report, federal law expressly prohibits “foreign nationals” from making contributions or expenditures in connection with any federal, state, or local election in the U.S.²³ Despite this broad prohibition, Russia’s 2016 influence operation was facilitated by gaps in campaign finance law that allowed political advertising disseminated online to escape the transparency requirements applicable to ads run on other mediums.

i. Recommendation: The Final Rule Should Not Expand Attribution Exemptions Beyond the Statute

The statute refers only to “social media communications” and “certain small advertisements on mobile phones” as examples of “small items” subject to the attribution exemption, yet the proposed rule reaches beyond the statute’s terms by expressly exempting all “online ads and similar electronic communications where the language required could not conveniently be printed.”

Given the increasing volume of online political advertising and the demonstrated willingness of foreign actors to exploit digital transparency loopholes to influence U.S. elections, the Commission should not unnecessarily expand attribution exemptions beyond the language of the statute.

Instead, the Commission’s final rule should limit the exemption to *small* online and electronic ads that cannot include full attributions due to size or technological constraints. Like Wisconsin Stat. § 13.1303, Maryland’s Election Law authorizes the State Board of Elections to specify disclaimer requirements for “campaign material” that is too small to include the complete disclaimer statements required by statute.²⁴ In its regulations, the Maryland State Board of Elections has itemized digital ad formats that are exempt from full disclaimer requirements, and the non-exhaustive list includes communications of 200 characters or less in length, button ads, micro bars, and graphic or picture ads where including a full disclaimer “is not reasonably practical” due to the size of the graphic or picture.²⁵

In its final rule, the Commission should narrow the online ad exemption to small advertising that cannot accommodate complete attributions due to size or technological limitations. To help define the scope of the exemption, the final rule also could include examples of online ad formats that qualify for the exemption.

ii. Recommendation: Clarify that “Small Items” Exemption Only Applies to Small Online & Electronic Advertisements Where Complete Attributions “Cannot Be Conveniently Printed” Due to Size or Technological Limitations

²¹ *Id.* at 22.

²² *Id.* at 25-26.

²³ *Id.* at 184.

²⁴ Md. Code Ann., Elec. Law § 13-401(a)(3).

²⁵ Md. Code Regs. 33.13.07.02(D)(2)(c).

By its express terms, the statutory attribution exemption for “social media communications” and “certain small advertisements on mobile phones” applies *only* if the necessary attributions “cannot be conveniently printed.”²⁶

As the prevalence of online political advertising has increased in recent years, and the problems associated with secretive online advertising have become more apparent, some internet platforms have adjusted their advertising policies to accommodate political ad disclaimers. In fact, Facebook,²⁷ Google,²⁸ and Twitter²⁹ now *require* that election-related advertisements include “Paid for by” statements with the name of the ad sponsors. These new policies ensure that attributions can be “conveniently printed” on political ads disseminated by those three platforms.

The Commission’s final rule should reflect this reality, and make clear that the statute’s reference to “social media communications” and small mobile advertisements is not a wholesale exemption from attribution requirements. Accordingly, the final rule should clarify that the exemption only applies when inclusion of a complete attribution is not possible on certain small online ads due to size or technological constraints.

iii. Recommendation: Require Sponsors of Online & Electronic Advertising to Be Able to Establish That Particular Ads Could Not Include Complete Attributions

In addition to clarifying the scope of the exemption for online and electronic ads, the final rule should stipulate that sponsors of online political communications must be able to establish, at the Commission’s request, that including complete attributions on a particular ad was, in fact, not possible due to legitimate size or technological constraints. This addition would help to prevent ad sponsors from abusing the exemption and to ensure that full attributions appear on online advertising when possible.

Similar to Wis. Stat. § 11.1303, California’s Political Reform Act permits the sponsor of an “electronic media advertisement” to substitute a complete disclaimer statement with a hyperlink to the required information when including a complete disclaimer would be “impracticable or would severely interfere with the [sponsor’s] ability to convey the intended message due to the nature of the technology used to make the communication.”³⁰ By regulation, California’s Fair Political Practices Commission has stipulated that a sponsor of an electronic media advertisement who claims inclusion of a full disclaimer on the ad is “impracticable” has the burden of

²⁶ Wis. Stat. § 11.1303(2)(f).

²⁷ Ads About Social Issues, Elections or Politics, FACEBOOK, <https://www.facebook.com/business/help/198009284345835> (last visited June 14, 2019).

²⁸ List of Ad Policies, GOOGLE, <https://support.google.com/adspolicy/answer/6014595?hl=en> (last visited June 14, 2019).

²⁹ Political Content in the United States, TWITTER, <https://business.twitter.com/en/help/ads-policies/restricted-content-policies/political-content/US-political-content.html> (last visited June 14, 2019).

³⁰ Cal. Gov’t Code §§ 84501(a)(2)(G), 84504.3(b).

establishing why it was not possible to include a complete disclaimer on the advertisement.³¹

In the final rule, we recommend the Commission include a similar provision requiring sponsors of online advertisements to be able to establish to the Commission that full attributions genuinely could not be “conveniently printed” on their advertising. This would safeguard against exploitation of the “small items” exemption and provide Wisconsin voters with more information about the sources of online and electronic political ads, as intended by state law.

iv. Recommendation: Specify Guidelines for Including Direct Links on Online Advertisements When Complete Attributions Are Not Possible

For online ads on which attributions genuinely cannot be placed, the final rule should provide greater description of the requirement to include a direct link to the necessary statements to ensure that recipients of these ads can access the information with minimal effort and without viewing extraneous material. Digital technology is now sufficiently advanced that attribution information can be readily provided through means other than a link to a website.

Washington State’s Public Disclosure Commission (“PDC”), which administers campaign finance law in that state, generally requires all online political advertisements to include disclaimers in the same manner as other forms of advertising “to the extent practical.”³² However, by regulation, the PDC permits “small online advertising” with limited characters to include, in lieu of a full disclaimer, an automatic display that directs the ad recipients to the necessary disclaimer statements.³³ The regulation specifies that the automatic displays “must be clear and conspicuous, unavoidable, immediately visible, remain visible for at least four seconds, and display a color contrast as to be legible.”³⁴ Further, the PDC’s regulation describes permissible formats for the automatic displays; small online advertising is compliant with Washington’s disclaimer requirements if it includes the disclaimer statement in a non-blockable pop-up, roll-over display, or comparable mechanism appearing on the ad, or if it includes a separate text box within the ad that is conspicuously linked to a webpage with the necessary disclaimer.³⁵ We recommend that the Commission review the PDC’s regulation regarding on-ad displays and adopt similar guidelines in the final rule.

³¹ Cal. Code Regs. tit. 2, § 18450.1(b); *see also* Cal. Fair Political Practices Comm’n, Op. No. I-17-017 (Mar. 1, 2017), at 4 (“Where character limit constraints render it impracticable to include the full disclosure information specified, the committee may provide abbreviated advertisement disclosure on the social media page. . . . If abbreviated disclaimers are used a committee must be able to show why it was not possible to include the full disclaimer.”).

³² Wash. Admin. Code § 390-18-030(3).

³³ *Id.* Like the Wisconsin Ethics Commission, the PDC has statutory authority to exempt, by rule, certain forms of political advertising from disclaimer requirements if including full disclaimers is not “practical.” *See* Wash. Rev. Code Ann. § 42.17A.320(7).

³⁴ Wash. Admin. Code § 390-18-030(3)(a).

³⁵ *Id.* § 390-18-030(3)(b).

Additionally, the Commission’s final rule should clarify that any alternative mechanism for providing attributions should require only one step by ad recipients to directly access the required information. When following a link or indicator to access the attribution for a small online ad, the recipients should be immediately directed to the full attribution without having to navigate through or view any material other than statements required by Wis. Stat. § 11.1303.³⁶

Greater clarity regarding requirements for including direct links on online advertising would assist candidates, committees, and other groups in complying with state law’s attribution requirements, and also ensure that Wisconsin voters can readily access information about sources of online and electronic political advertising.

Conclusion

CLC appreciates the opportunity to comment on this important rulemaking. We are willing to answer questions or to provide additional information in order to assist the Commission with promulgation of the final rule.

Respectfully submitted,

/s/
Brendan Fischer
Director, Federal Reform Program

/s/
Austin Graham
Legal Counsel, State & Local Reform Program

³⁶ For example, the New York State Board of Elections requires paid internet or digital advertising that cannot fit a complete attribution to include an adapted attribution allowing recipients to “locate the full attribution by navigating no more than one step away from the adapted attribution and without receiving or viewing any additional material other than the full attribution required by this section.” N.Y. Comp. Codes R. & Reg. tit. 9, § 6200.10(f)(2)(ii).

TEXT OF RULE

SECTION 1. ETH 1.20 (9) is amended to read:

ETH 1.20 (9) Any registrant who makes or receives an in-kind contribution shall report the contribution on ~~Schedule 3-C~~ of its campaign finance report.

SECTION 2. ETH 1.26 (2) is amended to read:

ETH 1.26 (2) The return of a contribution is not a disbursement ~~subject to the limitations on disbursements in s. 11.31, Stats.,~~ and it is not a contribution subject to the limitations on contributions in ss. 11.1101, 11.1103, 11.1104, and 11.1105, Stats.

SECTION 3. ETH 1.26 (6) is amended to read:

ETH 1.26 (6) A registrant who receives a return of contribution shall report it on the campaign finance report, ~~Form EB-2, on Schedule 1-C, OTHER INCOME,~~ and shall designate this as “return of contribution.”

SECTION 4. ETH 1.60 (1) (b) is amended to read:

ETH 1.60 (1) (b) An authorized expenditure for consulting services made by a candidate, candidate's committee, political action committee, or political party ~~committee~~ on behalf of another candidate shall be reported as an in-kind contribution to the candidate on whose behalf the expenditure was made, ~~except that expenditures made by political party committees on behalf of that party's presidential candidates shall not be reportable and shall not count against that party's state or local candidates' applicable contribution limits under ss. 11.1101, 11.1103, 11.1104, and 11.1105, Stats., and spending limits under s. 11.31 (2), Stats.,~~ except as provided in par. (c).

SECTION 5. ETH 1.70 (1) is amended to read:

ETH 1.70 (1) A candidate for or a person elected to a state or local office does not make an in-kind contribution to another candidate for a state or local office in another district when a candidate or election official travels to the district of the other candidate for political purposes. The candidate for or person elected to state or local office may be reimbursed from his or her ~~personal campaign candidate~~ committee ~~subject to the applicable spending limits of s. 11.31 (2), Stats., and s. ETH 1.44~~ and is deemed to provide nonreportable volunteer services to the candidate in the other district.

SECTION 6. ETH 1.855 (2) is amended to read:

ETH 1.855 (2) A contribution from a conduit account shall be in the form of a check or other negotiable instrument made out to the named candidate or to the candidate's ~~personal campaign~~ committee, or to a legislative campaign committee, political party ~~committee~~, or support

~~committee under s. 11.18, Stats~~ political action committee. A conduit may not make an in-kind contribution as defined in s. ETH 1.20 (1) (e).

SECTION 7. ETH 1.96 is created to read:

ETH 1.96 Attribution requirements.

(1) DEFINITIONS. In this section:

- (a) “Readable” means able to be read easily.
- (b) “Legible” means each individual letter or character is clearly printed so it can be easily understood.
- (c) “Readily accessible” means capable of being seen without much difficulty.

(2) SPECIFICATIONS FOR ALL ATTRIBUTIONS. The language required by s. 11.1303, Stats., shall be presented in a clear and conspicuous manner that gives the recipient of the communication adequate notice of the identity of the person making the payment or reimbursement or assuming responsibility for the communication.

(3) ADDITIONAL SPECIFICATIONS FOR ATTRIBUTIONS IN WRITTEN COMMUNICATIONS. Written communications shall include the language required by s. 11.1303, Stats. in a manner that is readable, legible, and readily accessible. It is prima facie evidence that a written communication is readable, legible, and readily accessible if the language required meets all of the following requirements:

- (a) It appears in a sans-serif font.
- (b) It appears in at least 12-point font for printed material that measures no larger than 24 inches by 36 inches, or appears in letters equal to or greater than four percent of the vertical height for other written communications.
- (c) It appears in black text on a white background, or the degree of contrast between the background color and the text color is at least as great as the degree of contrast between the background color and the color of the largest text in the communication.
- (d) It remains visible for a period of at least four seconds.

(4) ADDITIONAL SPECIFICATIONS FOR ATTRIBUTIONS IN AUDIO-ONLY COMMUNICATIONS. Communications that include only audio shall include the language required by s. 11.1303, Stats. in a manner that is clearly spoken.

(5) MATERIAL THAT DOES NOT NEED AN ATTRIBUTION. Communications that are contained in or on any of the following do not require attributions under s. 11.1303, Stats.:

- (a) Bumper stickers.
- (b) Business cards.
- (c) Buttons.
- (d) Clothing.
- (e) Small online ads and similar electronic communications where the language required by s. 11.1303, Stats., could not conveniently be included, and that either link directly to a website that includes the language required, or provide an automatic display that includes the language required.
 1. Sponsors of such small online ads or similar electronic communications must be able to establish, at the Commission's request, that including the language required on the ad or communication was not possible due to size or technological constraints.
 2. The link required by par. (e) must direct the recipient of the small online ad or similar electronic communication to the language required in a manner that is readable, legible, and readily accessible, with minimal effort and without viewing extraneous material.
 3. The automatic display required by par. (e) must display to the recipient of the small online ad or similar electronic communication the language required in a manner that is readable, legible, and readily accessible. Examples of acceptable automatic display mechanisms include but are not limited to non-blockable pop-ups, roll-overs, or other similar mechanisms.
- (f) Pencils.
- (g) Pens.
- (h) Pins.
- (i) Skywriting.
- (j) Tickets.

SECTION 8. EFFECTIVE DATE.

This rule shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22 (2), Stats.

TEXT OF RULE

SECTION 1. ETH 1.20 (9) is amended to read:

ETH 1.20 (9) Any registrant who makes or receives an in-kind contribution shall report the contribution on ~~Schedule 3-C~~ of its campaign finance report.

SECTION 2. ETH 1.26 (2) is amended to read:

ETH 1.26 (2) The return of a contribution is not a disbursement ~~subject to the limitations on disbursements in s. 11.31, Stats., and it is not a contribution subject to the limitations on contributions in ss. 11.1101, 11.1103, 11.1104, and 11.1105, Stats.~~

SECTION 3. ETH 1.26 (6) is amended to read:

ETH 1.26 (6) A registrant who receives a return of contribution shall report it on the campaign finance report, ~~Form EB-2~~, on Schedule 1-C, OTHER INCOME, and shall designate this as “return of contribution.”

SECTION 4. ETH 1.60 (1) (b) is amended to read:

ETH 1.60 (1) (b) An authorized expenditure for consulting services made by a candidate, candidate's committee, political action committee, or political party ~~committee~~ on behalf of another candidate shall be reported as an in-kind contribution to the candidate on whose behalf the expenditure was made, ~~except that expenditures made by political party committees on behalf of that party's presidential candidates shall not be reportable and shall not count against that party's state or local candidates' applicable contribution limits under ss. 11.1101, 11.1103, 11.1104, and 11.1105, Stats., and spending limits under s. 11.31 (2), Stats., except as provided in par. (c).~~

SECTION 5. ETH 1.70 (1) is amended to read:

ETH 1.70 (1) A candidate for or a person elected to a state or local office does not make an in-kind contribution to another candidate for a state or local office in another district when a candidate or election official travels to the district of the other candidate for political purposes. The candidate for or person elected to state or local office may be reimbursed from his or her ~~personal campaign candidate~~ committee ~~subject to the applicable spending limits of s. 11.31 (2), Stats., and s. ETH 1.44~~ and is deemed to provide nonreportable volunteer services to the candidate in the other district.

SECTION 6. ETH 1.855 (2) is amended to read:

ETH 1.855 (2) A contribution from a conduit account shall be in the form of a check or other negotiable instrument made out to the named candidate or to the candidate's ~~personal campaign~~ committee, or to a legislative campaign committee, political party ~~committee~~, or support

~~committee under s. 11.18, Stats~~ political action committee. A conduit may not make an in-kind contribution as defined in s. ETH 1.20 (1) (e).

SECTION 7. ETH 1.96 is created to read:

ETH 1.96 Attribution requirements.

- (1) DEFINITIONS. In this section:
 - (a) “Readable” means able to be read easily.
 - (b) “Legible” means each individual letter or character is clearly printed so it can be easily understood.
 - (c) “Readily accessible” means capable of being seen without much difficulty.
- (2) SPECIFICATIONS FOR ALL ATTRIBUTIONS. All attributions required by s. 11.1303, Stats., in written communications shall be readable, legible, and readily accessible.
- (3) MATERIAL THAT DOES NOT NEED AN ATTRIBUTION. Communications that are contained in or on any of the following do not require attributions under s. 11.1303, Stats.:
 - (a) Bumper stickers.
 - (b) Business cards.
 - (c) Buttons.
 - (d) Clothing.
 - (e) Online ads and similar electronic communications where the language required could not conveniently be included, and that link directly to a website that includes the language required by s. 11.1303, Stats.
 - (f) Pencils.
 - (g) Pens.
 - (h) Pins.
 - (i) Skywriting.
 - (j) Tickets.

SECTION 8. EFFECTIVE DATE.

This rule shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22 (2), Stats.

**STATEMENT OF SCOPE
PURSUANT TO WIS. STAT. § 227.135
WISCONSIN ETHICS COMMISSION**

Rule No.: ETH Ch. 1

Relating to: Campaign Finance

Rule Type: Permanent

1. Detailed description of the objective of the proposed rule:

In review of Clearinghouse Rule 19-035, the Legislative Council Rules Clearinghouse report recommended the Ethics Commission should review the entire chapter to ensure consistency between the rule and Chapter 11 as re-created by 2015 Wisconsin Act 117. As such a review would require a broader statement of scope than initially proposed, rather than amending the scope of CR 19-035, the Ethics Commission proposes a new rule to amend those provisions of Wis. Admin. Code ETH 1 that contain outdated language (e.g., “personal campaign committee” instead of “candidate committee”) or are otherwise not consistent with Chapter 11 as re-created by 2015 Wisconsin Act 117 (e.g., removing references to collecting the place of employment of a contributor) that were not previously identified as needing further revision. The Wisconsin Ethics Commission has tentatively identified the following provisions to be re-examined: Wis. Admin. Code ETH 1.20 (3), 1.25, 1.39 (1) (b), 1.56 (2), 1.60 (1) (a), 1.60 (1) (c), 1.60 (2), 1.70 (2), 1.70 (3), 1.85 (3), and 1.855 (3).

2. Description of the existing policies relevant to the rule, new policies proposed to be included in the rule, and an analysis of policy alternatives:

The Government Accountability Board previously reviewed the provisions of Wis. Admin. Code ETH 1 for consistency as required by 2015 Wisconsin Act 117. In that review, the Board noted several provisions that were inconsistent with the new law, but it did not address other statutory and administrative references within ETH 1 that needed to be updated to harmonize the language with the newly created Chapter 11 or current administrative procedures. The Ethics Commission has another rule (CR 19-035) currently in development that addresses the provisions identified by the Government Accountability Board, but this new rule would include other provisions not previously identified by the Board as inconsistent and attempt to harmonize those provisions with Chapter 11 as re-created as well.

3. Detailed explanation of statutory authority for the rule (including the statutory citation and language):

The Commission has general authority for the promulgation of rules to carry out the requirements of Chapter 11.

s. 11.1304(17), Stats.:

11.1304 Duties of the ethics commission. The commission shall:
(17) Promulgate rules to administer this chapter.

s. 19.48(1), Stats.:

19.48 Duties of the ethics commission. The commission shall:
(1) Promulgate rules necessary to carry out ch. 11, subch. III of ch. 13, and this subchapter.

s. 227.11(2)(a), Stats.:

227.11 Extent to which chapter confers rule-making authority.
(2) Rule-making authority is expressly conferred on an agency as follows:
(a) Each agency may promulgate rules interpreting the provisions of any statute enforced or administered by the agency, if the agency considers it necessary to effectuate the purpose of the statute, but a rule is not valid if the rule exceeds the bounds of correct interpretation.

4. Estimate of the amount of time that state employees will spend developing the rule and of other resources necessary to develop the rule:

The Commission estimates that it will use approximately 0.05 FTE staff to develop this rule. This includes time required for research, rule drafting, preparing related documents, coordinating stakeholder meetings, holding public hearings, legislative review and adoption, and communicating the final rule with affected persons and groups. The Commission will use existing staff resources to develop this rule.

5. List with description of all entities that may be affected by the proposed rule:

Candidates, candidate committees, political parties, legislative campaign committees, political action committees, independent expenditure committees, conduits, referendum committees, recall committees, and the general public may be affected by the proposed rule.

6. Summary and preliminary comparison with any existing or proposed federal regulation that is intended to address the activities to be regulated by the proposed rule:

The Wisconsin Ethics Commission is unaware of any existing or proposed federal regulation that is applicable to this rule.

7. Anticipated economic impact of implementing the rule (note if the rule is likely to have a significant economic impact on small businesses):

The Wisconsin Ethics Commission anticipates the rule having no economic impact. This proposed rule includes no significant economic impact on small businesses.

Contact person: David P. Buerger
david.buerger@wisconsin.gov (608) 267-0951

David Buerger
Staff Counsel
Wisconsin Ethics Commission

Date Submitted

**STATEMENT OF SCOPE
PURSUANT TO WIS. STAT. § 227.135
WISCONSIN ETHICS COMMISSION**

Rule No.: ETH Ch. 26

Relating to: Ethics Commission Settlement Schedule

Rule Type: Permanent

1. Detailed description of the objective of the proposed rule:

The Commission proposes a rule to amend Wis. Admin. Code ETH 26 to further its compliance with the requirement of Wis. Stat. § 19.49(2)(b)10. This statute requires the Commission to prescribe, by rule, categories of civil offenses which the Commission will agree to compromise and settle without a formal investigation upon payment of specified amounts by the alleged offender. The Commission may only settle alleged offenses, which in the opinion of the Commission, constitute a minor violation, a violation caused by excusable neglect, or which for other good cause shown is not in the public interest to prosecute. The Commission proposes to extend settlement offers in the following two additional categories: (1) late payment of lobbying fees and (2) unauthorized lobbying. The Commission also proposes to amend its rule to clarify the word “days” throughout the rule as either calendar or business days.

2. Description of the existing policies relevant to the rule, new policies proposed to be included in the rule, and an analysis of policy alternatives:

The Ethics Commission currently does not have a settlement schedule established in administrative code for either the late payment of lobbying fees or for instances of lobbying prior to authorization; however, over the past several filing periods since the Commission’s creation in 2016, the Commission has dealt with various violations in these categories and believes proceeding with a rule is appropriate to ensure consistency when considering these matters.

In proposing a rule to allow for settlement for late payment of lobbying fees the Commission is simply recognizing that much like campaign finance registrants, lobbyists and lobbying principals may sometimes not pay required fees in a timely manner. The Commission has already codified its policy as to the late payment of filing fees by campaign finance registrants in Wis. Admin. Code ETH 26.02(3). The Commission would be considering a similar rule for application to the late payment of fees by lobbyists and lobbying principals.

In proposing a rule to allow for settlement of instances of unauthorized lobbying, the Commission is seeking to adopt a policy to permit settlement of such violations where they have appeared to be relatively minor violations or violations caused by excusable neglect. It is the experience of the Commission that instances of unauthorized lobbying

are commonly caused by a misunderstanding of the lobbyist and/or lobbying principal as to the Commission’s lobbying registration process and such matters are often amenable to quick settlement. Lobbyists and staff of lobbying principals are often full-time professionals. Providing a clear and understandable policy regarding unauthorized lobbying is expected to promote compliance among the regulated community with the Commission’s lobbyist and lobbying principal registration processes.

Finally, the Commission proposes to clarify the use of the word “days” throughout the rule as either calendar or business days. As true in other contexts, the use of the word “days” without specification as either calendar or business days has created some confusion among the regulated community as to how to count days under the rule. By amending the rule to specify either calendar or business days, the Commission would provide certainty to the regulated community as to when they must act and what amount the Commission may seek for a given violation.

Promulgating this rule would also permit the Commission to authorize the Commission Administrator to settle the specified alleged offenses on its behalf if the alleged offenses in aggregate do not involve payment of more than \$2,500.

The alternative would be to not create such a rule, but instead continue to have the Commission consider each such violation individually and determine the appropriate penalty to seek based solely on the facts and circumstances of each case. Such a course of action could lead to confusion among the regulated community as to what offenses the Commission would settle and the amounts to be paid for various offenses as these have varied over time and between the predecessor agencies and the new Commission. Lack of an administrative rule would also limit the ability of the Commission to delegate settlement authority to the Commission Administrator, which could significantly delay resolution of complaints and audit findings in these matters.

3. Detailed explanation of statutory authority for the rule (including the statutory citation and language):

The Wisconsin Ethics Commission is specifically directed to promulgate this rule pursuant to Wis. Stat. § 19.49(2)(b)10.

10. The commission shall, by rule, prescribe categories of civil offenses which the commission will agree to compromise and settle without a formal investigation upon payment of specified amounts by the alleged offender.

The Commission also has general authority for the promulgation of rules to carry out the requirements of Chapters 11, 13, and 19.

Wis. Stat. § 11.1304(17):

11.1304 Duties of the ethics commission. The commission shall:
(17) Promulgate rules to administer this chapter.

Wis. Stat. § 19.48(1):

19.48 Duties of the ethics commission. The commission shall:

(1) Promulgate rules necessary to carry out ch. 11, subch. III of ch. 13, and this subchapter.

Wis. Stat. § 227.11(2)(a):

227.11 Extent to which chapter confers rule-making authority.

(2) Rule-making authority is expressly conferred on an agency as follows:

(a) Each agency may promulgate rules interpreting the provisions of any statute enforced or administered by the agency, if the agency considers it necessary to effectuate the purpose of the statute, but a rule is not valid if the rule exceeds the bounds of correct interpretation.

4. Estimate of the amount of time that state employees will spend developing the rule and of other resources necessary to develop the rule:

The Commission estimates that it will use approximately 0.05 FTE staff to develop this rule. This includes time required for research, rule drafting, preparing related documents, coordinating stakeholder meetings, holding public hearings, legislative review and adoption, and communicating the final rule with affected persons and groups. The Commission will use existing staff resources to develop this rule.

5. List with description of all entities that may be affected by the proposed rule:

Candidates, political parties, and other registered committees; lobbyists and lobbying principals; state public officials; and the general public may be affected by the proposed rule.

6. Summary and preliminary comparison with any existing or proposed federal regulation that is intended to address the activities to be regulated by the proposed rule:

The Wisconsin Ethics Commission is unaware of any existing or proposed federal regulation that is applicable to this rule.

7. Anticipated economic impact of implementing the rule (note if the rule is likely to have a significant economic impact on small businesses):

The Wisconsin Ethics Commission anticipates the rule having no economic impact beyond the specified amounts proposed to be forfeited in the event of a violation. The settlement schedule is designed to deprive the alleged violator of any benefit and serve as

a deterrent to violations. This proposed rule includes no significant economic impact on small businesses.

Contact person: David P. Buerger
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Daniel A. Carlton, Jr.
Administrator
Wisconsin Ethics Commission

Date Submitted



Wisconsin Ethics Commission

101 East Wilson Street | Room 127 | P.O. Box 7125 | Madison, WI 53707-7125
(608) 266-8123 | ethics@wi.gov | ethics.wi.gov

DATE: For the Commission Meeting on August 20, 2019
TO: Members, Wisconsin Ethics Commission
FROM: David Buerger, Staff Counsel
SUBJECT: Consideration of Guidance Documents

FOR COMMISSION ACTION

1. Does the Commission choose to adopt, modify, or direct staff to take other action with regard to each of the following guidance documents?
 - a. ETH-1211 – Officials’ receipt of food, drink, favors, services, etc.
 - b. ETH-1231 – Solicitations
 - c. ETH-1232 – Mitigating Conflicting Interests: Private Interest vs. Public Responsibility
 - d. ETH-1250 – Contributions and Activities by Lobbyists and Lobbying Principals
 - e. ETH-1251 – 50 Piece Rule
 - f. ETH-1253 – Social Media Use by Officials
 - g. ETH-1270 – Official’s Seeking Private Employment
 - h. ETH-1301 – Attribution Statements
 - i. ETH-1402 – Officials Required to File
 - j. CF Overview – State Candidate Committees
 - k. CF Overview – Local Candidate Committees
 - l. CF Overview – Party and Legislative Campaign Committees
 - m. CF Overview – Political Action Committees
 - n. CF Overview – Independent Expenditure Committees
 - o. CF Overview – Conduits
 - p. CF Overview – Referendum Committees

Background

2017 Act 369 imposed a new process for state agencies to follow before adopting guidance documents. First, an agency must submit to the Legislative Reference Bureau a proposed guidance document with a public notice specifying the place where public comments may be submitted and the deadline for receiving those comments for publication in the Administrative Register. An agency is required to provide for a period of public comment of at least 21 days unless the Governor approves a shorter public comment period. An agency is required to retain all written comments submitted during the public comment

Wisconsin Ethics Commissioners

Mac Davis | David R. Halbrooks | Katie McCallum | Tamara Packard | Pat Strachota | Timothy Van Akkeren

Administrator

Daniel A. Carlton, Jr.

period and is required to consider those comments in determining whether to adopt the guidance document as originally proposed, modify the proposed guidance document, or take other action. If adopted, the agency is required to post each guidance document on its website and is further required to permit continuing public comment on the guidance document. Each guidance document is also required to bear the signature of the secretary or head of the agency along with a certification.

The table below lists each guidance document that the Ethics Commission has submitted for publication, the date the notice of public comment was published, the register number of the publication, and the public comment period deadline.

Guidance Document Title	Publication Date	Register No.	Comment Deadline
ETH 1211 – Officials’ receipt of food, drink, favors, services, etc.)	March 11, 2019	759A2	April 8, 2019
ETH-1231 – Solicitations	July 22, 2019	763A4	August 12, 2019
ETH-1232 – Mitigating Conflicts of Interest: Private Interest vs. Public Responsibility	May 13, 2019	761A2	June 3, 2019
ETH-1250 – Contributions and Activities by Lobbyists and Lobbying Principals	May 13, 2019	761A2	June 3, 2019
ETH-1251 – 50 Piece Rule	May 13, 2019	761A2	June 3, 2019
ETH-1253 – Social Media Use by Officials	May 13, 2019	761A2	June 3, 2019
ETH-1270 – Official’s Seeking Private Employment	May 13, 2019	761A2	June 3, 2019
ETH-1301 – Attribution Statements	May 13, 2019	761A2	June 3, 2019
ETH-1402 – Officials Required to File	July 22, 2019	763A4	August 12, 2019
CF Overview – State Candidate Committees	March 18, 2019	759A3	April 8, 2019
CF Overview – Local Candidate Committees	July 22, 2019	763A4	August 12, 2019
CF Overview – Party and Legislative Campaign Committees	July 22, 2019	763A4	August 12, 2019
CF Overview – Political Action Committees	July 22, 2019	763A4	August 12, 2019
CF Overview – Independent Expenditure Committees	July 22, 2019	763A4	August 12, 2019
CF Overview – Conduits	July 22, 2019	763A4	August 12, 2019
CF Overview – Referendum Committees	July 22, 2019	763A4	August 12, 2019

Staff has attached the public comments received for each guideline as of the preparation of this memo. If additional public comments are received, staff will distribute those comments in a supplement to the open session materials for the Commission’s consideration.

Attachments

- A. ETH-1211 – Officials’ receipt of food, drink, favors, services, etc.
- B. ETH-1231 – Solicitations
- C. ETH-1232 – Mitigating Conflicting Interests: Private Interest vs. Public Responsibility
- D. ETH-1250 – Contributions and Activities by Lobbyists and Lobbying Principals
- E. ETH-1251 – 50 Piece Rule
- F. ETH-1253 – Social Media Use by Officials
- G. ETH-1270 – Official’s Seeking Private Employment
- H. ETH-1301 – Attribution Statements
- I. ETH-1402 – Officials Required to File
- J. CF Overview – State Candidate Committees
- K. CF Overview – Local Candidate Committees
- L. CF Overview – Party and Legislative Campaign Committees
- M. CF Overview – Political Action Committees
- N. CF Overview – Independent Expenditure Committees
- O. CF Overview – Conduits
- P. CF Overview – Referendum Committees
- Q. Public Comments Received
 - 1. ETH-1211

Wisconsin Ethics Commission

For state public officials

Officials' receipt of food, drink, favors, services, etc.

AN OFFICIAL MAY ACCEPT...

FROM ANY PERSON:

1. **ITEMS AND SERVICES MADE AVAILABLE TO THE GENERAL PUBLIC ON THE SAME TERMS.** Food, drink, transportation, lodging, items, and services at the same price, if any, charged others by a person other than a lobbyist, when each of the following applies:
 - A. It is available to anyone who wants it and who meets the criteria for eligibility;
 - B. The criteria are:
 - i. Established and readily identifiable; and
 - ii. Drawn without the purpose or effect of giving a preference to or conferring an advantage upon an agency official, legislative employee, or elective state official; and
 - C. There is no offer or notice of the event, item, or service directed to an official that would confer an advantage to the official.

WIS. STAT. §§ 13.625(2), 19.56(3)(b). 80 Op. Att’y Gen. 205, 212 (1992). *See e.g.*, 1991 Wis Eth Bd 3, 1991 Wis Eth Bd 9, 1997 Wis Eth Bd 12.
2. **EDUCATIONAL OR INFORMATIONAL MATERIALS OF UNEXCEPTIONAL VALUE.** Educational or informational materials of substantial value may only be accepted if some other exception applies, such as the state benefit exception. WIS. STAT. §§ 13.625(6t), 19.45(2); *see e.g.*, WIS. STAT. § 19.56(3)(c).

FROM A PERSON OTHER THAN A LOBBYIST/LOBBYING PRINCIPAL:

3. **ITEMS AND SERVICES UNRELATED TO PUBLIC POSITION.** Food, drink, transportation, lodging, items, and services which the recipient can clearly demonstrate are received for a reason unrelated to the recipient's holding or having held *any* public position. WIS. STAT. §§ 19.45(3m) and 19.56(3)(b).
4. **ITEMS AND SERVICES FOR WHICH THE RECIPIENT PAYS THE FULL COST.** Food, drink, transportation, lodging, items, and services if the official pays either (a) the price charged all others, if the event is open to the general public, or (b) the highest of: (i) the price charged others, (ii) the item's or service's true value, or (iii) the furnisher's cost; provided the opportunity to purchase the item itself is not a thing of value. WIS. STAT. §§ 19.45(3m) and 19.56(3)(b); 80 Op. Att’y Gen. 201, 202 (1992); 1997 Wis Eth Bd 12.
5. **EXPENSES PROVIDED BY OR TO THE STATE.** Food, drink, transportation, lodging, or payment or reimbursement of costs that the official can clearly demonstrate are provided by or on behalf of the state and primarily for the state's benefit, not for the private benefit of the official. WIS. STAT. § 19.56(3)(c). Although neither required nor conclusive, a certification of another official who can appropriately be seen as acting on the state's behalf is one possible way to support that the item received was for the state's benefit. *See e.g.*, 2007 Wis Eth Bd 1.

FROM CERTAIN PERSONS:

6. **EXPENSES FOR TALKS AND PROGRAMS.** Payment or reimbursement of actual and reasonable expenses an official incurs for presenting a talk or program about state issues if the payment or reimbursement is paid or arranged by the organizer of the event. WIS. STAT. §§ 13.625(7), 19.56(3)(a).
7. **REASONABLE COMPENSATION (ELECTED OFFICIALS ONLY).** An elected official may accept reasonable compensation for presenting a talk or program about state issues if the compensation is paid or

arranged by the organizer of the event and the person paying or arranging for the compensation is not a lobbyist or lobbying principal. WIS. STAT. §§ 13.625(7), 19.56(3)(a).

8. **ITEMS, SERVICES, AND REIMBURSEMENTS FROM A POLITICAL COMMITTEE.** Services, items, and reimbursements from a political committee if permitted and reported under campaign finance law. WIS. STAT. § 19.56(3)(d).
9. **ANYTHING OF VALUE FROM EITHER THE DEPARTMENT OF TOURISM OR THE WISCONSIN ECONOMIC DEVELOPMENT CORPORATION WHEN AUTHORIZED TO PROVIDE.** WIS. STAT. § 13.625, 19.56(3)(f).
10. **ANYTHING OF VALUE FROM A LOBBYING PRINCIPAL WHO IS A LOCAL GOVERNMENTAL UNIT (LOCAL ELECTED OR APPOINTED OFFICIALS ONLY).** A legislative or agency official who is also a local elected official may accept from a principal that is also a local governmental unit an amount not exceeding that provided to other similarly situated officials of that local governmental unit. WIS. STAT. § 13.625(6g)(a). A legislative or agency official who is also a local appointed official may accept from a principal that is also a local governmental unit a per diem or payment of actual and reasonable expenses not exceeding that provided to other similarly situated officials of that local governmental unit. WIS. STAT. § 13.625(6g)(b).

EXCEPT AS PROVIDED, AN OFFICIAL MAY NOT ACCEPT...

1. **TRANSPORTATION, TRAVELING ACCOMMODATIONS, OR COMMUNICATION SERVICES.** Discounted transportation or traveling accommodation for which the supplier would usually charge. WIS. CONST. art. XIII, § 11; WIS. STAT. § 946.11.
2. **ITEMS OR SERVICES FROM LOBBYISTS OR LOBBYING PRINCIPALS.** Food, drink, transportation, lodging, employment, or any other thing of pecuniary value from a lobbyist or lobbying principal, either directly or through an agent. WIS. STAT. § 13.625(1)-(3). Except:
 - A. **CAMPAIGN CONTRIBUTIONS FROM A LOBBYIST (PARTISAN ELECTED OFFICIALS OR CANDIDATES FOR PARTISAN OFFICE ONLY).** A lobbyist may make a personal campaign contribution only between the first day authorized by law for the circulation of nomination papers as a candidate at a general or special election, and the day of that election, except that a contribution to a candidate for legislative office may be made during that period only if the legislature has concluded its final floor period and is not in special or extraordinary session. Incumbent partisan elected officials may not accept contributions from lobbyists while running for a different office during the spring election. Campaign contributions from other sources (e.g, a political action committee) may be delivered by a lobbyist at any time. WIS. STAT. § 13.625(1m).
 - B. **ANYTHING OF VALUE FROM A LOBBYIST OR LOBBYING PRINCIPAL WHO IS A RELATIVE OF THE OFFICIAL OR WHO RESIDES IN THE SAME HOUSEHOLD.** A “relative” means a parent, grandparent, child, grandchild, brother, sister, parent-in-law, grandparent-in-law, brother-in-law, sister-in-law, uncle, aunt, nephew, niece, spouse, fiancé or fiancée. WIS. STAT. §§ 13.62(12g), 13.625(6).
 - C. **ANYTHING OF VALUE FROM A LOBBYIST OR LOBBYING PRINCIPAL TO AN OFFICIAL WHO IS AN EMPLOYEE.** An individual who is a legislative or agency official solely because of membership on a state commission, board, council, committee, or similar body may accept anything of value from a lobbyist or a lobbying principal who employs the official, if not in excess of that customarily provided by the employer to similarly situated employees and the official receives no compensation for his or her services to the state other than a per diem or reimbursement of actual and necessary expenses incurred in the performance of his or her duties. WIS. STAT. § 13.625(6r).
 - D. **ANYTHING OF VALUE FROM A LOBBYING PRINCIPAL TO AN OFFICER OR EMPLOYEE OF THE UNIVERSITY OF WISCONSIN SYSTEM FOR SERVICE ON THE GOVERNING BODY**

OF THE PRINCIPAL. In an amount not exceeding the amount provided to other members of the governing body for the same service. WIS. STAT. § 13.625(6s).

3. **TRANSPORTATION, LODGING, MEALS, FOOD, OR BEVERAGE OFFERED FOR A REASON RELATED TO HOLDING OR HAVING HELD ANY PUBLIC POSITION.** WIS. STAT. §§ 19.45(3m), 19.56(3)(b).
4. **OTHER ITEMS OR SERVICES OFFERED BECAUSE OF STATE POSITION.** No state public official may use his or her public position to obtain anything of substantial value for himself or herself, or his or her immediate family, or for an organization with which he or she is associated. WIS. STAT. § 19.45(2).
5. **REWARDS FOR OFFICIAL ACTION.** Anything of value that could reasonably be considered as a reward for the official's action or inaction. WIS. STAT. § 19.45(3).
6. **ITEMS AND SERVICES THAT COULD INFLUENCE OFFICIAL ACTION.** Anything of value that could reasonably be expected to influence the state public official's vote, official actions, or judgment. This does not prohibit a state public official from engaging in outside employment. WIS. STAT. § 19.45(3).
7. **PAYMENT FOR OFFICIATING AT A COURTHOUSE WEDDING (JUDGES ONLY).** A payment, even if unsolicited, for officiating at a marriage at a courthouse during business hours or if using access or resources not available to any resident. WIS. STAT. §§ 19.45(2), 19.56(3)(b). 2 Op. Eth Bd 58 (1978), 4 Op. Eth Bd 85, 86 (1981).

Wisconsin Ethics Commission

For State Public Officials

Solicitations

General Limitation on Solicitation

A state public official should not use his or her public position or office to solicit something of substantial value for himself or herself, his or her immediate family, or an organization with which he or she is associated. A state public official should not use his or her public position or office to solicit a thing of value from anyone for an organization with which the official or the official's spouse or legal dependent is an officer, director, employee or authorized representative or agent. [WIS. STAT. § 19.45\(2\)](#). "Associated," when used with reference to an organization, includes any organization in which an individual or a member of his or her immediate family is a director, officer, or trustee, or owns or controls, directly or indirectly, and severally or in the aggregate, at least 10 percent of the outstanding equity or of which an individual or a member of his or her immediate family is an authorized representative or agent. [WIS. STAT. § 19.42\(2\)](#).

However, there is a narrow exception that allows a "candidate," as that term is defined in [WIS. STAT. § 11.0101\(1\)](#), to engage in certain solicitations. Specifically, a candidate, including a state public official, may solicit a donation for a non-profit organization with which the candidate is "associated." [WIS. STAT. § 11.0206](#).

Other Limitations on Solicitation

A state public official should not solicit a thing of value from any person if it could be reasonably expected to influence his or her vote, official actions or judgment, or it could be seen as a reward for officials actions the official has taken. [WIS. STAT. § 19.45\(3\)](#).

A candidate for state elective office or a state public official should not solicit a charitable or other contribution for any organization from a lobbyist or from an organization that employs a lobbyist. [WIS. STAT. § 13.625\(3\)](#).

A candidate for state elective office or a state public official should not solicit anything of pecuniary value for a state agency or state program from a lobbyist or from an organization that employs a lobbyist. [WIS. STAT. § 13.625\(3\)](#).

Solutions For Instances When Solicitation Is Not Permitted

GOVERNMENT-RELATED EVENTS. A state agency seeking private support for a government-related activity may request assistance from the Wisconsin Economic Development Corporation to solicit support for a multi-state or national association with which the agency is affiliated. [WIS. STAT. 19.56\(3\)\(e\)2](#). An agency may also request the Wisconsin Economic Development Corporation to solicit support for events promoting economic development or tourism and for conferences of multistate, national, or international associations of government officials. *Id.* Additionally, an agency may request the Department of Tourism to solicit support for events promoting tourism. [WIS. STAT. 19.56\(3\)\(em\)](#).

LETTERHEAD AND LETTERS OF SUPPORT. An official affiliated with a private organization may permit the appearance of their name and title within the private organization, but not their public office, on the organization's letterhead in the same style and prominence in which others similarly affiliated with the organization are identified. An official may also write a letter of endorsement for an organization that the organization may include in a fundraising solicitation, even if it is sent to a lobbyist or lobbying principal, as long as the endorsement letter does not solicit, urge, or endorse contributing to the organization. *See* [1991 Wis Eth Bd 06](#).

Wisconsin Ethics Commission

For State and Local Public Officials

Mitigating Conflicting Interests: Private Interest Vs. Public Responsibility

In a representative democracy, the representatives are drawn from society and, therefore, cannot and should not be without all personal and economic interest in the decisions and policies of government. Citizens who serve as state public officials retain their rights as citizens to interests of a personal or economic nature. Standards of ethical conduct for state public officials need to distinguish between those minor and inconsequential conflicts that are unavoidable in a free society, and those conflicts which are substantial and material. State public officials may need to engage in employment, professional or business activities, other than official duties, in order to support themselves or their families and to maintain a continuity of professional or business activity, or may need to maintain investments. [WIS. STAT. § 19.45\(1\)](#).

ACTING IN AN OFFICIAL CAPACITY

MAKING POLICY. When a public official or a board, commission, or other body of which an official is a member is called upon to propose or to act on legislation, to promulgate a rule, or to issue a general policy, the official may participate in that action even though the action will affect the official, a member of the official's immediate family, or an organization with which the official is associated¹, as long as:

- The official's action affects a whole class of similarly situated interests;
- Neither the official's interest, the interest of a member of the official's immediate family, nor the interest of a business or organization with which the official is associated¹ is significant when compared to all affected interests in the class; AND
- The action's effect on the interests of the official, of a member of the official's immediate family, or of the related business or organization is neither significantly greater nor less than upon other members of the class.

See e.g., [2008 GAB 02](#); [11 Op. Eth Bd 9 \(1989\)](#); [8 Op. Eth Bd 33 \(1985\)](#); [5 Op. Eth Bd 89, 65, 59](#); [4 Op. Eth Bd 104 \(1981\)](#).

APPLYING POLICY. A public official should not, in an official capacity, participate in or perform any discretionary action with respect to the making, grant, or imposition of an award, sanction, permit, license, grant, contract, offer of employment, or agreement in which the official or a member of the official's immediate family or a business or organization with which the official is associated has a substantial financial interest, direct or indirect. WIS. STAT. §§ [19.45\(2\)](#), [19.46\(1\)](#), [19.59\(1\)\(a\)](#) and [\(c\)](#). In addition, a public official should not, in an official capacity, participate in a matter affecting a business or organization from which the official or a member of the official's immediate family receives substantial compensation or income. *See* WIS. STAT. §§ [19.45\(3\)](#), [19.59\(1\)\(b\)](#); [2013 GAB 01](#), [1994 Wis Eth Bd 5](#).

¹ "Associated" included any organization in which an individual or a member of his or her immediate family is a director, officer, or trustee, or owns or controls, directly or indirectly, and severally or in the aggregate, at least 10% of the outstanding equity, or of which an individual or a member of his or her immediate family is an authorized representative or agent. [WIS. STAT. § 19.42\(2\)](#).

HOW TO WITHDRAW FROM OFFICIAL ACTION

When a matter in which a public official should not participate comes before the legislature, a board, commission, or other body of which the official is a member, the official should refrain from discussion, deliberations, or votes related to that matter and ask that the body's minutes reflect that the member has withdrawn. The body's remaining members may review the matter and take whatever action they find appropriate. [1992 Wis Eth Bd 22](#).

ACTING IN A PRIVATE CAPACITY

APPLICATIONS, BIDS, AND CONTRACTS. Usually, a public official should not, in a private capacity, apply, negotiate, bid for, or receive any award, sanction, permit, license, grant, contract, offer of employment, or agreement in which the official has a private financial interest, direct or indirect, if the official is *authorized* to perform in regard to it any governmental function requiring the exercise of discretion, even if the official does not participate in the governmental action or exert any influence on his or her own behalf. [WIS. STAT. § 946.13](#)

REPRESENTING CLIENTS. A public official should not, for compensation or on behalf of an employer, represent an individual, business, or organization before a board, commission, or other body of which an official is a member. The statutory code of ethics is not an obstacle to a local official's partner or business associate representing a client before such board, commission, or other body as long as the official is not financially interested in, and does not exercise control over, the representation. WIS. STAT. §§ [19.45\(3\)](#), [19.45\(7\)](#), [19.59\(1\)\(b\)](#).

Wisconsin Ethics Commission

For lobbyists, lobbying principals, PACs

Contributions and Activities by Lobbyists and Lobbying Principals

PERSONAL CONTRIBUTIONS BY LOBBYISTS TO:

STATE PARTISAN OFFICIALS, CANDIDATES FOR PARTISAN OFFICE AND CANDIDATE COMMITTEES.

Lobbyists may make personal contributions to partisan elected state officials running for any office, candidates for election to a partisan state office, and their respective campaign committees only during the “window” between the first day authorized by law for the circulation of nomination papers and the day of that general or special election. [WIS. STAT. § 13.625\(1m\)\(b\)](#). Partisan elective state office refers only to the governor, lieutenant governor, secretary of state, state treasurer, attorney general, state senator, or state representative to the assembly. [WIS. STAT. § 13.62\(11p\)](#).

CURRENT LEGISLATORS AND CANDIDATES FOR STATE SENATE OR ASSEMBLY.

In addition to the above restriction, lobbyists may only make personal contributions to current legislators and candidates for the state senate or state representative to the assembly if the Legislature has concluded its final floor period as determined by Joint Resolution of the Legislature *and* is not in special or extraordinary session. [WIS. STAT. § 13.625\(1m\)\(b\)1](#).

NON-PARTISAN, LOCAL, AND NATIONAL CANDIDATES AND CANDIDATE COMMITTEES.

There are no restrictions on when lobbyists may make personal contributions to the candidate and/or candidate committee of a candidate for local or state non-partisan office, county-level partisan office, District Attorney or national office *if and only if* the candidate is not a current partisan elected state office holder. WIS. STAT. §§ [5.02\(9\)](#), [5.02\(12\)](#), [13.62\(11p\)](#), [13.625\(1m\)\(b\)](#).

SELF OR FAMILY.

Lobbyists may make personal contributions at any time to the lobbyist's own campaign or to the campaign of the lobbyist's spouse, certain relatives, or individuals who reside in the same household as the lobbyist. WIS. STAT. §§ [13.62\(12g\)](#), [13.625\(1m\)\(b\)2](#), [13.625\(6\)](#).

OTHER COMMITTEE TYPES.

There are no restrictions on when lobbyists may make personal contributions to political action committees (PACs), political party committees, legislative campaign committees, independent expenditure committees (IECs), referendum committees, or recall committees.

CONDUITS.

Lobbyists may deposit money into a conduit account at any time, but may direct the release of a contribution to a state official, candidate, or their respective campaign committees through a conduit only during the allowable “window”. WIS. STAT. §§ [11.0701\(3\)](#), [13.625\(1m\)\(b\)](#).

CONTRIBUTIONS DELIVERED BY LOBBYISTS:

There are no restrictions on when lobbyists may deliver non-personal contributions to any committee type or conduit. See [WIS. STAT. § 13.625\(1\)\(b\)3](#).

CAMPAIGN ACTIVITIES BY LOBBYISTS

PROFESSIONAL SERVICES.

Lobbyists may *not* provide services to a state official, candidate, or their respective campaign committees, for which the lobbyist is compensated by another or would normally charge a fee outside the allowable “window,” as such services have pecuniary value and would be in-kind contributions. [WIS. STAT. § 13.625\(1\)\(b\)3](#).

UNCOMPENSATED PERSONAL SERVICES.

Lobbyists may provide personal services for which they are not compensated and would not normally charge a fee (e.g., distributing yard signs or stuffing envelopes) at any time, to a state official, candidate, or their respective campaign committees. [Barker, et al. v. State of Wisconsin Ethics Board](#), 841 F. Supp. 255 (1993).

ATTENDING A FUNDRAISING EVENT.

There are no prohibitions on a lobbyist’s attendance at fundraising events for a state official, candidate, or their respective campaign committees; however, the purchase of a ticket for a fundraising event is a contribution, regardless of whether it is used to attend the event. [WIS. STAT. § 11.0101\(8\)\(a\)4](#). Therefore, tickets to attend a fundraising event may only be purchased using the lobbyist’s personal funds during the allowable “window.” [WIS. STAT. § 13.625\(1m\)\(b\)](#).

CAMPAIGN CONTRIBUTIONS AND ACTIVITIES BY LOBBYING PRINCIPALS

CONTRIBUTIONS FROM A LOBBYING PRINCIPAL.

Lobbying principals that are corporations, associations, or tribes may not contribute to a state official, candidate, or their respective campaign committees at any time. [WIS. STAT. §§ 11.1112](#). Lobbying principals that are *not* corporations, associations or tribes may contribute to a candidate’s campaign committee during only the same “window” that applies to lobbyists. [WIS. STAT. §§ 11.1112, 13.625\(2\)](#). Contributions include in-kind contributions such as services or transfers of tangible property. [WIS. STAT. §§ 11.0101\(8\)\(a\)3, 11.1109](#).

PACs CONTROLLED BY LOBBYING PRINCIPALS.

PACs controlled by a lobbying principal may contribute to a candidate’s campaign committee at any time if the appropriate registration requirements and contribution limits are followed. [WIS. STAT. §§ 11.0502, 11.1101](#).

FUNDRAISING EVENT SPONSORSHIP BY PACs CONTROLLED BY LOBBYING PRINCIPALS.

There are no restrictions in state law on the ability of a PAC controlled by a lobbying principal to sponsor a fundraising event for a state official, candidate, or their respective campaign committees.¹

¹ Rules of the Legislature may impose additional restrictions on when contributions may be accepted by legislators and when a legislator may hold a fundraising event. Check with the Chief Clerks of the Legislature for more information.

Wisconsin Ethics Commission

For persons elected to state or local office who become a candidate for national, state, or local office

50 Piece Rule

THE 50-PIECE RULE

Wisconsin's campaign finance law prohibits a person elected to state or local office who becomes a candidate for any office from using public funds for the cost of materials or distribution for 50 or more pieces of substantially identical material during the campaign season. [WIS. STAT. § 11.1205](#) This rule is also sometimes referred to as the 49-piece rule, because it allows for the distribution of up to 49 pieces of substantially identical materials, with the 50th piece being a violation of the law. While the official's intent is not an express element of the rule, the rule has historically only been applied to communications with a political purpose.¹

COVERED TIME PERIOD - [WIS. STAT. § 11.1205\(1\)](#)

This prohibition begins after:

- The first day to circulate nomination papers, if nominated by nomination papers;
- The day the board of canvassers issues a determination that the person is nominated if nominated at a primary election by write-in votes;
- The date of the caucus, if nominated at a caucus; or
- The first day of the month preceding the month which includes the last day for filing a declaration of candidacy, if nominated solely by filing the declaration.

This prohibition ends:

- The day after the date of the primary election, if the candidate is unsuccessful in being nominated at the primary election, and is not running as a write-in candidate in the election; or
- The day after the date of the election.

EXCEPTIONS TO THE 50-PIECE RULE - [WIS. STAT. § 11.1205\(2\)](#)

The 50-piece rule does not apply to the following:

- Answers to communications from constituents;
- Actions taken by a state or local government administrative officer pursuant to a specific law, ordinance or resolution which authorizes or directs the actions to be taken;
- Communications between members of the legislature regarding the legislative or deliberative process while the legislature is in session; or
- Communications not exceeding 500 pieces by members of the legislature relating solely to the subject matter of a special session or extraordinary session, made during the period between the date that the session is called or scheduled and 14 days after adjournment of the session.

¹ See [69 Atty. Gen. 259](#); [1978 Op El Bd 12](#) (withdrawn December 6, 2016).

SUBSTANTIALLY IDENTICAL

“Substantially identical” is not defined by statute, but a common dictionary definition indicates that the prohibition would apply to material that is largely, if not wholly the same.² For example, pieces that contain the same message and simply address different recipients or have a different salutation would still be substantially identical pieces.

ADDITIONAL RESOURCES

For additional information, please visit the Ethics Commission website: <https://ethics.wi.gov>. If you have additional questions, please contact the Wisconsin Ethics Commission staff by email at CampaignFinance@wi.gov, or by phone at (608) 266-8123. Advice sought from the Ethics Commission is confidential. For authoritative information, refer to Wisconsin Statutes. You may also wish to consult with an attorney.

² <https://www.merriam-webster.com/dictionary/substantial>
<https://www.merriam-webster.com/dictionary/identical>

Wisconsin Ethics Commission

For persons elected to state or local office who become a candidate for national, state, or local office

Social Media Use by Officials

GENERAL GUIDANCE

The Code of Ethics for State Public Officials prohibits the use of an official's public position for private benefit. [WIS. STAT. § 19.45\(2\)](#). As such, it is important for an official to be able to distinguish between a public purpose and a private purpose when considering the use of public resources. To avoid the appearance of misuse of public resources a public official should include some indication of whether a social media account is for their official position or is a campaign, business, or personal account in the profile, summary, or other description of the account.

Best Practices for Official Social Media Accounts

Official social media accounts are the most restricted. Officials should limit use of their official social media accounts to information related to an official's position, duties, and issues with a public purpose.

Examples of acceptable communications from an official social media account:

- Posts discussing how the state could address an issue through state laws or actions;
- General legislative activity like information about bills that the official has sponsored or co-sponsored;
- State budget information;
- Sharing newsletters from the official's office;
- Publicizing public events;
- Public service announcements and;
- Endorsements and messages of support when justified by having a state purpose. For example: "I support [candidate or organization] and their work to address [state policy issue] in Wisconsin."

Examples of communications that should NOT come from an official social media account:

- Solicitation of campaign contributions;
- Promotion of campaign-related events;
- Photos of campaign-related branding and events such as T-shirts, signs, or banners; and
- Any content that is strictly personal or commercial such as promoting the official's personally owned business or a business with which the official is associated.

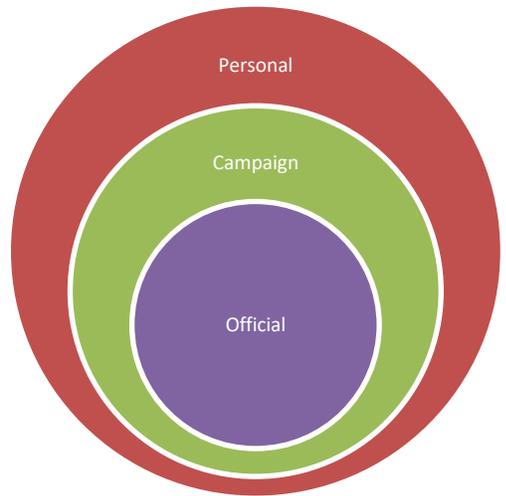
See WIS. STAT. §§ [11.1208\(2\)\(a\)](#), [19.42\(2\)](#), [19.45\(2\)](#).

Best Practices for Campaign and Personal Social Media Accounts

A campaign may use a campaign social media account for all communications allowable for an official account, in addition to campaign-related activities including solicitation of contributions. Campaign social media accounts should not be used for strictly personal or commercial purposes. *See* WIS. STAT. § [11.1208\(2\)\(a\)](#).

A personal account may contain both official and campaign-related information.

Please see the diagram to the right for an illustration of acceptable uses by type of account.



USE OF SOCIAL MEDIA ON “STATE TIME”

Elected officials will often switch between official and campaign activities throughout the day because an elected official is simultaneously an official and a candidate. [WIS. STAT. § 11.0101\(1\)](#). However, to avoid the appearance of misuse of public resources an elected official is advised not to create campaign-related social media communications or content while performing their official duties (i.e., while participating in an event in their official capacity – e.g., an event listed on their official calendar, a floor session, or committee hearing). [WIS. STAT. § 19.45\(2\)](#). Also, no person may enter or remain in any state building, office, or room for the purpose of requesting or collecting a contribution; therefore, elected officials should take special care as to the content of their social media communications while in a state building. [WIS. STAT. § 11.1207\(4\)](#).

An elected official is also advised to not use campaign committee resources for strictly personal benefit, or for commercial purposes. WIS. STAT. §§ [11.1208\(2\)\(a\)](#), [19.45\(2\)](#), [19.42\(2\)](#). For example, the candidate should not use a campaign social media account or campaign website to advertise for a personal business.

50-PIECE RULE APPLICATION TO SOCIAL MEDIA

The “50-Piece Rule” prohibits the use of public funds for the distribution of 50 or more pieces of substantially identical material by a covered person during a specified time period. [WIS. STAT. § 11.1205](#). The language of the “50-Piece Rule” does not distinguish between electronic pieces and printed pieces. Electronic communications almost always result in multiple copies being created even when sent to a single recipient. This is due to the nature of the technical systems that enable electronic communications. When calculating the number of pieces distributed under the “50-Piece Rule” the Commission will only count those instances of electronic communication intended by the sender. *See* [2018 ETH 03](#).

If a message is actively communicated to individually addressed recipients (e.g., via email, instant messages, or direct messages), each individual recipient is considered a single piece under the “50-Piece Rule.” However, a passive message such as a website, Facebook post, or tweet, where the sender has no direct control over the audience of his or her message, is only counted as a single piece under the “50-Piece Rule.”

Wisconsin Ethics Commission

For State Public Officials

Official's Seeking Private Employment

SEEKING PRIVATE EMPLOYMENT WITH A LOBBYIST OR A LOBBYING PRINCIPAL.¹

A lobbyist or a lobbying principal, may not furnish, directly or indirectly, anything of pecuniary value to an elected state official, legislative employee, or agency official; and the official or employee may neither solicit nor accept anything of pecuniary value from a lobbyist or a lobbying principal. Employment is something of pecuniary value. [WIS. STAT. § 13.625\(1\)](#), [\(2\)](#), and [\(3\)](#), [80 Op. Att'y Gen. 205 \(1992\)](#); *See e.g.*, [2006 Wis Eth Bd 07](#), [1993 Wis Eth Bd 04](#), [1992 Wis Eth Bd 26](#).

An elected state official, legislative employee, or agency official should not initiate discussions about prospective employment with a lobbyist or lobbying principal while the official holds a state government position. [WIS. STAT. § 13.625\(3\)](#). However, an elected state official, legislative employee, or agency official may respond to published advertisements for employment that are available to the general public. [WIS. STAT. § 13.625\(2\)](#).

An elected state official, legislative employee, or agency official may discuss the possibility of employment and circumstances of future employment but should not receive or accept a promise of future employment or enter into an agreement for future employment. [WIS. STAT. § 13.625\(3\)](#); *See e.g.*, [1998 Wis Eth Bd 11](#).

SEEKING PRIVATE EMPLOYMENT FROM ANY PERSON.

Wisconsin's Code of Ethics² specifically recognizes that a state public official may need to engage in employment other than their official duties and does not prohibit a state public official from accepting outside employment or following any pursuit which in no way interferes with the full and faithful discharge of his or her duties to this state. [WIS. STAT. § 19.45\(1\)](#).

A state public official should not use their public position or office to obtain financial gain or anything of substantial value for their private benefit and a state official should not accept anything of value that could reasonably be expected to influence the official's judgment or could reasonably be considered as a reward for any official action. [WIS. STAT. § 19.45\(2\)](#) and [\(3\)](#). "Anything of value" includes a "promise of future employment." [WIS. STAT. § 19.42\(1\)](#).

A state public official should not use their title, prestige of office, or resources of their office to obtain private employment. This does not preclude a state public official from using their general political

¹ The prohibitions provided for in the lobbying law apply to the following:

- agency officials, whose official responsibilities include participating in any administrative action other than in a solely clerical, secretarial, or ministerial capacity;
- elective state officials; and
- legislative employees, including members and officers of the legislature and employees of a legislative service agency.

WIS. STAT. §§ [13.62\(3\)](#), [\(6\)](#), and [\(8m\)](#).

² The Code of Ethics applies to individuals holding state public office. WIS. STAT. § [19.42\(13\)](#) and [\(14\)](#).

skills and experience when seeking private employment. When accepting an offer for private employment a state public official should be able to clearly demonstrate that the offer did not arise due to holding public office. [WIS. STAT. § 19.45\(2\)](#); *See e.g.*, [2004 Wis Eth Bd 06](#).

A state official should not accept an offer of or promise of employment if it could reasonably be expected to influence their official actions or judgment. [WIS. STAT. § 19.45\(3\)](#).

A state official should not participate in any official matter in which a potential future employer has an interest until the official either ends the discussions about employment or leaves state government. [WIS. STAT. § 19.46\(1\)\(b\)](#).

Wisconsin Ethics Commission

For all committees

Attribution Statements

ATTRIBUTION STATEMENTS

Wisconsin campaign finance laws generally require an attribution statement, also known as a disclaimer, on materials containing express advocacy. [WIS. STAT. § 11.1303](#). Express advocacy communications clearly identify a candidate and clearly advocate for the election or defeat of that candidate. [WIS. STAT. § 11.0101\(11\)](#).

Attribution statements must be included on any express advocacy communications that are paid for by any contribution or disbursement. [WIS. STAT. § 11.1303\(2\)](#). Materials or communications made for the purpose of influencing the recall or retention in office of a state or local elected official must also include an attribution statement. [WIS. STAT. § 11.1303\(2\)\(em\)](#). Express advocacy paid for or reimbursed by a person, other than a committee, must also include an attribution statement if the cost of the communication exceeds \$2,500. [WIS. STAT. § 11.1303\(2\)\(c\)](#).

CONTENTS OF AN ATTRIBUTION STATEMENT

An attribution statement must include the words, “Paid for by” followed by the name of the committee making the payment or reimbursement, or assuming responsibility for the communication. The name of the treasurer or other officers of the committee is no longer required. [WIS. STAT. § 11.1303\(2\)\(b\)](#).

INDEPENDENT EXPRESS ADVOCACY

Political action committees (PACs), independent expenditure committees, or other persons who make independent expenditures (express advocacy communications not coordinated with a candidate, candidate committee, candidate’s agent, legislative campaign committee, or political party) in excess of \$2,500 must include the words “Paid for by” followed by the name of the committee and the words “Not authorized by any candidate or candidate’s agent or committee.” [WIS. STAT. §§ 11.0101\(16\), 11.1303\(2\)\(d\)](#).

READABLE, LEGIBLE, AND READILY ACCESSIBLE

The attribution must be readable, legible, and readily accessible. [WIS. STAT. § 11.1303\(2\)\(g\)](#).

- “Readable” and “legible” are not defined by statute, but common dictionary definitions of these terms would indicate that the attribution should be clearly printed so it can be understood.¹
- “Readily accessible” is not defined by statute, but a common dictionary definition would indicate that the attribution should be capable of being seen without much difficulty.²

¹ <https://www.merriam-webster.com/dictionary/readable>
<https://www.merriam-webster.com/dictionary/legible>

² <https://www.merriam-webster.com/dictionary/readily>
<https://www.merriam-webster.com/dictionary/accessible>

TYPES OF COMMUNICATIONS REQUIRING AN ATTRIBUTION STATEMENT

All communications containing express advocacy or made for the purpose of influencing the recall from or retention in office of an individual holding a state or local office require an attribution statement. The following is a non-exclusive list of examples of communications where attributions would be required:

- Printed advertisements/direct mail;
- Billboards;
- Handbills;
- Sample ballots;
- Television or radio advertisements; and
- Other communications containing express advocacy (e.g., robo-calls, emails, or websites).

[WIS. STAT. § 11.1303\(2\)\(a\), \(em\).](#)

TYPES OF COMMUNICATIONS THAT DO NOT REQUIRE ATTRIBUTION STATEMENTS

Communications printed on small items on which the information required cannot be conveniently printed may not require an attribution statement. The following are examples of communications that are commonly limited in size where an attribution statement may not be required:

- Some text messages;
- Some social media communications; and
- Certain small advertisements on mobile devices.
- Other small items or communications that the Commission may adopt by rule.

[WIS. STAT. § 11.1303\(2\)\(f\)](#)

ADDITIONAL RESOURCES

For additional information, please visit the Ethics Commission website: <https://ethics.wi.gov>. If you have additional questions, please contact the Wisconsin Ethics Commission staff by email at CampaignFinance@wi.gov, or by phone at (608) 266-8123. Advice sought from the Ethics Commission is confidential. For authoritative information, refer to Wisconsin Statutes. You may also wish to consult with an attorney.

Wisconsin Ethics Commission

Statements of Economic Interest

Officials Required to File

Of the approximately 2,500 state officials subject to the Ethics Code's standards of conduct, about 2,100 officials -- those holding salaried positions and those whose appointments require the Senate's consent* -- file Statements of Economic Interests. Candidates and nominees for state public offices also file Statements of Economic Interests. Statements are open to public inspection.

**Exceptions: Bradley Center and Professional Baseball Park Board Members do not file.*

Officials required to file SEIs are defined in [WIS. STAT. § 19.42\(10\)](#), with references to other statutes. The occupants of the following positions file Statements of Economic Interests:

Administration, Department of

Administrators(13)³
Assistant Deputy Secretary
Deputy Dir., Office Bus Development
Deputy Secretary
Director, Bureau Merit Recruitment & Selection
Director, Federal-State Relations Office
Director, Office Bus Development
Regional Dirs., Intergovernmental Affairs
Secretary

Statutory Reference

[§ 19.42\(10\)\(k\)](#), [§ 15.103](#), [§ 230.08\(2\)\(e\)1.](#)
[§ 19.42\(10\)\(c\)](#), [§ 20.923\(9\)](#), [§ 15.05\(3\).](#)
[§ 19.42\(10\)\(c\)](#), [§ 20.923\(8\).](#)
[§ 19.42\(10\)\(c\)](#), [§ 20.923\(8\)](#), [§ 15.04\(2\).](#)
[§ 19.42\(10\)\(c\)](#), [§ 20.923\(4\)\(c\)3m.](#)
[§ 19.42\(10\)\(c\)](#), [§ 20.923\(4\)\(c\)1.](#)
[§ 19.42\(10\)\(c\)](#), [§ 20.923\(4\)\(c\)2.](#)
[§ 19.42\(10\)\(c\)](#), [§ 20.923\(4\)\(c\)1m.](#)
[§ 19.42\(10\)\(c\)](#), [§ 20.923\(4\)\(h\)1.](#)

Aerospace Authority, Wisconsin (Inactive)

Member, Board of Directors
Executive Director

[§ 19.42\(10\)\(q\).](#)
[§ 19.42\(10\)\(q\).](#)

Aging & Long-Term Care, Board on

Members (7)

[§ 19.42\(10\)\(d\)](#), [§ 15.07\(1\)\(a\)](#), [§ 15.07\(1\)\(b\)9.](#)

Agriculture, Trade & Consumer Protection, Department of

Administrators (9)³
Assistant Deputy Secretary
Board Members (9)
Deputy Secretary
Secretary

[§ 19.42\(10\)\(k\)](#), [§ 15.13](#), [§ 230.08\(2\)\(e\)2.](#)
[§ 19.42\(10\)\(c\)](#), [§ 20.923\(9\)](#), [§ 15.05\(3\).](#)
[§ 19.42\(10\)\(d\)](#), [§ 15.13](#), [§ 15.07\(1\)\(a\).](#)
[§ 19.42\(10\)\(c\)](#), [§ 20.923\(8\)](#), [§ 15.04\(2\).](#)
[§ 19.42\(10\)\(c\)](#), [§ 20.923\(4\)\(f\)2.](#)

Arts Board

Executive Director/Secretary

[§ 19.42\(10\)\(c\)](#), [§ 20.923\(4\)\(a\)2.](#)

Children and Families, Department of

Administrators (9)³
Assistant Deputy Secretary
Deputy Secretary
Domestic Abuse, Council on (9)
Secretary

[§ 19.42\(10\)\(k\)](#), [§ 15.20](#), [§ 230.08\(2\)\(e\)2m.](#)
[§ 19.42\(10\)\(c\)](#), [§ 20.923\(9\)](#), [§ 15.05\(3\).](#)
[§ 19.42\(10\)\(c\)](#), [§ 20.923\(8\)](#), [§ 15.04\(2\).](#)
[§ 19.42\(10\)\(d\)](#), [§ 15.207\(16\).](#)
[§ 19.42\(10\)\(c\)](#), [§ 20.93\(4\)\(f\)2d.](#)

College Savings Program Board

Members (6)¹

[§ 19.42\(10\)\(d\)](#), [§ 15.07\(1\)\(b\)2.](#)

	Statutory Reference
Corrections, Department of	
Administrators (7) ³	§ 19.42(10)(k) , § 15.14 , § 230.08(2)(e)3e .
Assistant Deputy Secretary	§ 19.42(10)(c) , § 20.923(9) , § 15.05(3) .
Chair, Parole Commission	§ 19.42(10)(c) , § 20.923(4)(b)6 .
Deputy Secretary	§ 19.42(10)(c) , § 20.923(8) , § 15.04(2) .
Director, Badger State Industries	§ 19.42(10)(c) , § 20.923(4)(a)2m .
Secretary	§ 19.42(10)(c) , § 20.923(4)(h)2g .
Credit Unions, Office of	
Credit Union Review Board (5)	§ 19.42(10)(d) , § 15.07(1)(b)3 .
Director	§ 19.42(10)(c) , § 20.923(4)(c)3 .
District Attorney	
District Attorneys (71)	§ 19.42(10)(c) , § 20.923(2)(j) .
Educational Communications Board	
Administrators (4) ³	§ 19.42(10)(k) , § 15.57 , § 230.08(2)(e)3m .
Deputy Director	§ 19.42(10)(c) , § 20.923(8) , § 15.04(2) , § 230.08(2)(L)2 .
Executive Director	§ 19.42(10)(c) , § 20.923(4)(e)1e .
Members (5) ^{1,2}	§ 19.42(10)(d) , § 15.57(2) (3) and (6m) .
Elections Commission	
Administrator	§ 19.42(10)(k) , § 15.61(1)(b) .
Employees	§ 19.42(10)(a) .
Members	§ 19.42(10)(a) .
Employee Trust Funds, Department of	
Administrators (5) ³	§ 19.42(10)(k) , § 15.183 , § 230.08(4)(a) .
Assistant Deputy Secretary	§ 19.42(10)(c) , § 20.923(9) , § 15.05(3) .
Board Members (1) ^{1,2}	§ 19.42(10)(d) , § 15.16(1) , § 15.07(1)(a) .
Deferred Compensation Board (5)	§ 19.42(10)(d) , § 15.07(1)(b)14 .
Deputy Secretary	§ 19.42(10)(c) , § 20.923(8) , § 15.04(2) , § 230.08(2)(L)3m .
Secretary	§ 19.42(10)(c) , § 20.923(7) .
Employment Relations Commission	
Chairperson	§ 19.42(10)(c) , § 20.923(4)(e)2 , 15.06(1)(bm)
Ethics Commission	
Administrator	§ 19.42(10)(k) , § 15.62(1)(b) .
Employees	§ 19.42(10)(ab) .
Members	§ 19.42(10)(ab) .
Financial Institutions, Department of	
Administrators (6) ³	§ 19.42(10)(k) , § 15.18 , § 230.08(2)(e)4f .
Assistant Deputy Secretary	§ 19.42(10)(c) , § 20.923(9) , § 15.05(3) .
Banking Review Board (5)	§ 19.42(10)(d) , § 15.07(1)(b)1 .
Deputy Secretary	§ 19.42(10)(c) , § 20.923(8) , § 15.04(2) .
Director, Office of Credit Unions	§ 19.42(10)(k) , § 15.02(3)(c)1 .
Savings Institutions Review Board (5)	§ 19.42(10)(d) , § 15.07(1)(b)5 .
Secretary	§ 19.42(10)(c) , § 20.923(4)(f)3f .
Fox River Navigational System Authority	
Chief Executive Officer	§ 19.42(10)(o) .
Members (6)	§ 19.42(10)(o) .
Governor, Office of the	
Executive Secretary	§ 19.42(10)(c) , § 20.923(4)(f)7t .
Governor	§ 19.42(10)(c) , § 20.923(2)(c) .
Key Professional Staff	§ 19.42(10)(c) , § 20.923(10) .

Great Lakes Protection Fund

Members (2)

Statutory Reference[§ 19.42\(10\)\(d\)](#), [§ 14.84\(2\)](#).**Health & Educational Facilities Authority, Wisconsin**

Members (7)

[§ 19.42\(10\)\(d\)](#), [§ 231.02\(1\)](#).**Health Services, Department of**Administrators (9)³[§ 19.42\(10\)\(k\)](#), [§ 15.19](#), [§ 230.08\(2\)\(e\)5](#).

Assistant Deputy Secretary

[§ 19.42\(10\)\(c\)](#), [§ 20.923\(9\)](#), [§ 15.05\(3\)](#).

Deputy Secretary

[§ 19.42\(10\)\(c\)](#), [§ 20.923\(8\)](#), [§ 15.04\(2\)](#).

Director, Office of Children's Mental Health

[§ 19.42\(10\)\(k\)](#), [§ 15.02\(3\)\(c\)1](#).

Secretary

[§ 19.42\(10\)\(c\)](#), [§ 20.923\(4\)\(h\)5](#).**Higher Educational Aids Board**

Executive Secretary

[§ 19.42\(10\)\(c\)](#), [§ 20.923\(4\)\(c\)4](#).

Deputy Secretary

[§ 19.42\(10\)\(c\)](#), [§ 20.923\(8\)](#), [§ 15.04\(2\)](#), [§ 230.08\(2\)\(L\)4](#).**Historical Society**Administrators (5)³[§ 19.42\(10\)\(k\)](#), [§ 15.70](#), [§ 230.08\(2\)\(e\)5m](#).

Associate/Deputy Director

[§ 19.42\(10\)\(c\)](#), [§ 20.923\(8\)](#).Curators (Members) (3)^{1,2}[§ 19.42\(10\)\(d\)](#), [§ 15.70\(4\)](#).

Director

[§ 19.42\(10\)\(c\)](#), [§ 20.923\(4\)\(g\)1r](#).**Housing & Economic Development Authority, Wisconsin**

Employees, Non-clerical

[§ 19.42\(10\)\(h\)](#).Members (6)¹[§ 19.42\(10\)\(h\)](#).**Insurance, Office of the Commissioner of**Administrators (2)³[§ 19.42\(10\)\(k\)](#), [§ 15.73](#), [§ 230.08\(2\)\(e\)8h](#).

Commissioner

[§ 19.42\(10\)\(c\)](#), [§ 20.923\(4\)\(f\)7v](#).

Deputy Commissioner

[§ 19.42\(10\)\(c\)](#), [§ 20.923\(8\)](#), [§ 15.04\(2\)](#), [§ 230.08\(2\)\(L\)5](#).**Investment Board (SEIs are confidential)**

Chief Financial Officer

[§ 19.42\(10\)\(L\)](#).

Chief Investment Officer

[§ 19.42\(10\)\(L\)](#).

Chief Legal Counsel

[§ 19.42\(10\)\(L\)](#).

Chief Risk Officer

[§ 19.42\(10\)\(L\)](#).

Executive Assistant

[§ 19.42\(10\)\(L\)](#).

Executive Director

[§ 19.42\(10\)\(L\)](#).

Internal Auditor

[§ 19.42\(10\)\(L\)](#).

Managers, Fund of Funds

[§ 19.42\(10\)\(L\)](#).

Managing Analysts and Directors

[§ 19.42\(10\)\(L\)](#).Members (8)^{1,2}[§ 19.42\(10\)\(d\)](#), [§ 15.76](#), [§ 15.07\(1\)\(a\)](#).

Portfolio Managers

[§ 19.42\(10\)\(L\)](#).**Judges**

Circuit Court (253)

[§ 19.42\(10\)\(c\)](#), [§ 20.923\(2\)\(b\)](#).

Circuit Court Reserve Judges

[§ 19.42\(10\)\(c\)](#), [§ 20.923\(2\)\(b\)](#), [§ 753.075\(3\)](#).

Court of Appeals Judges (16)

[§ 19.42\(10\)\(c\)](#), [§ 20.923\(2\)\(b\)](#).

Municipal Judges

[§ 19.42\(10\)\(i\)](#).

Municipal Court Reserve Judges

[§ 19.42\(10\)\(i\)](#).

Supreme Court Justices (7)

[§ 19.42\(10\)\(c\)](#), [§ 20.923\(2\)\(b\)](#).**Judicial Commission**

Executive Director

[§ 19.42\(10\)\(c\)](#), [§ 20.923\(4\)\(b\)4](#).Members (5)¹[§ 19.42\(10\)\(d\)](#), [§ 737.83\(1\)\(a\)](#).

	Statutory Reference
Justice, Department of	
Administrators (5) ³	§ 19.42(10)(k) , § 15.25 , § 230.08(2)(e)7.
Attorney General	§ 19.42(10)(c) , § 20.923(2)(e).
Deputy Attorney General	§ 19.42(10)(c) , § 20.923(8) , § 15.04(2).
Director, Crime Victims Services	§ 19.42(10)(c) , § 20.923(4)(c)5.
Director, Office of School Safety	§ 19.42(10)(c) , § 20.923(4)(c)6.
Executive Assistant	§ 19.42(10)(c) , § 20.923(9) , § 15.05(3)(b).
Kickapoo Reserve Management Board	
Members (3)	§ 19.42(10)(d) , § 15.07(1)(b)20.
Labor & Industry Review Commission	
Members (3)	§ 19.42(10)(c) , § 20.923(4)(e)4.
Land and Water Conservation Board	
Members (5) ^{1,2}	§ 19.42(10)(d) , § 15.07(1)(b)(10).
Legislative Audit Bureau	
Auditors	§ 19.42(10)(f).
Special Asst/Deputy State Auditor	§ 19.42(10)(c) , § 20.923(8) , § 13.94(3)(b).
State Auditor/Director	§ 19.42(10)(c) , § 20.923(4)(f)6m.
Legislative Council	
Director	§ 19.42(10)(c) , § 20.923(4)(f)6.
Expert Assistants	§ 19.42(10)(c) , § 20.923(6)(f).
Legislative Fiscal Bureau	
Assistant Director	§ 19.42(10)(c) , § 20.923(6)(g).
Assistants and Analysts	§ 19.42(10)(c) , § 20.923(6)(g).
Director	§ 19.42(10)(c) , § 20.923(4)(f)7s.
Legislative Reference Bureau	
Chief	§ 19.42(10)(c) , § 20.923(4)(f)7m.
Employees, Non-clerical	§ 19.42(10)(c) , § 20.923(6)(gm).
Legislative Technology Services Bureau	
Director	§ 19.42(10)(c) , § 20.923(4)(e)5m.
Legislature	
Chief Clerks (2)	§ 19.42(10)(g).
Representatives	§ 19.42(10)(c) , § 20.923(2)(b).
Senators	§ 19.42(10)(c) , § 20.923(2)(b).
Sergeants at Arms (2)	§ 19.42(10)(g).
Lieutenant Governor, Office of the	
Administrative Assistant (Chief of Staff)	§ 19.42(10)(c) , § 20.923(9).
Lieutenant Governor	§ 19.42(10)(c) , § 20.923(2)(g).
Lower Fox River Remediation Authority (Inactive)	
Employees	§ 19.42(10)(r).
Members (7)	§ 19.42(10)(r).
Lower Wisconsin State Riverway Bd	
Members (3)	§ 19.42(10)(d) , § 15.07(1)(b)15 , § 15.345(8).
Midwest Interstate Low-level Radioactive Waste Commission (Inactive)	
Member (1)	§ 19.42(10)(d) , § 14.81(1).

Military Affairs, Department of	Statutory Reference
Adjutant General	§ 19.42(10)(c), § 20.923(4)(f)8e.
Administrator (1) ³	§ 19.42(10)(k), § 15.31, § 230.08(2)(e)7m.
Deputy Adjutants General (3)	§ 19.42(10)(c), § 20.923(8), § 15.04(2), § 321.10(1).
Executive Assistant	§ 19.42(10)(c), § 20.923(9), § 15.05(3)(b).
 Natural Resources, Dept. of	
Administrators (10) ³	§ 19.42(10)(k), § 15.34, § 230.08(2)(e)8.
Assistant Deputy Secretary	§ 19.42(10)(c), § 20.923(9), § 15.05(3).
Board (7)	§ 19.42(10)(d), § 15.34(2)(a), § 15.07(1)(a).
Deputy Secretary	§ 19.42(10)(c), § 20.923(8), § 15.04(2).
Secretary	§ 19.42(10)(c), § 20.923(4)(g)2.
Snowmobile Recreational Council (15)	§ 19.42(10)(c), § 15.347(7).
 Prison Industries Board	
Members (9)	§ 19.42(10)(c), § 15.07(1)(b)12.
 Public Defender, Office of State	
Administrators (2) ³	§ 19.42(10)(k), § 15.78, § 230.08(2)(e)8m.
Board (9)	§ 19.42(10)(d), § 15.78, § 15.07(1)(a).
Deputy State Public Defender	§ 19.42(10)(c), § 20.923(8), § 15.04(2), §230.08(2)(L)5m.
State Public Defender	§ 19.42(10)(c), § 20.923(4)(f)7w.
 Public Instruction, Department of	
Administrators/Asst Superintendents (5) ³	§ 19.42(10)(k), § 15.37, § 230.08(2)(e)9.
Deputy Superintendent	§ 19.42(10)(c), § 20.923(8), § 15.04(2).
Executive Assistant	§ 19.42(10)(c), § 20.923(9), § 15.05(3)(b).
Professional Standards Council for Teachers (19) ²	§ 19.42(10)(d), § 15.377(8)(c), § 19.42(10)(e), § 17.20(2)(b).
State Superintendent	§ 19.42(10)(c), § 20.923(2)(f).
 Public Service Commission	
Administrators (7) ³	§ 19.42(10)(k), § 15.79, § 230.08(2)(e)9m.
Executive Assistants (3)	§ 19.42(10)(c), § 20.923(9), § 15.06(4m).
Members (3)	§ 19.42(10)(c), § 20.923(4)(f)8h.
 Railroads, Office of the Commissioner of	
Commissioner	§ 19.42(10)(c), § 20.923(4)(e)11.
 Revenue, Department of	
Administrators (7) ³	§ 19.42(10)(k), § 15.43, § 230.08(2)(e)11.
Assistant Deputy Secretary	§ 19.42(10)(c), § 20.923(9), § 15.05(3).
Deputy Secretary	§ 19.42(10)(c), § 20.923(8), § 15.04(2).
Secretary	§ 19.42(10)(c), § 20.923(4)(g)3.
 Safety and Professional Services, Boards	
Accounting Examining Board (7)	§ 19.42(10)(d), § 15.08(1), § 15.405(1).
Architects, et al. Examining Board (25)	§ 19.42(10)(d), § 15.08(1), § 15.405(2).
Athletic Trainers Affiliated Credentialing Bd (6)	§ 19.42(10)(d), § 15.085(1), § 15.406(4).
Auctioneers Board (7)	§ 19.42(10)(d), § 15.07(1)(b)19m.
Cemetery Board (6)	§ 19.42(10)(d), § 15.07(1)(b)23.
Chiropractic Examining Board (6)	§ 19.42(10)(d), § 15.08(1), § 15.405(5).
Cosmetology Exam. Bd (9)	§ 19.42(10)(d), § 15.08(1), § 15.405(17).
Dentistry Examining Board (11)	§ 19.42(10)(d), § 15.08(1), § 15.405(6).
Dietitians Affiliated Credentialing Bd (4)	§ 19.42(10)(d), § 15.085(1), § 15.406(2).
Funeral Directors Examining Board (6)	§ 19.42(10)(d), § 15.08(1), § 15.405(16).
Hearing and Speech Examining Bd (10)	§ 19.42(10)(d), § 15.08(1), § 15.405(6m).
Marriage and Family Therapy, Professional Counseling, and Social Work Examining Bd (13)	§ 19.42(10)(d), § 15.08(1), § 15.405(7c).

Safety and Professional Services, Boards (continued)

Massage Therapy and Bodywork Therapy

Affiliated Credentialing Board (7)

Medical Examining Board (13)

Nursing, Board of (9)

Nursing Home Adm. Exam. Bd. (9)

Occupational Therapists Affiliated Credentialing Board(7)

Optometry Examining Board (7)

Pharmacy Examining Board (7)

Physical Therapy Examining Board (5)

Podiatry Affil. Credentialing Board (4)

Professional Geologists Examining Board (12)

Psychology Examining Board (6)

Radiography Examining Board (7)

Real Estate Appraisers Board (7)

Real Estate Examining Board (7)

Respiratory Care Practitioners Examining

Council, Public Member (1)

Sign Language Interpreter Council (8)

Veterinary Examining Board (8)

Statutory Reference[§ 19.42\(10\)\(d\), § 15.085\(1\), § 15.406\(6\).](#)[§ 19.42\(10\)\(d\), § 15.08\(1\), § 15.405\(7\).](#)[§ 19.42\(10\)\(d\), § 15.08\(1\), § 15.405\(7g\), § 440.01\(2\)\(c\).](#)[§ 19.42\(10\)\(d\), § 15.08\(1\), § 15.405\(7m\).](#)[§ 19.42\(10\)\(d\), § 15.085\(1\), § 15.406\(5\).](#)[§ 19.42\(10\)\(d\), § 15.08\(1\), § 15.405\(8\).](#)[§ 19.42\(10\)\(d\), § 15.08\(1\), § 15.405\(9\).](#)[§ 19.42\(10\)\(d\), § 15.08\(1\), § 15.405\(7r\).](#)[§ 19.42\(10\)\(d\), § 15.085\(1\), § 15.406\(3\).](#)[§ 19.42\(10\)\(d\), § 15.08\(1\), § 15.405\(2m\).](#)[§ 19.42\(10\)\(d\), § 15.08\(1\), § 15.405\(10m\).](#)[§ 19.42\(10\)\(d\), § 15.08\(1\), § 15.405\(7e\).](#)[§ 19.42\(10\)\(d\), § 15.07\(1\)\(b\)17.](#)[§ 19.42\(10\)\(d\), § 15.08\(1\), § 15.405\(11m\).](#)[§ 19.42\(10\)\(d\), § 15.08\(1\), § 15.407\(1m\).](#)[§ 19.42\(10\)\(d\), § 15.407\(9\).](#)[§ 19.42\(10\)\(d\), § 15.08\(1\), § 15.135\(5\).](#)**Safety and Professional Services, Department of**Administrators (8) ³

Assistant Deputy Secretary

Deputy Secretary

Secretary

[§ 19.42\(10\)\(k\), § 15.40, § 230.08\(2\)\(e\)11m.](#)[§ 19.42\(10\)\(c\), § 20.923\(9\), § 15.05\(3\).](#)[§ 19.42\(10\)\(c\), § 20.923\(8\), § 15.04\(2\).](#)[§ 19.42\(10\)\(c\), § 20.923\(4\)\(f\)8m.](#)**Secretary of State, Office of**Administrators (1) ³

Secretary of State

[§ 19.42\(10\)\(k\), § 14.36.](#)[§ 19.42\(10\)\(c\), § 20.923\(2\)\(h\).](#)**State Fair Park Board¹**

Members (7)

State Fair Park Director

[§ 19.42\(10\)\(d\), § 15.07\(1\)\(b\)15m, § 15.445\(4\).](#)[§ 19.42\(10\)\(c\), § 20.923\(4\)\(e\)12.](#)**Tax Appeals Commission**

Members (3)

[§ 19.42\(10\)\(c\), § 20.923\(4\)\(d\)1.](#)**Technical College System Board, Wisconsin**

Director

Executive Assistant

Members (13) ¹[§ 19.42\(10\)\(c\), § 20.923\(7\).](#)[§ 19.42\(10\)\(c\), § 20.923\(7\).](#)[§ 19.42\(10\)\(d\), § 15.07\(1\)\(a\), § 15.94.](#)**Technical College System, District Boards**

Assistant Directors

Associate Directors

Deputy Directors

Directors

Executive Assistant to the Director

Members (144)

[§ 19.42\(10\)\(b\).](#)[§ 19.42\(10\)\(b\).](#)[§ 19.42\(10\)\(b\).](#)[§ 19.42\(10\)\(b\).](#)[§ 19.42\(10\)\(c\), § 20.923\(9\).](#)[§ 19.42\(10\)\(b\).](#)**Tourism, Department of**Administrators (1) ³

Secretary

Deputy Secretary

[§ 19.42\(10\)\(k\), § 15.44, § 230.08\(2\)\(e\)15.](#)[§ 19.42\(10\)\(c\), § 20.923\(4\)\(f\)9.](#)[§ 19.42\(10\)\(c\), § 20.923\(8\), § 15.04\(2\).](#)

Transportation, Department of	Statutory Reference
Administrators (9) ³	§ 19.42(10)(k) , § 15.46 , § 230.08(2)(e)12 .
Assistant Deputy Secretary	§ 19.42(10)(c) , § 20.923(9) , § 15.05(3) .
Deputy Secretary	§ 19.42(10)(c) , § 20.923(8) , § 15.04(2) .
Secretary	§ 19.42(10)(c) , § 20.923(4)(g)4 .
 Treasurer, State, Office of the	
State Treasurer	§ 19.42(10)(c) , § 20.923(2)(i) .
 University of Wisconsin Hospitals and Clinics Authority	
Chief Executive Officer	§ 19.42(10)(n) .
Members (16) ¹	§ 19.42(10)(n) .
 University of Wisconsin System	
(UW Madison covered by § 20.923(6)(Lm).)	
Assistant Vice Presidents	§ 19.42(10)(c) , § 19.42(13)(b) , § 20.923(6)(m) .
Associate Vice Presidents	§ 19.42(10)(c) , § 19.42(13)(b) , § 20.923(6)(m) .
Board of Regents (18) ¹	§ 19.42(10)(d) , § 15.07(1)(a) , § 15.91 .
Chancellors	§ 19.42(10)(c) , § 19.42(13)(cm) , § 20.923(6)(m) .
President	§ 19.42(10)(c) , § 19.42(13)(cm) , § 20.923(6)(m) .
Vice Chancellors	§ 19.42(10)(c) , § 19.42(13)(cm) , § 20.923(6)(m) .
Vice Presidents	§ 19.42(10)(c) , § 19.42(13)(cm) , § 20.923(6)(m) .
Rural Health Development Council (18) ¹	§ 19.42(10)(d) , § 15.917(1) .
 Veterans Affairs, Department of	
Administrators (3) ³	§ 19.42(10)(k) , § 15.49 , § 230.08(2)(e)13 .
Assistant Deputy Secretary	§ 19.42(10)(c) , § 20.923(9) , § 15.05(3) .
Board (7)	§ 19.42(10)(d) , § 15.07(1)(b)18m .
Deputy Secretary	§ 19.42(10)(c) , § 20.923(8) , § 15.04(2) .
Secretary	§ 19.42(10)(c) , § 20.923(4)(f)7 .
 Waste Facility Siting Board	
Members (3) ¹	§ 19.42(10)(d) , § 15.07(1)(b)11 .
 Waterways Commission, Wisconsin	
Members (5)	§ 19.42(10)(d) , § 15.06(1)(ag) .
 Wisconsin Economic Development Corporation	
Chief Executive Officer	§ 19.42(10)(d) , § 238.03(3) .
Employees	§ 19.42(10)(sm) .
Members (13)	§ 19.42(10)(sm) .
 Workforce Development, Department of	
Administrators (9) ³	§ 19.42(10)(k) , § 15.22 , § 230.08(2)(e)6 .
Assistant Deputy Secretary	§ 19.42(10)(c) , § 20.923(9) , § 15.05(3) .
Deputy Secretary	§ 19.42(10)(c) , § 20.923(8) , § 15.04(2) .
Executive Director, Employment and Training	§ 19.42(10)(c) , § 20.923(4)(e)3 .
Secretary	§ 19.42(10)(c) , § 20.923(4)(g)6 .

A position marked with footnote "1" is a board or commission that includes among its members either some people who are members of the body because of their holding another state public office that obliges them to file a Statement of Economic Interests or representatives designated by those people.

A position marked with footnote "2" denotes an agency of which some of the members are not subject to the Ethics Code

Administrator positions marked with footnote "3" include division administrators, chief legal officers, public information or communications officers, and legislative advisors. See *WIS. STATS. §§ 230.08(2)(e) and 230.08(4)(a)*.



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CAMPAIGN FINANCE OVERVIEW

State Candidate Committees

Published: July 2019

There has been no change in campaign finance statutes since March of 2016.

This manual has been updated to include specific statutory citations and clarify basic reporting requirements for state level candidate committees.

Provided pursuant to [WIS. STAT. § 11.1304\(3\)](#) and in compliance with [WIS. STAT. § 227.112](#).

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REGISTRATION REQUIREMENTS

Who is Required to Register?

Under Wisconsin campaign finance law, a candidate for election to public office must register with the appropriate filing officer. [WIS. STAT. § 11.0102](#). A candidate for one of these state offices -

Governor,
Lieutenant Governor,
Attorney General,
Secretary of State,
State Treasurer,
State Superintendent of Public Instruction,
Justice of the Supreme Court,
Court of Appeals Judge,
Circuit Court Judge,
State Senator,
Representative to the Assembly,
District Attorney;

must register with the Ethics Commission as soon as any of the following occur:

- (a) The individual takes any of the following affirmative actions to seek nomination or election to a state or local office:
 - 1. Files nomination papers with the appropriate filing officer;
 - 2. Is nominated as a candidate for state or local office by a caucus or by a political party and the nomination is certified to the appropriate filing officer; or
 - 3. Receives a contribution, makes a disbursement, or gives consent for another person to receive a contribution or make a disbursement in order to bring about the individual's nomination or election to a state or local office;
- (b) The individual holds a state or local office and is the subject of a recall petition; or
- (c) The individual holds a state or local office.

[WIS. STAT. § 11.0101\(1\)](#).

A candidate must file a campaign registration statement as soon as practicable after the individual qualifies as a candidate. WIS. STAT. §§ [11.0101\(1\)](#), [11.0202\(1\)\(a\)](#). Registration statements are to be filed using the Ethics Commission's Campaign Finance Information System website (<https://cfis.wi.gov/>). A candidate who receives no contributions, makes no disbursements, and incurs no obligations need not designate a campaign depository account until the first contribution is received, disbursement is made, or obligation is incurred. [WIS. STAT. § 11.0202\(1\)\(b\)](#). The minimum amount of money needed to open an account can be deposited at a financial institution and a post office box can be rented before registration. [WIS. STAT. § 11.0202\(2\)\(b\)](#).

After filing the registration statement, a candidate may begin receiving and disbursing campaign funds. [WIS. STAT. § 11.0202\(2\)\(a\)](#). The candidate committee's financial activities must be reported to the Ethics Commission on campaign finance reports, unless the committee has claimed an exemption from filing reports. WIS. STAT. §§ [11.0103](#), [11.0104](#). These reports will disclose information on the receipts, expenditures, incurred obligations and loans of the campaign. [WIS. STAT. § 11.0204\(1\)](#).

Completing a Registration Statement

Registration statements are completed electronically using the Campaign Finance Information System (CFIS) website. [WIS. STAT. § 11.1304\(1\)](#). The website address is <https://cfis.wi.gov>. For questions while filing a registration statement, please click "[Need Help? Review the User's Guide and FAQ](#)" link at the bottom of every CFIS web page or call our office.

The following information is required on the registration statement:

1. The name and mailing address of the candidate committee;
2. The name and mailing address of the candidate committee treasurer and any other custodian of books and accounts. Unless otherwise directed by the treasurer on the registration form and except as otherwise provided in this chapter or any rule of the commission, all mailings that are required by law or by rule of the commission shall be sent to the treasurer at the treasurer's address indicated upon the form;
3. In the case of a candidate committee of an independent candidate for partisan office or a candidate for nonpartisan county or municipal office, a list of the members of the committee, if any, whom the filing officer shall recognize as eligible to fill a nomination vacancy if the candidate dies before the election; and
4. The name and address of the depository account of the candidate committee and of any other institution where funds of the committee are kept.

[WIS. STAT. § 11.0203](#).

Amending a Registration Statement

When any of the information reported on the registration statement changes, an amendment to the registration statement must be filed with the Wisconsin Ethics Commission within **ten days**. [WIS. STAT. § 11.0203\(3\)\(a\)](#). Candidates or the treasurer of the candidate's committee can update their registration statements online in CFIS. [WIS. STAT. § 11.0203\(3\)\(b\)](#).

Candidates Seeking More Than One Office

An individual who holds a state or local elective office may establish a second candidate committee to pursue another state or local office. [WIS. STAT. § 11.0202\(2\)\(d\)](#). If a second committee is established, that committee will register and file reports with the appropriate filing officer. [WIS. STAT. § 11.0102](#).

Penalty for Not Filing a Registration Statement

Failure to file the original registration statement by the deadline for filing nomination papers prevents a candidate's name from appearing on the ballot. WIS. STAT. §§ [8.15\(4\)\(b\)](#), [8.30\(2\)](#). If a required statement or amendment is not filed on time, the registrant may be subject to a civil penalty. [WIS. STAT. § 11.1400\(1\)](#).

EXEMPTION FROM FILING CAMPAIGN FINANCE REPORTS

Eligibility

Committees may be eligible for an exemption from filing campaign finance reports if the committee anticipates that it will not accept contributions, or make disbursements, or incur loans and other obligations in an aggregate amount exceeding \$2,000 in a calendar year. [WIS. STAT. § 11.0104](#). This includes the candidate's own contributions to their committee.

An indication of limited activity (exemption) under this section is effective only for the calendar year in which it is granted. [WIS. STAT. § 11.0104\(2\)](#). The Ethics Commission is seeking guidance from the Attorney General's office on interpreting and enforcing this statute. Pending that guidance or legislative change, the Ethics Commission is not requiring committees to renew their exemption status annually.

If a candidate committee wishes to renew its exempt status, it should file an amendment to the registration statement. Candidates on the ballot may claim an exemption when they first register or renew their exemption from the previous calendar year. However, **a candidate on the ballot in that calendar year, who did not claim the exemption on their original registration, may not amend her/his registration to claim the exemption** before the date of her/his election. [WIS. STAT. § 11.0104\(1\)\(b\)](#).

Financial Records During Exemption

When a committee is exempt, it is not required to file any campaign finance reports. However, the candidate or treasurer is still required to keep financial records of all contributions to the committee and of all expenditures from the date of registration until three years from the date of the election in which the candidate participates. [WIS. STAT. § 11.0201\(4\)](#). If the term of office is longer than three years, the Ethics Commission recommends keeping all records covering the term for that office.

A candidate committee that is exempt from filing campaign finance reports and which the candidate serves as the treasurer may use a personal account as the campaign depository and intermingle campaign funds with personal and other funds. [WIS. STAT. § 11.0201\(2\)\(b\)](#).

Revoking Exemption

If, at a later date, the committee expects to exceed the \$2,000 limit on contributions, disbursements, or obligations, the committee must amend its campaign registration statement by checking the box: "This registrant is no longer eligible to claim exemption," on the registration statement. An amendment to the registration statement must be filed with the Wisconsin Ethics Commission within **ten days**. [WIS. STAT. § 11.0203\(3\)\(a\)](#). The committee is then required to file campaign finance reports beginning with the next regular report due after the earlier of either the date that the amended registration was filed or the date that the committee exceeded \$2,000 in aggregate contributions, disbursements, or obligations. [WIS. STAT. § 11.0104\(3\)](#).

CONTRIBUTION LIMITS

THESE LIMITS APPLY TO ALL CANDIDATES AND PERSONAL CAMPAIGN COMMITTEES.
Contribution limitations apply cumulatively to the entire primary and election campaign in which the candidate participates, whether or not there is a contested primary election.

OFFICE	INDIVIDUAL CONTRIBUTORS WIS. STAT. § 11.1101(1)	CANDIDATE COMMITTEE CONTRIBUTORS WIS. STAT. § 11.1101(2)	POLITICAL ACTION COMMITTEE CONTRIBUTORS WIS. STAT. § 11.1101(3)	OTHER PERSONS WIS. STAT. § 11.1101(4)
GOVERNOR	\$20,000	\$20,000	\$86,000	\$86,000
LIEUTENANT GOVERNOR	\$20,000	\$20,000	\$26,000	\$26,000
SECRETARY OF STATE	\$20,000	\$20,000	\$18,000	\$18,000
STATE TREASURER	\$20,000	\$20,000	\$18,000	\$18,000
ATTORNEY GENERAL	\$20,000	\$20,000	\$44,000	\$44,000
SUPERINTENDENT OF PUBLIC INSTRUCTION	\$20,000	\$20,000	\$18,000	\$18,000
SUPREME COURT	\$20,000	\$20,000	\$18,000	\$18,000
STATE SENATOR	\$2,000	\$2,000	\$2,000	\$2,000
ASSEMBLY REPRESENTATIVE	\$1,000	\$1,000	\$1,000	\$1,000
APPEALS JUDGE – POPULOUS DISTRICTS	\$6,000	\$6,000	\$6,000	\$6,000
APPEAL JUDGE – OTHER DISTRICTS	\$5,000	\$5,000	\$5,000	\$5,000
CIRCUIT JUDGE – POPULOUS AREA	\$6,000	\$6,000	\$6,000	\$6,000
DISTRICT ATTORNEY – POPULOUS AREA	\$6,000	\$6,000	\$6,000	\$6,000
CIRCUIT JUDGE – OTHER AREA	\$2,000	\$2,000	\$2,000	\$2,000
DISTRICT ATTORNEY – OTHER AREA	\$2,000	\$2,000	\$2,000	\$2,000
LOCAL OFFICES	GREATER OF \$500 OR 2 CENTS TIMES THE POPULATION; NOT MORE THE \$6,000	GREATER OF \$500 OR 2 CENTS TIMES THE POPULATION; NOT MORE THE \$6,000	GREATER OF \$400 OR 2 CENTS TIMES THE POPULATION; NOT MORE THAN \$5,000	GREATER OF \$400 OR 2 CENTS TIMES THE POPULATION; NOT MORE THAN \$5,000

The contribution limits established by state statute determine the maximum amount of all contributions (cash, non-commercial loans, and in-kind contributions combined) that an individual or committee can give or receive over a campaign period. These limits depend on the office sought by the candidate and the identity of the contributor. A candidate or committee may not accept contributions that exceed the applicable limit. WIS. STAT. §§ [11.1101](#), [11.1204\(3\)](#).

Populous Areas:

- Appeals Judge – A county having a population of more than 750,000.
- Circuit Judge – Circuits having a population of more than 300,000.
- District Attorney – Prosecutorial units having a population more than 300,000.

Definition of Campaign for Calculating Contribution Limits

For purposes of calculating contribution limits, a new candidate's campaign begins on the date a new candidate is required to file a registration statement, i.e., the date she or he becomes a candidate. [WIS. STAT. § 11.1103\(2\)](#). The campaign period includes both the primary and general election. The campaign period ends the day before the winning candidate begins her or his new term of office. *Id.*

For an incumbent candidate, the new campaign period begins on the day the candidate assumes office. [WIS. STAT. § 11.1103\(1\)](#). The campaign period runs through the primary and general election for that office and lasts until the day before the winning candidate begins his or her new term of office. *Id.*

Exceptions to Contribution Limits

The following contributions to candidate committees may be made in unlimited amounts:

1. A candidate making contributions to their own campaign committee ([WIS. STAT. § 11.1104\(7\)](#));
2. Political party committees or legislative campaign committees making contributions to candidate committees ([WIS. STAT. § 11.1104\(5\)](#));
3. Transfer of contributions between the candidate for Governor and Lieutenant Governor of the same party ([WIS. STAT. § 11.1104\(8\)](#)); and
4. Contributions used to pay legal fees and other expenses incurred in connection with a recount or petitions to recall an officer are not subject to contribution limits. To qualify for this exclusion, recall expenses must occur before the recall primary or election is ordered, or in contesting or defending the order. Contributions used to pay recount or recall expenses must be reported on the regular campaign finance reports. Both the contributor and the candidate should indicate which contributions are being used for this purpose ([WIS. STAT. §§ 11.1104\(9\)-\(11\)](#)).

CONTRIBUTIONS AND DISBURSEMENTS

Candidate committees are required to make full reports of all contributions, disbursements, and obligations received, made and incurred by the committee. Each report needs to include information covering the period since the last date covered on the previous report. [WIS. STAT. § 11.0204\(1\)\(a\)](#).

The Ethics Commission requires candidate committees at the state level to file all necessary reports in CFIS. [WIS. STAT. § 11.1304\(6\)](#).

Contributions

“Contribution” means any of the following:

1. A gift, subscription, loan, advance, or transfer of money to a committee;
2. With the committee's consent under [WIS. STAT. § 11.1109](#), a transfer of tangible personal property or services to a committee, valued as provided under [WIS. STAT. § 11.1105](#);
3. A transfer of funds between committees; or
4. The purchase of a ticket for a fundraising event for a committee regardless of whether the ticket is used to attend the event.

[WIS. STAT. § 11.0101\(8\)\(a\)](#).

“Contribution” does not include any of the following:

1. Services that an individual provides to a committee, if the individual is not specifically compensated for providing the services to the committee;
2. Any unreimbursed travel expenses that an individual incurs to volunteer his or her personal services to a committee;
3. The costs of preparing and transmitting personal correspondence;
4. Interest earned on an interest-bearing account;
5. Rebates or awards earned in connection with the use of a debit or credit card;
6. A loan from a commercial lending institution that the institution makes in its ordinary course of business;
7. The reuse of surplus materials or the use of unused surplus materials acquired in connection with a previous campaign for or against the same candidate, political party, or recall if the materials were previously reported as a contribution;
8. The cost of invitations, food, and beverages in connection with an event held in a private residence on behalf of a candidate committee;
9. Any communication that does not expressly advocate for the election or defeat of a clearly identified candidate;
10. A communication made exclusively between an organization and its members. In this subdivision, a member of an organization means a shareholder, employee, or officer of the organization, or an individual who has affirmatively manifested an interest in joining, supporting, or aiding the organization;
11. Any cost incurred to conduct Internet activity by an individual acting in his or her own behalf, or acting in behalf of another person if the individual is not compensated specifically for those services, including the cost or value of any computers, software, Internet domain names, Internet

service providers, and any other technology that is used to provide access to or use of the Internet, but not including professional video production services purchased by the individual; or

12. Any news story, commentary, or editorial by a broadcasting stations, cable television operator, producer, or programmer, Internet site, or newspaper or other periodical publication, including an Internet or other electronic publication unless a committee owns the medium in which the news story, commentary, or editorial appears.

[WIS. STAT. § 11.0101\(8\)\(b\)](#).

Required Information for Contributions

1. The date, full name, and street address of each person who has made a contribution to the candidate committee, together with the amount of the contribution. [WIS. STAT. § 11.0204\(1\)\(a\)1](#).
2. The occupation, if any, of each individual contributor whose cumulative contributions to the candidate committee for the calendar year are in excess of \$200. [WIS. STAT. § 11.0204\(1\)\(a\)3](#).
3. An itemized statement of each contribution made anonymously to the candidate committee. If the contribution exceeds \$10, the candidate committee shall specify whether the candidate committee donated the contribution to the common school fund or to a charitable organization and shall include the full name and mailing address of the donee. [WIS. STAT. § 11.0204\(1\)\(a\)4](#).
4. A statement of totals during the reporting period of contributions received and contributions donated. [WIS. STAT. § 11.0204\(1\)\(a\)5](#).

In-Kind Contributions

An in-kind contribution is any good, service, or property offered to the candidate's campaign free of charge or at less than the usual cost, or payment of a registrant's obligations for such goods, services or property. [WIS. STAT. § 11.0101\(8\)\(a\)2](#). For example, if a campaign worker purchases stamps that are used for a mailing and is not reimbursed for the cost of the stamps, the value of the stamps is an in-kind contribution to the candidate's campaign from that campaign worker. When an individual is paid to work on behalf of a candidate by a political committee or some other individual, the payment for those services is an in-kind contribution to the candidate's campaign. If a political committee or individual offers to provide food and beverages for a fundraiser at less than the ordinary market price, the difference between the ordinary market price and the cost to the campaign is an in-kind contribution from the political committee or individual. If another committee pays for a newspaper, radio, or TV ad, and coordinates with the candidate committee about the content, timing, or other details of that ad, that ad would be an in-kind contribution.

Before making an in-kind contribution, the contributor is required to notify the candidate, candidate's agent, or the administrator or treasurer of the committee, and obtain either oral or written consent to the contribution. [WIS. STAT. § 11.1109](#). If the contributor does not know the actual value of the contribution, a good faith and reasonable estimate of the fair market value should be provided to the candidate committee before the closing date of the next campaign finance report in which the contribution is required to be listed. [WIS. STAT. § 11.1105](#), [WIS. ADMIN. CODE ETH 1.20\(5\)](#).

In-kind contributions are subject to the same itemization thresholds and the same contribution limits as monetary contributions. [WIS. STAT. § 11.0101\(8\)](#). Monetary contributions and in-kind contributions from a single contributor are added together for the purposes of determining compliance

with contribution limits and the year-to-date amount for a specific contributor. WIS. STAT. §§ [11.0101\(8\)](#), [11.1103](#).

Reporting In-Kind Contributions in CFIS

An in-kind contribution received by the campaign committee is reported by the committee as **both a receipt and expenditure**. Reporting the amount of the in-kind contribution as a contribution allows the campaign to disclose the receipt of the contribution on its campaign finance report along with cash contributions received and track year to date and campaign period totals. To keep the committee's cash balance accurate, the amount of the in-kind is also reported as an expenditure. The two entries offset each other so as to not affect the committee's cash balance.

If an estimate of the value of an in-kind contribution is the only value available at the time the candidate is required to file a report, the committee must report the estimated value of the contribution. [WIS. ADMIN. CODE ETH 1.20\(7\)](#). When the actual value of the estimated in-kind contribution is known, the actual amount is reported as an amendment to the original campaign finance report. *Id.*

Contributions and Other Income from Businesses

Businesses may make contributions under some circumstances, but the rules vary by the type of business.

1. Corporations **may not contribute** to local or state candidates in the State of Wisconsin. [WIS. STAT. § 11.1112](#).
2. Sole-proprietorships may contribute. The contribution must be reported under the name of the individual owner. This contribution counts toward the contribution limits from that individual to the candidate. [WIS. STAT. § 11.1113\(1\)](#).
3. Partnerships may contribute. The contribution must be reported under the names of the individual partners. The partnership may agree beforehand on how to allocate a portion of the contribution to each partner. If the partnership does not inform the candidate how the contribution should be allocated between the partners, then the contribution should be divided up according to each partner's share of the partnership's profits. [WIS. STAT. § 11.1113\(2\)](#).
4. LLCs taxed as a sole-proprietorship or partnership may contribute. The contribution must be reported under the name(s) of the individual owner(s). If there is more than one owner, contributions should be allocated as described in the partnership section above. [WIS. STAT. § 11.1113\(3\)](#).

Occasionally, a candidate committee may receive other income, like interest on a savings or checking account, or a refund of a security deposit, from a business. This other income is not a contribution and may be accepted from any type of business. [WIS. STAT. § 11.0101\(8\)\(b\)](#). The income should be reported as "Other Income," in campaign finance reports. [WIS. STAT. § 11.0204\(1\)\(a\)10](#).

Returned Contributions

A committee may return a contribution at any time before or after it has been deposited. [WIS. STAT. § 11.1110\(1\)](#). Any contribution a committee returns to the donor after depositing it in the campaign account must be reported as a returned contribution to the contributor. A committee that accepts an unlawful contribution, reports that contribution, and returns that contribution within 15 days of the filing date for that report, does not violate the contribution or source limits. [WIS. STAT. § 11.1110\(2\)\(b\)](#).

Contributions Transferred through Conduits

A conduit is any individual, committee or group that receives contributions from individuals, deposits those contributions in a financial institution, and then transfers the contributions to a candidate or political committee selected by the original contributor. [WIS. STAT. § 11.0101\(7\)](#).

The conduit may not exercise any discretion over the amount or ultimate recipient of the contributions. [WIS. STAT. § 11.0701\(3\)](#). A conduit is required to register with the Ethics Commission. [WIS. STAT. § 11.0702](#).

Reporting Conduit Contributions in CFIS

Conduits are required to provide a transmittal letter with contribution checks sent to a receiving committee. The transmittal letter must identify the organization as a conduit, and list the individual contributors, the amount of each individual's contribution, and the date the individual authorized the contribution. [WIS. STAT. § 11.0704\(1\)](#).

Contributions transferred through conduits are reported as contributions received from the individuals listed in the transmittal letter. [WIS. STAT. § 11.1106\(2\)](#). These contributions are reported under the individual's name. [WIS. STAT. § 11.1106\(1\)](#). They are subject to itemization on the same basis as other individual contributions. [WIS. STAT. § 11.0204\(1\)\(a\)](#).

Prohibited Contributions

Certain contributions are prohibited by Wisconsin law. A candidate's campaign may not accept the following types of contributions:

1. Anonymous contributions of more than \$10 ([WIS. STAT. § 11.1108](#));
2. Contributions in cash of more than \$100. ([WIS. STAT. § 11.1107](#));
3. Contributions given in the name of someone other than the contributor ([WIS. STAT. § 11.1204\(1\)](#));
4. Contributions from corporations, associations organized under ch. 185 or 193, labor organizations, or federally recognized American Indian Tribes ([WIS. STAT. § 11.1112](#));
5. Contributions more than the limits set by law ([WIS. STAT. §§ 11.1101, 11.1204\(3\)](#)); or
6. Contributions from foreign nationals ([WIS. STAT. §§ 11.1208\(4\)](#)).

Registered lobbyists are prohibited from making campaign contributions to state candidates for partisan state office except between the first day authorized to circulate nominations papers, if the legislature is not in session, and the day of the general election in the year of the candidate's election.

[WIS. STAT. § 13.625\(1m\)](#). For further information on lobbyist contributions, visit the lobbying portion of the Ethics Commission’s website (<http://ethics.wi.gov>) or contact an Ethics Commission staff member.

A candidate committee should monitor contributions carefully. If the candidate committee is aware that a contribution was received from a potentially prohibited source, the committee should ensure that the contribution is lawful. [WIS. STAT. § 11.1204\(3\)](#). It is recommended that a committee not accept any contributions if the committee cannot determine whether the contribution is lawful.

Disbursements

“Disbursement” means any of the following:

1. An expenditure by a committee from the committee's depository account;
2. The transfer of tangible personal property or services by a committee;
3. A transfer of funds between committees; or
4. The purchase of a ticket for a fundraising event for a committee regardless of whether the ticket is used to attend the event.

[WIS. STAT. § 11.0101\(10\)\(a\)](#).

“Disbursement” does not include any of the following:

1. A communication made exclusively between an organization and its members. In this subdivision, a member of an organization means a shareholder, employee, or officer of the organization, or an individual who has affirmatively manifested an interest in joining, supporting or aiding the organization;
2. A communication or Internet activity by an individual acting in his or her own behalf, or acting on behalf of another person if the individual is not compensated specifically for those services, including the cost or value of computers, software, Internet domain names, Internet service providers, and any other technology that is used to provide access to or use of the Internet, but not including professional video production services purchased by the individual;
3. Any news story, commentary, or editorial by a broadcasting station, cable television operator, producer, or programmer, Internet site, or newspaper or other periodical publication, including an Internet or other electronic publication unless a committee owns the medium in which the news story, commentary, or editorial appears; or
4. A nominal fee paid for a communication to the general public.

[WIS. STAT. § 11.0101\(10\)\(b\)](#).

Required Information for Disbursements

1. The date, full name, and street address of each committee to which the candidate committee has made a contribution, together with the amount of the contribution. [WIS. STAT. § 11.0204\(1\)\(a\)2](#).
2. An itemized statement of every disbursement exceeding \$20 in amount or value, together with the name and address of the person to whom the disbursement was made, and the date and specific purpose for which the disbursement was made. [WIS. STAT. § 11.0204\(1\)\(a\)8](#).

3. A statement of totals during the reporting period of disbursements made. [WIS. STAT. § 11.0204\(1\)\(a\)10](#).

Obligations and Loans

Candidate committees are required to make full reports of all obligations received, made and incurred by the committee. The committee needs to include in each report information covering the period since the last date covered on the previous report. [WIS. STAT. § 11.0204\(1\)\(a\)](#).

“Obligation” means any express agreement to make a disbursement, including the following:

1. A loan or loan guarantee;
2. A promise to purchase, rent, or lease tangible personal property; or
3. A promise to pay for a service that has been or will be performed.

[WIS. STAT. § 11.0101\(23\)](#).

Required Information for Obligations

1. An itemized statement of every obligation exceeding \$20 in amount or value, together with the name of the person or business with whom the obligation was incurred, and the date and the specific purpose for which each such obligation was incurred must be reported in campaign finance reports. [WIS. STAT. § 11.0204\(1\)\(a\)9](#).
2. A statement of the balance of obligations incurred as of the end of the reporting period. [WIS. STAT. § 11.0204\(1\)\(a\)11](#).

Required Information for Loans

Each loan of money made to the candidate committee in an aggregate amount or value in excess of \$20, must be reported with all of the following:

1. The full name and mailing address of the lender;
2. A statement of whether the lender is a commercial lending institution;
3. The date and amount of the loan;
4. The full name and mailing address of each guarantor, if any;
5. The original amount guaranteed by each guarantor; and
6. The balance of the amount guaranteed by each guarantor at the end of the reporting period.

[WIS. STAT. § 11.0204\(1\)\(a\)7](#).

Cash Balances

Candidate committees are required to provide a statement of the cash on hand at the beginning and end of each reporting period. [WIS. STAT. § 11.0204\(1\)\(a\)6](#). The committee will be prompted to provide the beginning and ending cash balances when certifying the campaign finance report in CFIS.

CAMPAIGN FINANCE REPORTS

All registrants that are not exempt from filing must file campaign finance reports. Committees must continue to file periodic reports until termination of their candidate committee. The reports must be submitted electronically via CFIS (<https://cfis.wi.gov/>). [WIS. STAT. § 11.1304\(6\)](#).

The information listed on the campaign finance report discloses the financial activity of the candidate's campaign. The law requires disclosure of income, disbursements, and incurred obligations. [WIS. STAT. § 11.0204\(1\)\(a\)](#). Committee treasurers must exercise diligence in acquiring and furnishing the contributor information required on the receipt schedules. For all contributors, the report must disclose the individual's name and address. [WIS. STAT. § 11.0204\(1\)\(a\)1](#). If the individual's year-to-date total exceeds \$200, you must also provide the individual's occupation. [WIS. STAT. § 11.0204\(1\)\(a\)3](#).

Treasurers and candidates are required to make a "good faith effort" to obtain all information required on the reports. [WIS. STAT. § 11.0103\(1\)\(a\)](#).

Types of Reports

Candidates on the ballot must file a pre-primary and a pre-election report which is due eight days before the primary or general election. Candidates for state nonpartisan office are always required to file a pre-primary report, even if their names do not appear on a primary ballot. Candidates that lose in the primary or general election must continue to file reports until they are eligible for, and request, termination of their committee. Candidates must also file continuing reports in January and July of each year until they terminate their candidate committee, whether or not they are on the ballot.

With some restrictions, candidate committees that will not spend or receive more than \$2,000 in a calendar year may amend their registration and claim "exempt" status, which means they do not have to file campaign finance reports. See the section "[EXEMPTION FROM FILING CAMPAIGN FINANCE REPORTS](#)" for more information.

Reporting Periods and Elections:

Spring Primary: A committee that engages in activity concerning a spring primary must file: (1) a preprimary report; (2) a pre-election report; and (3) annually in each year of an election cycle, a report on January 15 and July 15. [WIS. STAT. § 11.0204\(2\)](#).

Spring Election: A committee that engages in activity concerning a spring election must file: (1) a pre-election report; and (2) annually in each year of an election cycle, a report on January 15 and July 15. [WIS. STAT. § 11.0204\(3\)](#).

Partisan Primary: A committee that engages in activity concerning a partisan primary must file: (1) a pre-primary report; (2) a pre-election report; (3) in an odd-numbered year, a report on January 15 and July 15; and (4) in an even-numbered year, a report on January 15 and July 15 and on the 4th Tuesday in September. [WIS. STAT. § 11.0204\(4\)](#).

General Election: A committee that engages in activity concerning a general election must file: (1) a pre-election report; (2) in an odd-numbered year, a report on January 15 and July 15; and (3) in an even numbered year, a report on January 15 and July 15 and on the 4th Tuesday in September. [WIS. STAT. § 11.0204\(5\)](#).

Special Elections: In addition to the pre-primary and pre-election reports described above, a committee may also have to file a post-election report within 45 days if January or July report has not been filed. [WIS. STAT. §§ 11.0504\(3\)\(c\)](#) and [11.0504\(5\)\(d\)](#).

Reporting deadlines can be found on the Ethics Commission’s website at: <https://ethics.wi.gov/Pages/CampaignFinance/ReportPeriods.aspx>

How to Complete Campaign Finance Reports

There are two ways to enter campaign finance transactions (contributions and disbursements):

- Using the online screens in the Campaign Finance Information System (“CFIS”), and
- Using the CFIS upload templates.

Every committee must use one of the specified, approved forms. [WIS. STAT. § 11.1304\(1\)](#). A committee that chooses to use an upload template with schedule detail must use the approved template. Committees can find upload templates on the CFIS site in the “**Upload Transactions**” section of the menu, or by going to the Ethics Commission **Candidate Committee Overview** page: <https://ethics.wi.gov/Pages/CampaignFinance/Candidates.aspx>.

For detailed instructions on how to complete and file the campaign finance report, go to <https://cfis.wi.gov> and click on the **CFIS Manuals** link in the center of the page, or go to the Ethics Commission **CFIS Manuals & Frequently Asked Questions** page: <https://ethics.wi.gov/Pages/CampaignFinance/CFISManuals.aspx>.

Filing Reports in CFIS

State candidate committees file campaign finance reports electronically through the CFIS website. The help screens on that site may answer some of your questions. When you have entered all transactions for a reporting period, the CFIS system will automatically generate the report for you and place all transactions on the appropriate schedules.

All contributions received by the committee must be reported in Schedule 1 (Receipts) of the campaign finance report. Contributions and loans from individuals are listed in Schedule 1A (Contributions Including Loans from Individuals). Contributions from other committees, such as political action committees, political party committees, and other candidate committees, are reported in Schedule 1B (Contributions from Committees). All other income such as loans from financial institutions, contributions returned from other registrants, refunds, returns of deposits or interest on investments are reported in Schedule 1C (Other Income and Commercial Loans). The date which must be provided for all contributions is the date the committee **received** the contribution, that is, the date it acquired possession and control of the contribution, **not** the date of deposit or date on the check (unless all dates are the same). [WIS. STAT. § 11.0103\(2\)\(a\)1](#).

All money spent by the committee is reported in Schedule 2 (Disbursements) of the campaign finance report. General operating expenditures are listed in Schedule 2A (Gross Expenditures). Contributions to other political committees are listed in Schedule 2B (Contributions to Committees).

Additional information required to be disclosed is reported in Schedule 3 (Additional Disclosure) of the campaign finance report. All obligations of the committee such as unpaid debts are listed in Schedule 3A (Incurred Obligations Excluding Loans). Loans and the individuals who guarantee loans for the committee are listed in Schedule 3B (Loans).

Schedule 4 Termination Request of the campaign finance report form (Termination Request) is used for requests to terminate a committee.

Special Report of Late Contribution (72-Hour Reporting)

Candidates for state offices must report contributions of \$1,000 or more **received** in the 14-day period before the primary or election within 72 hours of receipt. A special report of late contribution must be filed (1) for any contribution of \$1000 or more, or (2) for contributions from a single contributor totaling \$1000 or more **received** after the closing date of the pre-primary or pre-election report and before the primary or election is held. Contributions of \$1,000 or more from the candidate to his or her own campaign are included in this reporting requirement. The report must be filed within 72 hours of **receiving** the contributions. The contribution must also be reported on the next full campaign finance report. [WIS. STAT. § 11.0204\(7\)](#).

No-Activity Report

If a candidate receives no contributions, makes no disbursements and incurs no obligations during a reporting period, the registrant may file a “No Activity Report.” This form should be used **only** when there has been no financial activity and the cash balance remains unchanged during the reporting period. [WIS. STAT. § 11.0103\(3\)](#).

ATTRIBUTION STATEMENTS (DISCLAIMERS)

Attribution statements, commonly referred to as disclaimers, are statements required to be placed on any communication containing express advocacy in order to identify the person(s) who paid for and/or authorized the communication. [WIS. STAT. § 11.1303\(2\)](#).

No disbursement by candidate committees may be made anonymously and no contribution or disbursement may be made in a fictitious name or by one person or organization in the name of another. [WIS. STAT. § 11.1303\(1\)](#).

Every printed advertisement, billboard, handbill, sample ballot, television or radio advertisement, or other communication containing express advocacy which is paid for by any contribution or disbursement shall clearly identify its source. [WIS. STAT. § 11.1303\(2\)\(a\)](#).

Every communication containing express advocacy the cost of which is paid for or reimbursed by a committee, or for which a committee assumes responsibility, whether by accepting a contribution or making a disbursement, shall identify its source by the words "Paid for by" followed by the name of the committee making the payment or reimbursement or assuming responsibility for the communication and may include the name of the treasurer or other authorized agent of the committee. [WIS. STAT. § 11.1303\(2\)\(b\)](#).

Attribution statements do not apply to communications containing express advocacy printed on small items, which would normally require a disclaimer, but cannot be conveniently printed, including text messages, social media communications, and certain small advertisements on mobile phones. [WIS. STAT. § 11.1303\(2\)\(f\)](#).

Formats for Disclaimers

When a communication is paid for by a candidate committee, the disclaimer must include the words "Paid for by," followed by the name of the committee:

"Paid for by Friends of Mary Smith."

The disclaimer may also include the name of the treasurer or other authorized agent:

"Paid for by Friends of Mary Smith for Mayor, James Jones, Treasurer."

When a communication is paid for by another in coordination with a candidate committee, both the person making the payment and the committee accepting the in-kind contribution should be listed:

"Paid for by Citizens for Government, Authorized by Mary Smith for Governor."

TERMINATION OF CAMPAIGN FINANCE REGISTRATION

A candidate committee may terminate its registration if it meets the following requirements:

1. Determines that all financial activity will stop, and that she or he will no longer receive contributions, make disbursements, or incur obligations; and
2. Files a termination campaign finance report showing that all incurred obligations have been paid or satisfied, and that the cash balance has been reduced to zero; and,
3. Completes a request for termination in Schedule 4.

[WIS. STAT. § 11.0105.](#)

A candidate may not terminate his or her registration before a primary or election in which he or she is a candidate. If a candidate loses a primary, he or she may terminate before the election. [WIS. STAT. § 11.0105\(1\)\(b\).](#)

Incumbent office holders are candidates, and because candidates are required to file campaign finance registration statements; an incumbent officer holder cannot terminate his or her campaign finance registration prior to leaving office. WIS. STAT. [§§ 11.0101\(1\)\(c\), 11.0202\(1\)\(a\).](#)

Incumbents with limited financial activity may file for “exempt” status, which means they would not have to file campaign finance reports during that time. See the section “[EXEMPTION FROM FILING CAMPAIGN FINANCE REPORTS](#)” for more information.

Disposal of Residual Funds

Residual funds may be used for any purpose that is not for an individual’s strictly personal use and is not prohibited by law, including:

1. Repay any outstanding loans. If loans are not repaid, they must be forgiven before the committee can request termination;
2. Returning money to contributors in amounts that are not more than the contributor’s original contribution (note: the candidate or treasurer may choose which contributors to refund. The committee is not required to pro-rate and return a portion to all contributors);
3. Donating money to any tax-exempt charitable organization or the Common School Fund;
4. Transferring money to another registrant within the permitted contribution limit; or
5. Using any combination of the above.

WIS. STAT. §§ [11.0105, 11.1208\(2\)\(a\).](#)

Prior to making these disbursements of residual funds, make sure the committee does not have any pending fees or settlement offers.

CAMPAIGN FINANCE OVERVIEW

Local Candidate Committees



Wisconsin Ethics Commission

PO Box 7125

Madison, WI 53707-7125

Phone: (608) 266-8123

Email: campaignfinance@wi.gov

Websites: <https://cfs.wi.gov>

<https://ethics.wi.gov>

Published: July 2019

There has been no change in campaign finance statutes since March of 2016.

This manual has been updated to include specific statutory citations and clarify basic reporting requirements for local candidate committees.

Provided pursuant to WIS. STAT. § [11.1304\(3\)](#) and in compliance with WIS. STAT. § [227.112](#).

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REGISTRATION REQUIREMENTS

Who is Required to Register?

Under Wisconsin campaign finance law, a candidate for election to public office must register a candidate committee with the appropriate filing officer. A candidate for local office must register with the appropriate filing officer as soon as is practicable after any of the following occur:

- (a) The individual takes any of the following affirmative actions to seek nomination or election to a state or local office:
 - 1. Files nomination papers with the appropriate filing officer;
 - 2. Is nominated as a candidate for state or local office by a caucus or by a political party and the nomination is certified to the appropriate filing officer;
 - 3. Receives a contribution, makes a disbursement, or gives consent for another person to receive a contribution or make a disbursement in order to bring about the individual's nomination or election to a state or local office;
- (b) The individual holds a state or local office and is the subject of a recall petition; or
- (c) The individual holds a state or local office.

WIS. STAT. §§ [11.0101\(1\)](#), [11.0202\(1\)\(a\)](#).

Appropriate filing officers are as follows:

<u>Office:</u>	<u>Filing Officer:</u>
County Executive	County Clerk
County Supervisor	County Clerk
County Clerk or County Treasurer	County Clerk
Clerk of Circuit Court	County Clerk
Coroner	County Clerk
Register of Deeds	County Clerk
Sheriff	County Clerk
Multi-Jurisdictional Judge*	County Clerk
Mayor, Village President	Municipal Clerk
Aldersperson, Village Trustee, Town Board Member	Municipal Clerk
Municipal Clerk or Municipal Treasurer [if elected]	Municipal Clerk
Municipal Judge	Municipal Clerk
School District Board Member	School District Clerk

Referendum committees acting to support or oppose a school district referendum shall file with the school district clerk.

*If a multi-jurisdictional judge serves a district with municipalities in more than one county, the filing officer is the County Clerk in the county with the largest population within the district.

WIS. STAT. § [11.0102\(1\)\(b\)-\(g\)](#).

A candidate who receives no contributions, makes no disbursements, and incurs no obligations need not designate a campaign depository account until the first contribution is received, disbursement is made, or obligation is incurred. [WIS. STAT. § 11.0202\(1\)\(b\)](#). The minimum amount of money needed to open an account can be deposited at a financial institution and a post office box can be rented before registration. [WIS. STAT. § 11.0202\(2\)\(b\)](#).

After filing the registration statement, a candidate may begin receiving and disbursing campaign funds. [WIS. STAT. § 11.0202\(2\)\(a\)](#). The candidate committee's financial activities must be reported to the appropriate filing officer on campaign finance reports, unless the committee has claimed an exemption from filing reports. WIS. STAT. §§ [11.0103](#), [11.0104](#). These reports will disclose information on the receipts, expenditures, incurred obligations and loans of the campaign. [WIS. STAT. § 11.0204\(1\)](#).

Completing a Registration Statement

Registration statements are to be filed with the appropriate filing officer using the Ethics Commission's Campaign Finance Registration Statement (https://ethics.wi.gov/Resources/CF-1_Registration_Statement.pdf). [WIS. STAT. § 11.1304\(1\)](#).

Required Information

Information required on the registration statement as determined by statutes:

1. The name and mailing address of the candidate committee.
2. The name and mailing address of the candidate committee treasurer and any other custodian of books and accounts. Unless otherwise directed by the treasurer on the registration form and except as otherwise provided in this chapter or any rule of the commission, all mailings that are required by law or by rule of the commission shall be sent to the treasurer at the treasurer's address indicated upon the form.
3. In the case of a candidate committee of an independent candidate for partisan office or a candidate for nonpartisan county or municipal office, a list of the members of the committee, if any, whom the filing officer shall recognize as eligible to fill a nomination vacancy if the candidate dies before the election.
4. The name and address of the depository account of the candidate committee and of any other institution where funds of the committee are kept.

[WIS. STAT. § 11.0203](#).

Guide for Filing the Campaign Finance Registration Statement (CF-1)

Section A. General Information

This section must be completed by all candidates and candidate committees. It contains the information identifying the candidate committee.

A1. Candidate Committee/Committee/Conduit Name

The Ethics Commission recommends using something like "FIRST AND LAST NAME for OFFICE" for the committee name, so that any attribution/disclaimer statements placed on advertisements or yard signs make clear who paid for them.

A2. Registrant Type

Local candidate committees should choose “Candidate.”

A3-13. Contact and Depository Institution Information

If the candidate committee does not have a separate address/PO box, phone number, email or depository account for the candidate committee, then the candidate should use their personal address, phone number, email and depository account.

A14-20. Treasurer Information

If the candidate is serving as their own treasurer, they should include their own contact information here.

A21-28. Other Officers

This section is intended to list other individuals that are helping on the campaign and is entirely optional. Local non-partisan candidates can list an individual here with an asterisk by their name which indicates they are to fill a vacancy if the candidate were to pass away.

A29. Exemption

Indicate whether the candidate committee will not accept contributions, make disbursements or incur obligations in aggregate of more than \$2,000 in a calendar year and therefore is eligible to claim an exemption from filing campaign finance reports.

Section B. Candidate Committees

B1-3. Election Information

List the office sought, including the district and branch and the election date. If the race is nonpartisan, then “nonpartisan” can be listed in B2.

B4-10. Candidate Information

This section should list the personal contact information of the candidate.

B11-12. Second Candidate Committee

If the candidate has an additional candidate committee, they should indicate it in this section.

Section C-E: Other Committee Registration Information

Local candidate committees do not need to fill out information in Sections C-E because those sections are for Recall, Political Action, Independent Expenditure, Political Party, Legislative Campaign, Referenda Committees and Conduits.

Section G. Certification

The candidate and treasurer certify the registration here with their signatures. If the candidate serves as the treasurer, they only need to sign once under “Candidate” in G4-G6.

Amending a Registration Statement

When any of the information reported on the registration statement changes, an amendment to the registration statement must be filed with the appropriate filing officer within **ten days**. [WIS. STAT. § 11.0203\(3\)\(a\)](#).

Candidates Seeking More Than One Office

An individual who holds a state or local elective office may establish a second candidate committee to pursue another state or local office. [WIS. STAT. § 11.0202\(2\)\(d\)](#). If a second committee is

established, that committee will register and file reports with the appropriate filing officer. [WIS. STAT. § 11.0102](#).

Failure to File a Registration Statement

Failure to file the original registration statement by the deadline for filing nomination papers prevents a candidate's name from appearing on the ballot. WIS. STAT. §§ [8.15\(4\)\(b\)](#), [8.30\(2\)](#). If a required statement or amendment is not filed on time, the registrant may be subject to a civil penalty. [WIS. STAT. § 11.1400\(1\)](#).

EXEMPTION FROM FILING CAMPAIGN FINANCE REPORTS

Eligibility

Committees may be eligible for an exemption from filing campaign finance reports if the committee anticipates that it will not accept or make contributions, make disbursements, or incur loans and other obligations in an aggregate amount exceeding \$2,000 in a calendar year. [WIS. STAT. § 11.0104](#). This includes the candidate's own contributions to their committee.

An indication of limited activity (exemption) under this section is effective only for the calendar year in which it is granted. [WIS. STAT. § 11.0104\(2\)](#). The Ethics Commission is seeking guidance from the Attorney General's office on interpreting and enforcing this statute. Pending that guidance or legislative change, the Ethics Commission is not requiring committees to renew their exemption status annually.

If a candidate committee wishes to renew its exempt status, it should file an amendment to the registration statement. Candidates on the ballot may claim an exemption when they first register or renew their exemption from the previous calendar year. However, **a candidate on the ballot in that calendar year, who did not claim the exemption on their original registration, may not amend her/his registration to claim the exemption** before the date of her/his election. [WIS. STAT. § 11.0104\(1\)\(b\)](#).

Financial Records During Exemption

When a committee is exempt, it is not required to file any campaign finance reports. However, the candidate or treasurer is still required to keep financial records of all contributions to the committee and of all expenditures from the date of registration until three years from the date of the election in which the candidate participates. [WIS. STAT. § 11.0201\(4\)](#). If the term of office is longer than three years, the Ethics Commission recommends keeping all records covering the term for that office.

A candidate committee that is exempt from filing campaign finance reports and which the candidate serves as the treasurer may use a personal account as the campaign depository and intermingle campaign funds with personal and other funds. [WIS. STAT. § 11.0201\(2\)\(b\)](#).

Revoking Exemption

If the committee exceeds the \$2,000 limit on contributions, disbursements, or obligations, the committee must amend its campaign registration statement by checking the box: "This registrant is no longer eligible to claim exemption," on the registration statement. An amendment to the registration statement must be filed with the appropriate filing officer within **ten days**. [WIS. STAT. § 11.0203\(3\)\(a\)](#). The committee is then required to file campaign finance reports beginning with the next regular report due after the earlier of either the date that the amended registration was filed or the date that the committee exceeded \$2,000 in aggregate contributions, disbursements, or obligations. [WIS. STAT. § 11.0104\(3\)](#).

CONTRIBUTION LIMITS

All candidates running for elected office must abide by contribution limits that vary depending on the office sought and the population of the district.

Receiving Committee	From an Individual	From a Candidate Committee	From a PAC	From a Corporation/Union
Referendum	No limits	No limits	No limits	No limits
Recall Committee	No limits	No limits	No limits	\$0; Illegal
Local Candidate	Greater of \$500 or 2¢ times the population in the district Not to exceed \$6,000.	Greater of \$500 or 2¢ times the population in the district. Not to exceed \$6,000	Greater of \$400 or 2¢ times the population in the district. Not to exceed \$5,000.	\$0; Illegal

Districts of 20,000 inhabitants or less have an individual limit of \$500 and a PAC limit of \$400.

Districts with 300,000 inhabitants or more will have an individual limit of \$6,000 and a PAC limit of \$5,000.

Districts with more than 20,000 but less than 300,000 inhabitants will have varying individual limits between \$500 and \$6,000, and PAC limits between \$400 and \$5,000.

WIS. STAT. §§ [11.1101](#), [11.1104](#)

The number of inhabitants in the jurisdiction or district is determined by the latest federal census or the census information on which the district is based, as certified by the appropriate filing officer. [WIS. STAT. § 11.1101\(2\)\(h\)2](#).

Definition of Campaign Period for Calculating Contribution Limits

For purposes of calculating contribution limits, a new candidate's campaign begins on the date a new candidate is required to file a registration statement, i.e., the date she or he becomes a candidate. [WIS. STAT. § 11.1103\(2\)](#). The campaign period includes both the primary and general election. The campaign period ends the day before the winning candidate begins her or his new term of office. [WIS. STAT. § 11.1103\(2\)](#).

For an incumbent candidate, the new campaign period begins on the day the candidate assumes office. WIS. STAT. § [11.1103\(1\)](#). The campaign period runs through the primary and general election for that office and lasts until the day before the winning candidate begins his or her new term of office. *Id.*

Exceptions to Contribution Limits

The following contributions to candidate committees may be made in unlimited amounts:

1. A candidate making contributions to their own campaign committee; ([WIS. STAT. § 11.1104\(7\)](#));
2. Political party committees or legislative campaign committees making contributions to candidate committees ([WIS. STAT. § 11.1104\(5\)](#)); or
3. Contributions used to pay legal fees and other expenses incurred in connection with a recount or petitions to recall an officer are not subject to contribution limits. To qualify for this exclusion, recall expenses must occur before the recall primary or election is ordered, or in contesting or defending the order. Contributions used to pay recount or recall expenses must be reported on the regular campaign finance reports. Both the contributor and the candidate should indicate which contributions are being used for this purpose ([WIS. STAT. § 11.1104\(9\)-\(11\)](#)).

CONTRIBUTIONS AND DISBURSEMENTS

Candidate committees are required to make full reports of all contributions, disbursements, and obligations received, made and incurred by the committee. Each report needs to include information covering the period since the last date covered on the previous report. [WIS. STAT. § 11.0204\(1\)\(a\)](#).

Contributions

“Contribution” means any of the following:

1. A gift, subscription, loan, advance, or transfer of money to a committee;
2. With the committee's consent under [WIS. STAT. § 11.1109](#), a transfer of tangible personal property or services to a committee, valued as provided under [WIS. STAT. § 11.1105](#);
3. A transfer of funds between committees; or
4. The purchase of a ticket for a fundraising event for a committee regardless of whether the ticket is used to attend the event.

[WIS. STAT. § 11.0101\(8\)\(a\)](#).

“Contribution” does not include any of the following:

1. Services that an individual provides to a committee, if the individual is not specifically compensated for providing the services to the committee;
2. Any unreimbursed travel expenses that an individual incurs to volunteer his or her personal services to a committee;
3. The costs of preparing and transmitting personal correspondence;
4. Interest earned on an interest-bearing account;
5. Rebates or awards earned in connection with the use of a debit or credit card;
6. A loan from a commercial lending institution that the institution makes in its ordinary course of business;
7. The reuse of surplus materials or the use of unused surplus materials acquired in connection with a previous campaign for or against the same candidate, political party, or recall if the materials were previously reported as a contribution;
8. The cost of invitations, food, and beverages in connection with an event held in a private residence on behalf of a candidate committee;
9. Any communication that does not expressly advocate for the election or defeat of a clearly identified candidate;
10. A communication made exclusively between an organization and its members. In this subdivision, a member of an organization means a shareholder, employee, or officer of the organization, or an individual who has affirmatively manifested an interest in joining, supporting, or aiding the organization;
11. Any cost incurred to conduct Internet activity by an individual acting in his or her own behalf, or acting in behalf of another person if the individual is not compensated specifically for those services, including the cost or value of any computers, software, Internet domain names, Internet service providers, and any other technology that is used to provide access to or use of the Internet, but not including professional video production services purchased by the individual; or
12. Any news story, commentary, or editorial by a broadcasting stations, cable television operator, producer, or programmer, Internet site, or newspaper or other periodical publication, including

an Internet or other electronic publication unless a committee owns the medium in which the news story, commentary, or editorial appears.

[WIS. STAT. § 11.0101\(8\)\(b\)](#).

Required Information for Contributions

1. The date, full name, and street address of each person who has made a contribution to the candidate committee, together with the amount of the contribution. [WIS. STAT. § 11.0204\(1\)\(a\)1](#).
2. The occupation, if any, of each individual contributor whose cumulative contributions to the candidate committee for the calendar year are in excess of \$200. [WIS. STAT. § 11.0204\(1\)\(a\)3](#).
3. An itemized statement of each contribution made anonymously to the candidate committee. If the contribution exceeds \$10, the candidate committee shall specify whether the candidate committee donated the contribution to the common school fund or to a charitable organization and shall include the full name and mailing address of the donee. [WIS. STAT. § 11.0204\(1\)\(a\)4](#).
4. A statement of totals during the reporting period of contributions received and contributions donated. [WIS. STAT. § 11.0204\(1\)\(a\)5](#).

In-Kind Contributions

An in-kind contribution is any good, service, or property offered to the candidate's campaign free of charge or at less than the usual cost, or payment of a registrant's obligations for such goods, services or property. [WIS. STAT. § 11.0101\(8\)\(a\)2](#). For example, if a campaign worker purchases stamps that are used for a mailing and is not reimbursed for the cost of the stamps, the value of the stamps is an in-kind contribution to the candidate's campaign from that campaign worker. When an individual is paid to work on behalf of a candidate by a political committee or some other individual, the payment for those services is an in-kind contribution to the candidate's campaign. If a political committee or individual offers to provide food and beverages for a fundraiser at less than the ordinary market price, the difference between the ordinary market price and the cost to the campaign is an in-kind contribution from the political committee or individual. If another committee pays for a newspaper, radio, or TV ad, and coordinates with the candidate committee about the content, timing, or other details of that ad, that ad would be an in-kind contribution.

Before making an in-kind contribution, the contributor is required to notify the candidate, candidate's agent, or the administrator or treasurer of the committee, and obtain either oral or written consent to the contribution. [WIS. STAT. § 11.1109](#). If the contributor does not know the actual value of the contribution, a good faith and reasonable estimate of the fair market value should be provided to the candidate committee before the closing date of the next campaign finance report in which the contribution is required to be listed. [WIS. STAT. § 11.1105](#), [WIS. ADMIN. CODE ETH 1.20\(5\)](#).

In-kind contributions are subject to the same itemization thresholds and the same contribution limits as monetary contributions. [WIS. STAT. § 11.0101\(8\)](#). Monetary contributions and in-kind contributions from a single contributor are added together for the purposes of determining compliance with contribution limits and the year-to-date amount for a specific contributor. WIS. STAT. §§ [11.0101\(8\)](#), [11.1103](#).

Reporting In-Kind Contributions

An in-kind contribution received by the campaign committee is reported by the committee as **both a receipt and expenditure**. Reporting the amount of the in-kind contribution as a contribution allows the campaign to disclose the receipt of the contribution on its campaign finance report along with cash contributions received and track year to date and campaign period totals. To keep the committee's cash balance accurate, the amount of the in-kind is also reported as an expenditure. The two entries offset each other so as to not affect the committee's cash balance.

If an estimate of the value of an in-kind contribution is the only value available at the time the candidate is required to file a report, the committee must report the estimated value of the contribution. [WIS. ADMIN. CODE ETH 1.20\(7\)](#). When the actual value of the estimated in-kind contribution is known, the actual amount is reported as an amendment to the original campaign finance report. *Id.*

Contributions and Other Income from Businesses

Businesses may make contributions under some circumstances, but the rules vary by the type of business.

1. Corporations **may not contribute** to local or state candidates in the State of Wisconsin. [WIS. STAT. § 11.1112](#).
2. Sole-proprietorships may contribute. The contribution must be reported under the name of the individual owner. This contribution counts toward the contribution limits from that individual to the candidate. [WIS. STAT. § 11.1113\(1\)](#).
3. Partnerships may contribute. The contribution must be reported under the names of the individual partners. The partnership may agree beforehand on how to allocate a portion of the contribution to each partner. If the partnership does not inform the candidate how the contribution should be allocated between the partners, then the contribution should be divided up according to each partner's share of the partnership's profits. [WIS. STAT. § 11.1113\(2\)](#).
4. LLCs taxed as a sole-proprietorship or partnership may contribute. The contribution must be reported under the name(s) of the individual owner(s). If there is more than one owner, contributions should be allocated as described in the partnership section above. [WIS. STAT. § 11.1113\(3\)](#).

Occasionally, a candidate committee may receive other income, like interest on a savings or checking account, or a refund of a security deposit, from a business. This other income is not a contribution and may be accepted from any type of business. [WIS. STAT. § 11.0101\(8\)\(b\)](#). The income should be reported as "Other Income," in campaign finance reports. [WIS. STAT. § 11.0204\(1\)\(a\)10](#).

Contributions Transferred through Conduits

A conduit is any individual, committee or group that receives contributions from individuals, deposits those contributions in a financial institution, and then transfers the contributions to a candidate or political committee selected by the original contributor. [WIS. STAT. § 11.0101\(7\)](#). The conduit may not exercise any discretion over the amount or ultimate recipient of the contributions. [WIS. STAT. § 11.0701\(3\)](#). A conduit is required to register with the Ethics Commission. [WIS. STAT. § 11.0702](#).

Reporting Conduit Contributions

Conduits are required to provide a transmittal letter with contribution checks sent to a receiving committee. The transmittal letter must identify the organization as a conduit, and list the individual contributors, the amount of each individual's contribution, and the date the individual authorized the contribution. [WIS. STAT. § 11.0704\(1\)](#). Contributions transferred through conduits are reported as contributions received from the individuals listed in the transmittal letter. [WIS. STAT. § 11.1106\(2\)](#). These contributions are reported under the individual's name. [WIS. STAT. § 11.1106\(1\)](#). They are subject to itemization on the same basis as other individual contributions. [WIS. STAT § 11.0204\(1\)\(a\)](#).

Returned Contributions

A committee may return a contribution at any time before or after it has been deposited. [WIS. STAT. § 11.1110\(1\)](#). Any contribution a committee returns to the donor after depositing it in the campaign account must be reported as a returned contribution to the contributor. A committee that accepts an unlawful contribution, reports that contribution, and returns that contribution within 15 days of the filing date for that report, does not violate the contribution or source limits. [WIS. STAT. § 11.1110\(2\)\(b\)](#).

Prohibited Contributions

Certain contributions are prohibited by Wisconsin law. A candidate's campaign may not accept the following types of contributions:

1. Anonymous contributions of more than \$10 ([WIS. STAT. § 11.1108](#));
2. Contributions in cash of more than \$100 ([WIS. STAT. § 11.1107](#));
3. Contributions given in the name of someone other than the contributor ([WIS. STAT. § 11.1204\(1\)](#));
4. Contributions from corporations, associations organized under ch. 185 or 193, labor organizations, or federally recognized American Indian Tribes ([WIS. STAT. § 11.1112](#));
5. Contributions more than the limits set by law ([WIS. STAT. §§ 11.1101, 11.1204\(3\)](#)); or
6. Contributions from foreign nationals. [WIS. STAT. § 11.1208\(4\)](#).

Licensed lobbyists can make personal contributions to candidates for local office and their candidate committees, provided that the local candidate is **not** currently holding a partisan state elective office. [WIS. STAT. § 13.625\(1m\)](#). Lobbyists are prohibited from making campaign contributions to state candidates for partisan state office except between the first day authorized to circulate nominations papers, and the day of the general election in the year of the candidate's election. Additionally, if the legislature is in session during that period, lobbyists may not make contributions to legislators or candidates or legislative office. *Id.* For further information on lobbyist contributions, visit the [Campaign Finance Prohibited Contributions section](#) the Ethics Commission's website (<https://ethics.wi.gov>) or contact an Ethics Commission staff member.

A candidate committee should monitor contributions carefully. If the candidate committee is aware that a contribution was received from a potentially prohibited source, the committee should ensure that the contribution is lawful. [WIS. STAT. § 11.1204\(3\)](#). It is recommended that a committee not accept any contributions if the committee cannot determine whether the contribution is lawful.

Disbursements

“Disbursement” means any of the following:

1. An expenditure by a committee from the committee's depository account;
2. The transfer of tangible personal property or services by a committee;
3. A transfer of funds between committees; or
4. The purchase of a ticket for a fundraising event for a committee regardless of whether the ticket is used to attend the event.

[WIS. STAT. § 11.0101\(10\)\(a\).](#)

“Disbursement” does not include any of the following:

1. A communication made exclusively between an organization and its members. In this subdivision, a member of an organization means a shareholder, employee, or officer of the organization, or an individual who has affirmatively manifested an interest in joining, supporting or aiding the organization;
2. A communication or Internet activity by an individual acting in his or her own behalf, or acting on behalf of another person if the individual is not compensated specifically for those services, including the cost or value of computers, software, Internet domain names, Internet service providers, and any other technology that is used to provide access to or use of the Internet, but not including professional video production services purchased by the individual;
3. Any news story, commentary, or editorial by a broadcasting station, cable television operator, producer, or programmer, Internet site, or newspaper or other periodical publication, including an Internet or other electronic publication unless a committee owns the medium in which the news story, commentary, or editorial appears; or
4. A nominal fee paid for a communication to the general public.

[WIS. STAT. § 11.0101\(10\)\(b\).](#)

Required Information for Disbursements

1. The date, full name, and street address of each committee to which the candidate committee has made a contribution, together with the amount of the contribution. [WIS. STAT. § 11.0204\(1\)\(a\)2.](#)
2. An itemized statement of every disbursement exceeding \$20 in amount or value, together with the name and address of the person to whom the disbursement was made, and the date and specific purpose for which the disbursement was made. [WIS. STAT. § 11.0204\(1\)\(a\)8.](#)
3. A statement of totals during the reporting period of disbursements made. [WIS. STAT. § 11.0204\(1\)\(a\)10.](#)

Obligations and Loans

Candidate committees are required to make full reports of all obligations received, made and incurred by the committee. The committee needs to include in each report information covering the period since the last date covered on the previous report. [WIS. STAT. § 11.0204\(1\)\(a\)](#).

“Obligation” means any express agreement to make a disbursement, including the following:

1. A loan or loan guarantee;
2. A promise to purchase, rent, or lease tangible personal property; or
3. A promise to pay for a service that has been or will be performed.

[WIS. STAT. § 11.0101\(23\)](#).

Required Information for Obligations

1. An itemized statement of every obligation exceeding \$20 in amount or value, together with the name of the person or business with whom the obligation was incurred, and the date and the specific purpose for which each such obligation was incurred must be reported in campaign finance reports. [WIS. STAT. § 11.0204\(1\)\(a\)9](#).
2. A statement of the balance of obligations incurred as of the end of the reporting period. [WIS. STAT. § 11.0204\(1\)\(a\)11](#).

Required Information for Loans

Each loan of money made to the candidate committee in an aggregate amount or value in excess of \$20, must be reported with all of the following:

1. The full name and mailing address of the lender;
2. A statement of whether the lender is a commercial lending institution;
3. The date and amount of the loan;
4. The full name and mailing address of each guarantor, if any;
5. The original amount guaranteed by each guarantor; and
6. The balance of the amount guaranteed by each guarantor at the end of the reporting period.

[WIS. STAT. § 11.0204\(1\)\(a\)7](#).

Cash Balances

Candidate committees are required to provide a statement of the cash on hand at the beginning and end of each reporting period. [WIS. STAT. § 11.0204\(1\)\(a\)6](#).

CAMPAIGN FINANCE REPORTS

All registrants that are not exempt from filing must file campaign finance reports. [WIS. STAT. § 11.0103\(1\)](#).

The information listed on the campaign finance report discloses the financial activity of the candidate's campaign. The law requires disclosure of income, disbursements, and incurred obligations. [WIS. STAT. § 11.0204\(1\)\(a\)](#). Committee treasurers must exercise diligence in acquiring and furnishing the contributor information required on the receipt schedules. For all contributors, the report must disclose the individual's name and address. [WIS. STAT. § 11.0204\(1\)\(a\)1](#). If the individual's year-to-date total exceeds \$200, you must also provide the individual's occupation. [WIS. STAT. § 11.0204\(1\)\(a\)3](#).

Treasurers and candidates are required to make a "good faith effort" to obtain all information required on the reports. [WIS. STAT. § 11.0103\(1\)\(a\)](#).

Types of Reports

Candidates on the ballot must file a pre-primary and a pre-election report which is due eight days before the primary or general election. Candidates for local nonpartisan office do not have to file pre-primary reports if they do not appear on a primary ballot. Candidates that lose in the primary or general election must continue to file reports until they are eligible for, and request, termination of their committee. Candidates must also file continuing reports in January and July of each year until they terminate their candidate committee, whether or not they are on the ballot.

With some restrictions, candidate committees that will not spend or receive more than \$2,000 in a calendar year may amend their registration and claim "exempt" status, which means they do not have to file campaign finance reports. See the section "[EXEMPTION FROM FILING CAMPAIGN FINANCE REPORTS](#)" on page 6 of this document for more information.

Reporting Periods and Elections:

Spring Primary: A committee that engages in activity concerning a spring primary must file: (1) a pre-primary report; (2) a pre-election report; and (3) annually in each year of an election cycle, a report on January 15 and July 15. [WIS. STAT. § 11.0204\(2\)](#).

Spring Election: A committee that engages in activity concerning a spring election must file: (1) a pre-election report; and (2) annually in each year of an election cycle, a report on January 15 and July 15. [WIS. STAT. § 11.0204\(3\)](#).

Partisan Primary: A committee that engages in activity concerning a partisan primary must file: (1) a pre-primary report; (2) a pre-election report; (3) in an odd-numbered year, a report on January 15 and July 15; and (4) in an even-numbered year, a report on January 15 and July 15 and on the 4th Tuesday in September. [WIS. STAT. § 11.0204\(4\)](#).

General Election: A committee that engages in activity concerning a general election must file: (1) a pre-election report; (2) in an odd-numbered year, a report on January 15 and July 15; and (3) in an even numbered year, a report on January 15 and July 15 and on the 4th Tuesday in September. [WIS. STAT. § 11.0204\(5\)](#).

Reporting deadlines can be found on the Ethics Commission's website at: <https://ethics.wi.gov/Pages/CampaignFinance/ReportPeriods.aspx>

How to Complete Campaign Finance Reports

The Ethics Commission requires candidate committees at the local level to file all necessary reports with the appropriate filing officer utilizing the:

- Local Campaign Finance Report Template on paper (<https://ethics.wi.gov/Resources/CF-2L>) or,
- Electronic Local Campaign Finance Report Template (<https://ethics.wi.gov/Resources/CF-2LE>) if the filing officer accepts electronic format.

WIS. STATS. §§ [11.0204\(1\)\(a\)](#), [11.1304\(1\)](#).

All contributions received by the committee must be reported in Schedule 1-A (Receipts) of the campaign finance report. Contributions and loans from individuals are listed in Schedule 1A (Contributions Including Loans from Individuals). Contributions from other committees, such as political action committees, political party committees, and other candidate committees, are reported in Schedule 1-B (Contributions from Committees). All other income such as loans from financial institutions, contributions returned from other registrants, refunds, returns of deposits or interest on investments are reported in Schedule 1-C (Other Income and Commercial Loans). The date which must be provided for all contributions is the date the committee **received** the contribution, that is, the date it acquired possession and control of the contribution, **not** the date of deposit or date on the check (unless all dates are the same). [WIS. STAT. § 11.0103\(2\)\(a\)1](#).

All money spent by the committee is reported in Schedule 2 (Disbursements) of the campaign finance report. General operating expenditures are listed in Schedule 2-A (Gross Expenditures). Contributions to other political committees are listed in Schedule 2-B (Contributions to Committees).

Additional information required to be disclosed is reported in Schedule 3 (Additional Disclosure) of the campaign finance report. All obligations of the committee such as unpaid debts are listed in Schedule 3-A (Incurred Obligations Excluding Loans). Loans and the individuals who guarantee loans for the committee are listed in Schedule 3-B (Loans).

Schedule 4 of the campaign finance report form (Termination Request) is used for requests to terminate a committee.

No-Activity Report (“Postcard Report”)

If a candidate receives no contributions, makes no disbursements and incurs no obligations during a reporting period, the registrant may file a “No Activity Report” (https://ethics.wi.gov/Resources/CF-2NA_Statement_of_No_Activity.pdf). This form should be used **only** when there has been no financial activity and the cash balance remains unchanged during the reporting period. [WIS. STAT. § 11.0103\(3\)\(d\)](#).

ATTRIBUTION STATEMENTS (DISCLAIMERS)

Attribution statements, commonly referred to as disclaimers, are statements required to be placed on any communication containing express advocacy in order to identify the person(s) who paid for and/or authorized the communication. [WIS. STAT. § 11.1303\(2\)](#).

No disbursement by a candidate committee may be made anonymously and no contribution or disbursement may be made in a fictitious name or by one person or organization in the name of another. [WIS. STAT. § 11.1303\(1\)](#).

Every printed advertisement, billboard, handbill, sample ballot, television or radio advertisement, or other communication containing express advocacy which is paid for by any contribution or disbursement shall clearly identify its source. [WIS. STAT. § 11.1303\(2\)\(a\)](#).

Every communication containing express advocacy the cost of which is paid for or reimbursed by a committee, or for which a committee assumes responsibility, whether by accepting a contribution or making a disbursement, shall identify its source by the words "Paid for by" followed by the name of the committee making the payment or reimbursement or assuming responsibility for the communication and may include the name of the treasurer or other authorized agent of the committee. [WIS. STAT. § 11.1303\(2\)\(b\)](#).

Attribution statements do not apply to communications containing express advocacy printed on small items, which would normally require a disclaimer, but cannot be conveniently printed, including text messages, social media communications, and certain small advertisements on mobile phones. [WIS. STAT. § 11.1303\(2\)\(f\)](#).

Formats for Disclaimers

When a communication is paid for by a candidate committee, the disclaimer must include the words "Paid for by," followed by the name of the committee:

“Paid for by Friends of Mary Smith.”

The disclaimer may also include the name of the treasurer or other authorized agent:

“Paid for by Friends of Mary Smith for Mayor, James Jones, Treasurer.”

When a communication is paid for by another in coordination with a candidate committee, both the person making the payment and the committee accepting the in-kind contribution should be listed:

“Paid for by Citizens for Government, Authorized by Mary Smith for Governor.”

TERMINATION OF CAMPAIGN FINANCE REGISTRATION

A candidate committee may terminate its registration if it meets the following requirements [WIS. STAT. § 11.0105](#):

1. Determines that all financial activity will stop, and that she or he will no longer receive contributions, make disbursements, or incur obligations;
2. Files a termination campaign finance report showing that all incurred obligations have been paid or satisfied, and that the cash balance has been reduced to zero; and
3. Completes a request for termination in Schedule 4.

A candidate may not terminate his or her registration before a primary or election in which he or she is a candidate. If a candidate loses a primary, he or she may terminate before the election. [WIS. STAT. § 11.0105\(1\)\(b\)](#).

Incumbent office holders are candidates, and because candidates are required to file campaign finance registration statements; an incumbent officer holder cannot terminate his or her campaign finance registration prior to leaving office. WIS. STAT. §§ [11.0101\(1\)\(c\)](#), [11.0202\(1\)\(a\)](#). Incumbents with limited financial activity may file for “exempt” status, which means they would not have to file campaign finance reports during that time. See the section “[EXEMPTION FROM FILING CAMPAIGN FINANCE REPORTS](#)” on page 6 of this document for more information.

Disposal of Residual Funds

Residual funds may be used for any purpose that is not for an individual’s strictly personal use and is not prohibited by law, including:

1. Repay any outstanding loans. If loans are not repaid, they must be forgiven before the committee can request termination;
2. Returning money to contributors in amounts that are not more than the contributor’s original contribution (note: the candidate or treasurer may choose which contributors to refund. The committee is not required to pro-rate and return a portion to all contributors);
3. Donating money to any tax-exempt charitable organization or the Common School Fund;
4. Transferring money to another registrant within the permitted contribution limit; or
5. Using any combination of the above.

WIS. STAT. §§ [11.0105](#), [11.1208\(2\)\(a\)](#).

Prior to making these disbursements of residual funds, make sure the committee does not have any pending fees or settlement offers.



Wisconsin Ethics Commission

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CAMPAIGN FINANCE OVERVIEW

Political Party Committees & Legislative Campaign Committees

Published: July 2019

There has been no change in campaign finance statutes since March of 2016.

This manual has been updated to include specific statutory citations and clarify basic reporting requirements for political party committees and legislative campaign committees.

Provided pursuant to [Wis. STAT. § 11.1304\(3\)](#) and in compliance with [Wis. STAT. § 227.112](#).

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REGISTRATION REQUIREMENTS

A political party committee is defined as:

1. A state committee under whose name candidates appear on a ballot at any election and all county, legislative, local, and other affiliated committees authorized to operate under the same name.
2. A committee described under subd. 1. that makes and accepts contributions and makes disbursements to support or oppose a candidate for state or local office or to support or oppose a referendum held in this state.

[WIS. STAT § 11.0101\(26\)](#).

A “legislative campaign committee” means a committee organized in either house of the legislature to support a candidate of a political party for legislative office. [WIS. STAT. § 11.0101\(19\)](#).

When Political Party and Legislative Campaign Committees are Required to Register

A political party or legislative campaign committee must register “upon its inception” and before making or accepting any contributions or disbursements to support or oppose candidates. WIS. STAT. §§ [11.0302](#), [11.0402](#).

A legislative campaign committee is required to obtain a statement signed by the leader of the party in the house for which the legislative campaign committee is established attesting that the legislative campaign committee is the only authorized legislative campaign committee for that party in that house. [WIS. STAT. § 11.0403\(1\)\(d\)](#).

All political parties must register at the state level – with the Wisconsin Ethics Commission. This applies to campus, regional, county, and state political party committees, even if they will only be spending on local offices. Political party committees register online at <https://cfis.wi.gov>. When completed, to activate your registration, you must print the form and send a signed copy to the Wisconsin Ethics Commission by email (campaignfinance@wi.gov), fax (608-264-9319) or US mail (PO Box 7125, Madison, WI 53707-7125).

After filing the registration statement, a committee may begin receiving and disbursing funds. WIS. STAT. §§ [11.0302](#), [11.0402](#). The committee’s financial activities must be reported to the Ethics Commission on campaign finance reports, unless the committee has claimed an exemption from filing reports. WIS. STAT. §§ [11.0103](#), [11.0104](#). These reports will disclose information on the receipts, expenditures, incurred obligations and loans of the committee. WIS. STAT. §§ [11.0304\(1\)\(a\)](#), [11.0404\(1\)\(a\)](#).

Completing a Registration Statement

Registration statements are completed electronically using the Campaign Finance Information System (CFIS) website. [WIS. STAT. § 11.1304\(1\)](#). The website address is <https://cfis.wi.gov>. For questions while filing a registration statement, please click “[Need Help? Review the User’s Guide and FAQ](#)” link at the bottom of every CFIS web page or call our office.

The following information is required on the registration statement:

1. Name and mailing address of the committee;
2. Name and mailing address of the treasurer and any other custodian of the books and accounts;
3. Name and address of the financial institution for the depository account, and any other institution where funds are kept;
4. Legislative Campaign Committees require a statement signed by the leader of the party in the house the committee is established, stating this is the only Legislative Campaign Committee authorized by that party in that house ([WIS. STAT. § 11.0403\(1\)\(d\)](#)); and
5. Signature of the treasurer or individual certifying that all information is true, correct, and complete.

WIS. STAT. §§ [11.0303](#), [11.0403](#).

Amending a Registration Statement

When any of the information reported on the registration statement changes, an amendment to the registration statement must be filed with the Wisconsin Ethics Commission within **ten days**. WIS. STAT. §§ [11.0303\(3\)\(a\)](#), [11.0403\(3\)\(a\)](#). The administrator or treasurer of the committee can update their registration statements online in CFIS. WIS. STAT. §§ [11.0303\(3\)\(b\)](#), [11.0403\(3\)\(b\)](#).

Registering a Segregated Fund

Every political party and legislative campaign committee may establish a separate segregated fund for purposes other than making contributions to a candidate committee or making disbursements for express advocacy. [WIS. STAT. § 11.1104\(6\)](#).

If the committee has a segregated fund, check off the checkbox affirming that fact on the registration statement, and supply the name and address of the financial institution for the segregated fund. WIS. STAT. §§ [11.0303\(1\)\(c\)](#), [11.0403\(1\)\(c\)](#). Any party or legislative campaign committee that has established a segregated fund is required to disclose the name of the fund on the registration statement and is required to file separate campaign finance reports itemizing any receipts and disbursements of the fund. [2017 ETH 03](#).

EXEMPTION FROM FILING CAMPAIGN FINANCE REPORTS

Eligibility

Political party or legislative campaign committees may be eligible for an exemption from filing campaign finance reports if the committee anticipates that it will not accept contributions, make disbursements, or incur loans and other obligations in an aggregate amount exceeding \$2,000 in a calendar year. [WIS. STAT. § 11.0104](#).

An indication of limited activity (exemption) under this section is effective only for the calendar year in which it is granted. [WIS. STAT. § 11.0104\(2\)](#). The Ethics Commission is seeking guidance from the Attorney General's office on interpreting and enforcing this statute. Pending that guidance or legislative change, the Ethics Commission is not requiring committees to renew their exemption status annually.

If a committee wishes to renew its exempt status, it should file an amendment to the registration statement.

Financial Records During Exemption

When a committee is exempt, it is not required to file any campaign finance reports. However, the administrator or treasurer is still required to keep financial records of all contributions to the committee and of all expenditures from the date of registration until three years from the date of the election in which the committee participates. WIS. STAT. §§ [11.0301\(4\)](#), [11.0401\(4\)](#).

Revoking Exemption

If, at a later date, the committee expects to exceed the \$2,000 limit on contributions, disbursements, or obligations, the committee must amend its campaign registration statement by checking the box: "This registrant is no longer eligible to claim exemption," on the registration statement. An amendment to the registration statement must be filed with the Wisconsin Ethics Commission within **ten days**. WIS. STAT. §§ [11.0303\(3\)\(a\)](#), [11.0403\(3\)\(a\)](#). The committee is then required to file campaign finance reports beginning with the next regular report due after the earlier of either the date that the amended registration was filed or the date that the committee exceeded \$2,000 in aggregate contributions, disbursements, or obligations. [WIS. STAT. § 11.0104\(3\)](#).

CONTRIBUTION LIMITS

Political party and legislative campaign committees may make contributions to candidate committees in unlimited amounts. [WIS. STAT. § 11.1104\(5\)](#).

Political party committees and legislative campaign committees may make contributions to a political action committee (PAC), other political party committees, and legislative campaign committees in unlimited amounts. WIS. STAT. § [11.1104\(1\)-\(4\)](#).

Contributions to a political party or legislative campaign committee from individuals, candidate committees, legislative campaign committees, or other party committees may be made in unlimited amounts. [WIS. STAT. § 11.1104\(3\), \(4\)](#).

Political party and legislative campaign committees may accept up to \$12,000 per calendar year from a single PAC. [WIS. STAT. § 11.1104\(4\)\(b\)](#). “Other persons” (generally groups not registered as a committee in Wisconsin) have the same limits. WIS. STAT. §§ [11.1101\(4\)](#), [11.1104\(4\)\(b\)](#).

The contribution limit applies globally to the political party or legislative campaign committee and its segregated fund, as segregated funds are not separate entities, i.e., a political action committee can only give \$12,000 per year to the political party or legislative campaign committee between its general and segregated funds, not \$12,000 to each, unless otherwise pre-empted by federal law. [2017 ETH 03](#).

A segregated fund may take up to \$12,000 per calendar year from corporations, associations, American Indian Tribes, and unions. [WIS. STAT. § 11.1112](#).

Contributions used to pay legal fees and other expenses incurred in connection with a recount or petitions to recall an officer are not subject to contribution limits. To qualify for this exclusion, recall expenses must occur before the recall primary or election is ordered, or in contesting or defending the order. Contributions used to pay recount or recall expenses must be reported on the regular campaign finance reports. Both the contributor and the candidate should indicate which contributions are being used for this purpose. [WIS. STAT. § 11.1104\(9\)-\(11\)](#).

For more information on contribution limits, go to <https://ethics.wi.gov>.

CONTRIBUTIONS AND DISBURSEMENTS

Contributions

“Contribution” means any of the following:

1. A gift, subscription, loan, advance, or transfer of money to a committee;
2. With the committee's consent under [WIS. STAT. § 11.1109](#), a transfer of tangible personal property or services to a committee, valued as provided under [WIS. STAT. § 11.1105](#);
3. A transfer of funds between committees; or
4. The purchase of a ticket for a fundraising event for a committee regardless of whether the ticket is used to attend the event.

[WIS. STAT. § 11.0101\(8\)\(a\)](#).

“Contribution” does not include any of the following:

1. Services that an individual provides to a committee, if the individual is not specifically compensated for providing the services to the committee;
2. Any unreimbursed travel expenses that an individual incurs to volunteer his or her personal services to a committee;
3. The costs of preparing and transmitting personal correspondence;
4. Interest earned on an interest-bearing account;
5. Rebates or awards earned in connection with the use of a debit or credit card;
6. A loan from a commercial lending institution that the institution makes in its ordinary course of business;
7. The reuse of surplus materials or the use of unused surplus materials acquired in connection with a previous campaign for or against the same candidate, political party, or recall if the materials were previously reported as a contribution;
8. The cost of invitations, food, and beverages in connection with an event held in a private residence on behalf of a candidate committee;
9. Any communication that does not expressly advocate for the election or defeat of a clearly identified candidate;
10. A communication made exclusively between an organization and its members. In this subdivision, a member of an organization means a shareholder, employee, or officer of the organization, or an individual who has affirmatively manifested an interest in joining, supporting, or aiding the organization;
11. Any cost incurred to conduct Internet activity by an individual acting in his or her own behalf, or acting in behalf of another person if the individual is not compensated specifically for those services, including the cost or value of any computers, software, Internet domain names, Internet service providers, and any other technology that is used to provide access to or use of the Internet, but not including professional video production services purchased by the individual; or
12. Any news story, commentary, or editorial by a broadcasting stations, cable television operator, producer, or programmer, Internet site, or newspaper or other periodical publication, including an Internet or other electronic publication unless a committee owns the medium in which the news story, commentary, or editorial appears.

[WIS. STAT. § 11.0101\(8\)\(b\)](#).

Required Information for Contributions

1. The date, full name, and street address of each person who has made a contribution to the political party or legislative campaign committee, together with the amount of the contribution. WIS. STAT. §§ [11.0304\(1\)\(a\)1](#), [11.0404\(1\)\(a\)1](#).
2. The occupation, if any, of each individual contributor whose cumulative contributions to the political party or legislative campaign committee for the calendar year are in excess of \$200. WIS. STAT. §§ [11.0304\(1\)\(a\)3](#), [11.0404\(1\)\(a\)3](#).
3. An itemized statement of each contribution made anonymously to the political party or legislative campaign committee. If the contribution exceeds \$10, the committee shall specify whether the committee donated the contribution to the common school fund or to a charitable organization and shall include the full name and mailing address of the donee. WIS. STAT. §§ [11.0304\(1\)\(a\)4](#), [11.0404\(1\)\(a\)4](#).
4. A statement of totals during the reporting period of contributions received and contributions donated. WIS. STAT. §§ [11.0304\(1\)\(a\)5](#), [11.0404\(1\)\(a\)5](#).

In-Kind Contributions

An in-kind contribution is any good, service, or property offered to the political party or legislative campaign committee free of charge or at less than the usual cost, or payment of a registrant's obligations for such goods, services or property. [WIS. STAT. § 11.0101\(8\)\(a\)2](#). For example, if a volunteer purchases stamps that are used for a mailing and the volunteer is not reimbursed for the cost of the stamps, the value of the stamps is an in-kind contribution to the political party or legislative campaign committee from that volunteer. When an individual is paid to work on behalf of a political party or legislative campaign committee by another committee or some other person, the payment for those services is an in-kind contribution to the political party or legislative campaign committee from that committee or other person. If another committee or person offers to provide food and beverages for a fundraiser at less than the ordinary market price, the difference between the ordinary market price and the cost to the political party or legislative campaign committee is an in-kind contribution from the other committee or person. If another committee or person pays for a newspaper, radio, or TV ad, and coordinates with the political party or legislative campaign committee about the content, timing, or other details of that ad, that ad would be an in-kind contribution from the other committee or person.

Before making an in-kind contribution, the contributor is required to notify the political party or legislative campaign committee, committee's agent, or the administrator or treasurer of the committee, and obtain either oral or written consent to the contribution. [WIS. STAT. § 11.1109](#). If the contributor does not know the actual value of the contribution, a good faith and reasonable estimate of the fair market value should be provided to the political party or legislative campaign committee before the closing date of the next campaign finance report in which the contribution is required to be listed. [WIS. STAT. § 11.1105](#), [WIS. ADMIN. CODE ETH 1.20\(5\)](#).

In-kind contributions are subject to the same itemization thresholds and the same contribution limits as monetary contributions. [WIS. STAT. § 11.0101\(8\)](#). Monetary contributions and in-kind contributions from a single contributor are added together for the purposes of determining compliance with contribution limits and the year-to-date amount for a specific contributor. WIS. STAT. §§ [11.0101\(8\)](#), [11.1103](#).

Reporting In-Kind Contributions in CFIS

An in-kind contribution received by a political party or legislative campaign committee is reported by the committee as **both a receipt and expenditure**. Reporting the amount of the in-kind contribution as a contribution allows the committee to disclose the receipt of the contribution on its campaign finance report along with cash contributions received and track year to date and campaign period totals. To keep the committee's cash balance accurate, the amount of the in-kind is also reported as an expenditure. The two entries offset each other so as to not affect the committee's cash balance.

If an estimate of the value of an in-kind contribution is the only value available at the time the committee is required to file a report, the committee must report the estimated value of the contribution. [WIS. ADMIN. CODE ETH 1.20\(7\)](#). When the actual value of the estimated in-kind contribution is known, the actual amount is reported as an amendment to the original campaign finance report. *Id.*

Contributions and Other Income from Businesses

Some types of businesses may make contributions, but the rules vary by the type of business.

1. Corporations **may not contribute** to political party or legislative campaign committees in the State of Wisconsin, only to their segregated fund. [WIS. STAT. § 11.1112](#).
2. Sole proprietorships may contribute. The contribution must be reported under the name of the individual owner. [WIS. STAT. § 11.1113\(1\)](#).
3. Partnerships may contribute. The contribution is considered a contribution made by each of the contributing partners. The partnership shall provide the committee the names of the contributing partners and amount of each individual's donation. The contribution should be attributed to each individual according to each partner's share of the partnership's profits, unless the partners agree to a different allocation. [WIS. STAT. § 11.1113\(2\)](#).
4. LLCs that are taxed as corporations **may not contribute** to political parties or legislative campaign committees in the State of Wisconsin, only to their segregated fund.
5. LLCs taxed as a sole-proprietorship or partnership may contribute. The contribution must be reported under the name(s) of the individual owner(s). If there is more than one owner, contributions should be allocated as described in the partnership section above. [WIS. STAT. § 11.1113\(3\)](#).

Occasionally, a political party or legislative campaign committee may receive other income, like interest on a savings or checking account, or a refund of a security deposit, from a business. This other income is not a contribution and may be accepted from any type of business. [WIS. STAT. § 11.0101\(8\)\(b\)](#). The income should be reported as "Other Income," in campaign finance reports. WIS. STAT. §§ [11.0304\(1\)\(a\)10](#), [11.0404\(1\)\(a\)10](#).

Returned Contributions

A political party or legislative campaign committee may return a contribution at any time before or after it has been deposited. [WIS. STAT. § 11.1110\(1\)](#). Any contribution a committee returns to the donor after depositing it in the committee account must be reported as a returned contribution to the contributor. A committee that accepts an unlawful contribution, reports that contribution, and returns that contribution within 15 days of the filing date for that report, does not violate the contribution or source limits. [WIS. STAT. § 11.1110\(2\)\(b\)](#).

Contributions Transferred through Conduits

A conduit is any person other than an individual, that receives contributions from individuals, deposits those contributions in a financial institution, and then transfers the contributions to a candidate or political committee selected by the original contributor. [WIS. STAT. § 11.0101\(7\)](#).

The conduit may not exercise any discretion over the amount or ultimate recipient of the contributions. [WIS. STAT. § 11.0701\(3\)](#). A conduit is required to register with the Ethics Commission. [WIS. STAT. § 11.0702](#).

Reporting Conduit Contributions in CFIS

Conduits are required to provide a transmittal letter with contribution checks sent to a receiving committee. The transmittal letter must identify the organization as a conduit, and list the individual contributors, the amount of each individual's contribution, and the date the individual authorized the contribution. [WIS. STAT. § 11.0704\(1\)](#).

Contributions transferred through conduits are reported as contributions received from the individuals listed in the transmittal letter. [WIS. STAT. § 11.1106\(2\)](#). These contributions are reported under the individual's name. [WIS. STAT. § 11.1106\(1\)](#). They are subject to itemization on the same basis as other individual contributions. [WIS. STAT. §§ 11.0304\(1\)\(a\), 11.0404\(1\)\(a\)](#).

Prohibited Contributions

Certain contributions are prohibited by Wisconsin law. A committee may not accept the following types of contributions:

1. Anonymous contributions of more than \$10 ([WIS. STAT. § 11.1108](#));
2. Contributions in cash of more than \$100 ([WIS. STAT. § 11.1107](#));
3. Contributions given in the name of someone other than the contributor ([WIS. STAT. § 11.1204\(1\)](#));
4. Contributions from corporations, associations organized under ch. 185 or 193, labor organizations, or federally recognized American Indian Tribes, except a contribution to a segregated fund ([WIS. STAT. § 11.1112](#));
5. Contributions more than the limits set by law ([WIS. STAT. §§ 11.1101, 11.1204\(3\)](#)); or
6. Contributions from foreign nationals ([WIS. STAT. §§ 11.1208\(4\)](#)).

A political party or legislative campaign committee should monitor contributions carefully. If the committee is aware that a contribution was received from a potentially prohibited source, the committee should ensure that the contribution is lawful. [WIS. STAT. § 11.1204\(3\)](#). It is recommended that a committee not accept any contributions if the committee cannot determine whether the contribution is lawful.

Disbursements

“Disbursement” means any of the following:

1. An expenditure by a committee from the committee's depository account;

2. The transfer of tangible personal property or services by a committee;
3. A transfer of funds between committees; or
4. The purchase of a ticket for a fundraising event for a committee regardless of whether the ticket is used to attend the event.

[WIS. STAT. § 11.0101\(10\)\(a\).](#)

“Disbursement” does not include any of the following:

1. A communication made exclusively between an organization and its members. In this subdivision, a member of an organization means a shareholder, employee, or officer of the organization, or an individual who has affirmatively manifested an interest in joining, supporting or aiding the organization;
2. A communication or Internet activity by an individual acting in his or her own behalf, or acting on behalf of another person if the individual is not compensated specifically for those services, including the cost or value of computers, software, Internet domain names, Internet service providers, and any other technology that is used to provide access to or use of the Internet, but not including professional video production services purchased by the individual;
3. Any news story, commentary, or editorial by a broadcasting station, cable television operator, producer, or programmer, Internet site, or newspaper or other periodical publication, including an Internet or other electronic publication unless a committee owns the medium in which the news story, commentary, or editorial appears; or
4. A nominal fee paid for a communication to the general public.

[WIS. STAT. § 11.0101\(10\)\(b\).](#)

Required Information for Disbursements

1. The date, full name, and street address of each committee to which the committee has made a contribution, together with the amount of the contribution. WIS. STAT. §§ [11.0304\(1\)\(a\)2](#), [11.0404\(1\)\(a\)2](#).
2. An itemized statement of every disbursement exceeding \$20 in amount or value, together with the name and address of the person to whom the disbursement was made, and the date and specific purpose for which the disbursement was made. WIS. STAT. §§ [11.0304\(1\)\(a\)8](#), [11.0404\(1\)\(a\)8](#).
3. A statement of totals during the reporting period of disbursements made. WIS. STAT. §§ [11.0304\(1\)\(a\)10](#), [11.0404\(1\)\(a\)10](#).

Obligations and Loans

Committees are required to make full reports of all obligations received, made and incurred by the committee. The committee needs to include in each report information covering the period since the last date covered on the previous report. WIS. STAT. §§ [11.0304\(1\)\(a\)](#), [11.0404\(1\)\(a\)](#).

“Obligation” means any express agreement to make a disbursement, including the following:

1. A loan or loan guarantee;
2. A promise to purchase, rent, or lease tangible personal property; or
3. A promise to pay for a service that has been or will be performed.

[WIS. STAT. § 11.0101\(23\)](#).

Required Information for Obligations

1. An itemized statement of every obligation exceeding \$20 in amount or value, together with the name of the person or business with whom the obligation was incurred, and the date and the specific purpose for which each such obligation was incurred must be reported in campaign finance reports. WIS. STAT. §§ [11.0304\(1\)\(a\)9](#), [11.0404\(1\)\(a\)9](#).
2. A statement of the balance of obligations incurred as of the end of the reporting period. WIS. STAT. §§ [11.0304\(1\)\(a\)11](#), [11.0404\(1\)\(a\)11](#).

Required Information for Loans

Each loan of money made to the committee in an aggregate amount or value in excess of \$20, must be reported with all of the following:

1. The full name and mailing address of the lender;
2. A statement of whether the lender is a commercial lending institution;
3. The date and amount of the loan;
4. The full name and mailing address of each guarantor, if any;
5. The original amount guaranteed by each guarantor; and
6. The balance of the amount guaranteed by each guarantor at the end of the reporting period.

WIS. STAT. §§ [11.0304\(1\)\(a\)7](#), [11.0404\(1\)\(a\)7](#).

Cash Balances

Committees are required to provide a statement of the cash on hand at the beginning and end of each reporting period. WIS. STAT. §§ [11.0304\(1\)\(a\)6](#), [11.0404\(1\)\(a\)6](#). The committee will be prompted to provide the beginning and ending cash balances when certifying the campaign finance report in CFIS.

Coordination with Candidate Committees

Political party and legislative campaign committees may coordinate with candidate committees. The definition of coordination is listed below:

For purposes of this section, an expenditure for express advocacy is coordinated if any of the following applies:

1. The candidate, candidate's agent, legislative campaign committee of the candidate's political party, or the candidate's political party communicates directly with the political action committee, independent expenditure committee, other person, or individual making the expenditure to specifically request that the political action committee, independent expenditure committee, other person, or individual make the expenditure that benefits the candidate and the political action committee, independent expenditure committee, other person, or individual explicitly assents to the request before making the expenditure; or
2. The candidate, candidate's agent, legislative campaign committee of the candidate's political party, or the candidate's political party exercises control over the expenditure or the content, timing, location, form, intended audience, number, or frequency of the communication.

[WIS. STAT. § 11.1203\(2\)\(a\).](#)

Express advocacy means:

A communication that contains terms such as the following with reference to a clearly identified candidate and that unambiguously relates to the election or defeat of that candidate:

- (a) "Vote for;"
- (b) "Elect;"
- (c) "Support;"
- (d) "Cast your ballot for;"
- (e) "Smith for ... (an elective office);"
- (f) "Vote against;"
- (g) "Defeat;"
- (h) "Reject;" or
- (i) "Cast your ballot against."

[WIS. STAT. § 11.0101\(11\).](#)

If an expenditure for express advocacy is coordinated with a candidate committee the political party or legislative campaign committees must report the expenditure. WIS. STAT. §§ [11.0304\(1\)\(a\)](#), [11.0404\(1\)\(a\)](#).

Use of publicly available information when creating, producing, or distributing express advocacy communications does not constitute coordination. [WIS. STAT. § 11.1203\(3\)\(c\)](#).

CAMPAIGN FINANCE REPORTS

Political party and legislative campaign committees that are not exempt from filing must file campaign finance reports. Committees must continue to file periodic reports until termination of their committee. The reports must be submitted electronically via CFIS (<https://cfis.wi.gov/>). [WIS. STAT. § 11.1304\(6\)](#).

The information listed on the campaign finance report discloses the financial activity of the committee. The law requires disclosure of income, disbursements, and incurred obligations. [WIS. STAT. §§ 11.0304\(1\)\(a\), 11.0404\(1\)\(a\)](#). Political party and legislative campaign committee treasurers must exercise diligence in acquiring and furnishing the contributor information required on the receipt schedules. For all contributors, the report must disclose the individual's name and address. [WIS. STAT. §§ 11.0304\(1\)\(a\)1, 11.0404\(1\)\(a\)1](#). If the individual's year-to-date total exceeds \$200, you must also provide the individual's occupation. [Wis. Stat. §§ 11.0304\(1\)\(a\)3, 11.0404\(1\)\(a\)3](#).

Treasurers are required to make a "good faith effort" to obtain all information required on the reports. [WIS. STAT. § 11.0103\(1\)\(a\)](#).

Types of Reports

Political party and legislative campaign committees are required to file reports in January and July of each year until they terminate their registration. Committees that make contributions to candidates on the ballot must file election related reports.

Political party or legislative campaign committees that will not spend or receive more than \$2,000 in a calendar year may amend their registration and claim "exempt" status, which means they do not have to file campaign finance reports. See the section "[EXEMPTION FROM FILING CAMPAIGN FINANCE REPORTS](#)" above for more information.

Reporting Periods and Elections:

Spring Primary: A political party that engages in activity concerning a spring primary must file: (1) a preprimary report; (2) a pre-election report; and (3) annually in each year of an election cycle, a report on January 15 and July 15. [WIS. STAT. § 11.0304\(2\)](#).

Spring Election: A political party that engages in activity concerning a spring election must file: (1) a pre-election report; and (2) annually in each year of an election cycle, a report on January 15 and July 15. [WIS. STAT. § 11.0304\(3\)](#).

Partisan Primary: A political party or legislative campaign committee that engages in activity concerning a partisan primary must file: (1) a pre-primary report; (2) a pre-election report; (3) in an odd-numbered year, a report on January 15 and July 15; and (4) in an even-numbered year, a report on January 15 and July 15 and on the 4th Tuesday in September. [WIS. STAT. §§ 11.0304\(4\), 11.0404\(2\)](#).

General Election: A political party or legislative campaign committee that engages in activity concerning a general election must file: (1) a pre-election report; (2) in an odd-numbered year, a report on January 15 and July 15; and (3) in an even numbered year, a report on January 15 and July 15 and on the 4th Tuesday in September. [WIS. STAT. §§ 11.0304\(5\), 11.0404\(3\)](#).

Reporting deadlines can be found on the Ethics Commission's website at:
<https://ethics.wi.gov/Pages/CampaignFinance/ReportPeriods.aspx>

How to Complete Campaign Finance Reports

There are two ways to enter campaign finance transactions (contributions and disbursements):

- Using the online screens in the Campaign Finance Information System (“CFIS”), and
- Using the CFIS upload templates.

Every committee must use one of the specified, approved forms. [WIS. STAT. § 11.1304\(1\)](#). A committee that chooses to use an upload template with schedule detail must use the approved template. Political party and legislative campaign committees can find upload templates on the CFIS site in the “**Upload Transactions**” section of the menu.

For detailed instructions on how to complete and file the campaign finance report, go to <https://cfis.wi.gov> and click on the **CFIS Manuals** link in the center of the page, or go to the Ethics Commission **CFIS Manuals & Frequently Asked Questions** page:
<https://ethics.wi.gov/Pages/CampaignFinance/CFISManuals.aspx>.

Filing Reports in CFIS

Political party and legislative campaign committees file campaign finance reports electronically through the CFIS website. The help screens on that site may answer some of your questions. When you have entered all transactions for a reporting period, the CFIS system will automatically generate the report for you and place all transactions on the appropriate schedules.

All contributions received by the committee must be reported in Schedule 1 (Receipts) of the campaign finance report. Contributions and loans from individuals are listed in Schedule 1A (Contributions Including Loans from Individuals). Contributions from other committees, such as candidate committees, political action committees, and other political party or legislative campaign committees, are reported in Schedule 1B (Contributions from Committees). All other income such as loans from financial institutions, contributions returned from other registrants, refunds, returns of deposits or interest on investments are reported in Schedule 1C (Other Income and Commercial Loans). The date which must be provided for all contributions is the date the committee **received** the contribution, that is, the date it acquired possession and control of the contribution, **not** the date of deposit or date on the check (unless all dates are the same). [WIS. STAT. § 11.0103\(2\)\(a\)2](#).

All money spent by the committee is reported in Schedule 2 (Disbursements) of the campaign finance report. General operating expenditures are listed in Schedule 2A (Gross Expenditures). Contributions to other political committees are listed in Schedule 2B (Contributions to Committees).

Additional information required to be disclosed is reported in Schedule 3 (Additional Disclosure) of the campaign finance report. All obligations of the committee such as unpaid debts are listed in Schedule 3A (Incurred Obligations Excluding Loans). Loans and the individuals who guarantee loans for the committee are listed in Schedule 3B (Loans).

Termination Request, form CF-13 is used to request to terminate a political party or legislative campaign committees.

Special Report of Late Contribution (72-Hour Reporting)

Political party and legislative campaign committees must report contributions of \$1,000 or more, from a single contributor, **received** in the 14-day period before the primary or election within 72 hours of receipt. A special report of late contribution must be filed (1) for any contribution of \$1000 or more, or (2) for contributions from a single contributor totaling \$1000 or more **received** after the closing date of the pre-primary or pre-election report and before the primary or election is held. The report must be filed within 72 hours of **receiving** the contributions. The contribution must also be reported on the next full campaign finance report. WIS. STAT. §§ [11.0304\(7\)](#), [11.0404\(4\)](#).

No-Activity Report

If a political party or legislative campaign committee receives no contributions, makes no disbursements and incurs no obligations during a reporting period, the registrant may file a “No Activity Report.” This form should be used **only** when there has been no financial activity and the cash balance remains unchanged during the reporting period. [WIS. STAT. § 11.0103\(3\)\(d\)](#).

Annual Filing Fee

Every political party or legislative campaign committee registered with the Wisconsin Ethics Commission whose disbursements exceed a total of \$2,500 in any calendar year must pay an annual filing fee of \$100. The payment is made to the Wisconsin Ethics Commission and is due no later than January 15th following the calendar year for which the fee was required. [WIS. STAT. § 11.0102\(2\)](#).

If a political party committee terminates during a year, and spends more than \$2,500 in that year, the registrant must pay the \$100 filing fee with its termination request. [WIS. STAT. § 11.0105\(2\)](#).

Any committee required to pay the filing fee who fails to do so within the time prescribed will be referred to the Commission for further action. The statutes provide for a forfeiture of \$500 plus three times the filing fee (\$300), or \$800 total. [WIS. STAT. § 11.1400\(4\)](#).

ATTRIBUTION STATEMENTS (DISCLAIMERS)

Attribution statements, commonly referred to as disclaimers, are statements required to be placed on any communication containing express advocacy in order to identify the person(s) who paid for and/or authorized the communication. [WIS. STAT. § 11.1303\(2\)](#).

No disbursement by political party or legislative campaign committee may be made anonymously and no contribution or disbursement may be made in a fictitious name or by one person or organization in the name of another. [WIS. STAT. § 11.1303\(1\)](#).

Every printed advertisement, billboard, handbill, sample ballot, television or radio advertisement, or other communication containing express advocacy which is paid for by any contribution or disbursement shall clearly identify its source. [WIS. STAT. § 11.1303\(2\)\(a\)](#).

Every communication containing express advocacy the cost of which is paid for or reimbursed by a committee, or for which a committee assumes responsibility, whether by accepting a contribution or making a disbursement, shall identify its source by the words "Paid for by" followed by the name of the committee making the payment or reimbursement or assuming responsibility for the communication and may include the name of the treasurer or other authorized agent of the committee. [WIS. STAT. § 11.1303\(2\)\(b\)](#).

Attribution statements must be readable, legible, and readily accessible. [WIS. STAT. § 11.1303\(2\)\(g\)](#).

Attribution statements do not apply to communications containing express advocacy printed on small items, which would normally require a disclaimer, but cannot be conveniently printed, including text messages, social media communications, and certain small advertisements on mobile phones. [WIS. STAT. § 11.1303\(2\)\(f\)](#).

Formats for Disclaimers

When a communication is paid for by a political party or legislative campaign committee, the disclaimer must include the words "Paid for by," followed by the name of the committee:

“Paid for by ABC Party of Wisconsin.”

The disclaimer may also include the name of the treasurer or other authorized agent:

“Paid for by ABC Party of Wisconsin, James Jones, Treasurer.”

When a communication is paid for by another in coordination with a political party or legislative campaign committee, both the person making the payment and the committee accepting the in-kind contribution could be listed:

“Paid for by ABC Party of Wisconsin, Authorized by Mary Smith for Governor.”

TERMINATION OF CAMPAIGN FINANCE REGISTRATION

A political party or legislative campaign committee may terminate its registration if it meets the following requirements [WIS. STAT. § 11.0105](#):

1. It determines that all financial activity will stop, and that it will no longer receive contributions, make disbursements, or incur obligations;
2. It files a termination campaign finance report showing that all incurred obligations have been paid or satisfied, and that the cash balance has been reduced to zero; and,
3. It completes a request for termination -CF-13.

Disposal of Residual Funds

Residual funds may be used for any purpose that is not for an individual's strictly personal use and is not prohibited by law, including:

1. Repay any outstanding loans. If loans are not repaid, they must be forgiven before the committee can request termination;
2. Returning money to contributors in amounts that are not more than the contributor's original contribution (note: the committee or treasurer may choose which contributors to refund. The committee is not required to pro-rate and return a portion to all contributors);
3. Donating money to any tax-exempt charitable organization or the Common School Fund;
4. Transferring money to another registrant within the permitted contribution limit; or
5. Using any combination of the above.

WIS. STAT. §§ [11.0105](#), [11.1208\(2\)\(a\)](#).

Prior to making these disbursements of residual funds, make sure the committee does not have any pending fees or settlement offers.



Wisconsin Ethics Commission

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CAMPAIGN FINANCE OVERVIEW

Political Action Committees

Published: July 2019

There has been no change in campaign finance statutes since March of 2016.

This manual has been updated to include specific statutory citations and clarify basic reporting requirements for state Political Action Committees.

Provided pursuant to [WIS. STAT. § 11.1304\(3\)](#) and in compliance with [WIS. STAT. § 227.112](#).

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REGISTRATION REQUIREMENTS

What is a Political Action Committee?

A Political Action Committee (PAC) is defined as:

any person, other than an individual, or any permanent or temporary combination of 2 or more persons unrelated by marriage that satisfies any of the following:

1. It has the major purpose of express advocacy, as specified in the person’s organizational or governing documents, the person’s bylaws, resolutions of the person’s governing body, or registration statements filed by the person under this chapter; or
2. It uses more than 50 percent of its total spending in a 12-month period on expenditures for express advocacy, expenditures made to support or defeat a referendum, and contributions made to a candidate committee, legislative campaign committee, or political party. In this subdivision, total spending does not include a committee’s fundraising expenses or administrative expenses.

[WIS. STAT. § 11.0101\(25\)](#).

When is a Political Action Committee Required to Register?

Under [WIS. STAT. § 11.0502](#), a new political action committee must register within 10 days of exceeding the threshold of \$2,500 of activity in a calendar year.

All political action committees must register at the state level – with the Wisconsin Ethics Commission. Political action committees register online at <http://cfis.wi.gov>. To complete the committee registration, you must print the form and send a signed copy to the Wisconsin Ethics Commission either electronically or by mail. When the signed registration statement is received, the Commission will activate the political action committee on CFIS.

After the registration statement has been filed and the committee has been activated, a political action committee may resume making disbursements and incurring obligations. The committee’s financial activities must be reported on campaign finance reports (ETHCF-2S, 2SE, 2SU or 2NA), unless the committee has claimed an exemption from filing finance reports. These reports will disclose information on the receipts, expenditures, incurred obligations and loans of the committee.

Some entities not required to register as political action committees (individuals, or groups that spend less than 50% of their funds on independent expenditures) are still required to report spending on disbursement made for the purpose of express advocacy if they spend more than \$2,500 within 60 days of a primary or election. [WIS. STAT. § 11.1001](#). See the “[Reporting Specific Express Advocacy \(72-Hour Reporting\)](#)” section for more details.

Completing a Registration Statement

Registration statements are completed electronically using the Campaign Finance Information System (CFIS) website. The website address is <https://cfis.wi.gov>. For information about filing a registration statement, please click on the “[Need Help? Review the User’s Guide and FAQ](#)” link at the bottom of every CFIS web page.

Information required on the registration:

1. The name and mailing address of the political action committee.
2. The name and mailing address of the treasurer and any other custodian of books and accounts. Unless otherwise directed by the treasurer on the registration form and except as otherwise provided in this chapter or any rule of the commission, all mailings that are required by law or by rule of the commission shall be sent to the treasurer at the treasurer's address indicated upon the form.
3. The name and address of the depository account of the political action committee and of any other institution where funds of the committee are kept.
4. The name and address of the political action committee's sponsoring organization, if any.

[WIS. STAT. § 11.0503\(1\)](#).

A sponsoring organization is defined as an entity that establishes, administers, or financially supports a political action committee or an independent expenditure committee. [WIS. STAT. § 11.0101\(31\)](#).

Amending a Registration Statement

When any of the information reported on the registration statement changes, the statement must be amended by filing an amendment to the CF-1. The CF-1 must be amended and submitted to the Ethics Commission **within 10 days of the change**. Committees must update their registration statements online in CFIS. [WIS. STAT. § 11.0503\(3\)](#).

Penalty for Not Filing a Registration Statement

If a required statement or amendment is not filed on time, the registrant may be subject to a civil penalty of up to \$500. [WIS. STAT. § 11.1400\(1\)](#).

EXEMPTION FROM FILING CAMPAIGN FINANCE REPORTS

Eligibility

Political action committees may be eligible for an exemption from filing campaign finance reports if the committee anticipates that it will not accept contributions, make disbursements, or incur loans and other obligations in an aggregate amount exceeding \$2,000 in a calendar year. [WIS. STAT. § 11.0104](#).

An indication of limited activity (exemption) under this section is effective only for the calendar year in which it is granted. [WIS. STAT. § 11.0104\(2\)](#). The Ethics Commission is seeking guidance from the Attorney General's office on interpreting and enforcing this statute. Pending that guidance or legislative change, the Ethics Commission is not requiring committees to renew their exemption status annually.

If a committee wishes to renew or update its exempt status, it should file an amendment to the registration statement (CF-1).

Financial Records During Exemption

When a committee is exempt, it is not required to file any campaign finance reports. [WIS. STAT. § 11.0104\(2\)](#). However, the treasurer is required to keep financial records adequate to meet the requirements of campaign finance law. Records must be kept of all contributions to the committee and of all expenditures for the previous three years. [WIS. STAT. § 11.0501\(4\)](#).

Revoking Exemption

If, at a later date, the committee expects to exceed the \$2,000 limit on contributions, disbursements, or obligations, the committee must amend its campaign registration statement by checking the box: "This registrant is no longer eligible to claim exemption," on the registration statement. An amendment to the registration statement must be filed with the Wisconsin Ethics Commission within **ten days**. [WIS. STAT. § 11.0503\(3\)\(a\)](#). The committee is then required to file campaign finance reports beginning with the next regular report due after the earlier of either the date that the amended registration was filed or the date that the committee exceeded \$2,000 in aggregate contributions, disbursements, or obligations. [WIS. STAT. § 11.0104\(3\)](#).

FILING FEES

Every political action committee whose disbursements exceed a total of \$2,500 in any calendar year must pay an annual filing fee of \$100. The payment is made to the Ethics Commission and is due no later than January 15th following the calendar year for which the fee was required. [WIS. STAT. § 11.0102\(2\)](#).

If a committee becomes subject to registration during the year, it must pay the fee when it registers. [WIS. STAT. § 11.0102\(2\)\(b\)](#). If a committee terminates during a year, and spends more than \$2,500 in that year, the registrant must pay the \$100 filing fee with its termination request. [WIS. STAT. § 11.0105\(2\)](#).

Any committee required to pay the filing fee that fails to do so within the time prescribed will be referred to the Commission for further action. The statutes provide for a forfeiture of \$500 plus three times the filing fee (\$300), or \$800 total. [WIS. STAT. § 11.1400\(4\)](#).

CONTRIBUTION LIMITS

Contribution limitations apply cumulatively to the entire primary and election campaign in which the candidate participates, whether or not there is a contested primary election.

OFFICE	POLITICAL ACTION COMMITTEE CONTRIBUTORS
GOVERNOR	\$86,000
LIEUTENANT GOVERNOR	\$26,000
SECRETARY OF STATE	\$18,000
STATE TREASURER	\$18,000
ATTORNEY GENERAL	\$44,000
SUPERINTENDENT OF PUBLIC INSTRUCTION	\$18,000
SUPREME COURT	\$18,000
STATE SENATOR	\$2,000
ASSEMBLY REPRESENTATIVE	\$1,000
APPEALS JUDGE – POPULOUS DISTRICTS	\$6,000
APPEAL JUDGE – OTHER DISTRICTS	\$5,000
CIRCUIT JUDGE – POPULOUS AREA	\$6,000
DISTRICT ATTORNEY – POPULOUS AREA	\$6,000
CIRCUIT JUDGE – OTHER AREA	\$2,000
DISTRICT ATTORNEY – OTHER AREA	\$2,000
LOCAL OFFICES	GREATER OF \$400 OR 2 CENTS TIMES THE POPULATION; NOT MORE THAN \$5,000

[WIS. STAT. § 11.1101\(3\).](#)

The contribution limits established by state statute determine the maximum amount of all contributions (cash, non-commercial loans, and in-kind contributions combined) that an individual or committee can give or receive over a campaign period. These limits depend on the office sought by the candidate and the identity of the contributor.

Populous Areas:

- Appeals Judge – A county having a population of more than 750,000.
- Circuit Judge – Circuits having a population of more than 300,000.
- District Attorney – Prosecutorial units having a population more than 300,000.

Local Offices:

- Districts with 20,000 or fewer population have a limit of \$400. Districts with 250,000 or greater population have a limit of \$5000. Other districts need to be calculated.
- Population is determined by the last decennial census for that district. Contact the local filing officer for that office (county, municipal, or school district clerk) for exact numbers.

Applicable Periods for Contribution Limits

For purposes of calculating contribution limits, a new candidate's campaign begins on the date a new candidate is required to file a registration statement, i.e., the date she or he becomes a candidate. [WIS. STAT. § 11.1103\(2\)](#). The campaign period includes both the primary and general election. The campaign period ends the day before the winning candidate begins his or her new term of office. *Id.*

For an incumbent candidate, the new campaign period begins on the day the candidate assumes office. [WIS. STAT. § 11.1103\(1\)](#). The campaign period runs through the primary and general election for that office and lasts until the day before the winning candidate begins his or her new term of office. *Id.*

Political action committees may contribute no more than \$12,000 per calendar year to a single political party committee or legislative campaign committee. WIS. STAT. §§ [11.1104\(3\)\(b\)](#) and [\(4\)\(b\)](#). The contribution limit applies globally to the political party or legislative campaign committee and its segregated fund. Segregated funds are not separate entities, therefore, a political action committee can only give \$12,000 per year to the political party or legislative campaign committee between its general and segregated funds, not \$12,000 to each, unless otherwise preempted by federal law. *See* [2017 ETH 03](#).

For more information on contribution limits, go to the Ethics Commission's Contributions Limits page: <https://ethics.wi.gov/Pages/CampaignFinance/ContributionLimits.aspx>.

Exceptions to Contribution Limits

The following contributions may be made in unlimited amounts:

1. Political action committees may make unlimited contributions to other political action committees ([WIS. STAT. § 11.1104\(2\)](#)); and
2. Individuals may make unlimited contributions to political action committees ([WIS. STAT. § 11.1104\(1\)](#)).

CONTRIBUTIONS AND DISBURSEMENTS

Political action committees are required to make full reports of all contributions, disbursements, and obligations received, made and incurred by the committee. Each report needs to include information covering the period since the last date covered on the previous report. [WIS. STAT. § 11.0504\(1\)\(a\)](#).

Contributions

“Contribution” means any of the following:

1. A gift, subscription, loan, advance, or transfer of money to a committee;
2. With the committee's consent under [WIS. STAT. § 11.1109](#), a transfer of tangible personal property or services to a committee, valued as provided under [WIS. STAT. § 11.1105](#);
3. A transfer of funds between committees; or
4. The purchase of a ticket for a fundraising event for a committee regardless of whether the ticket is used to attend the event.

[WIS. STAT. § 11.0101\(8\)\(a\)](#).

“Contribution” does not include any of the following:

1. Services that an individual provides to a committee, if the individual is not specifically compensated for providing the services to the committee;
2. Any unreimbursed travel expenses that an individual incurs to volunteer his or her personal services to a committee;
3. The costs of preparing and transmitting personal correspondence;
4. Interest earned on an interest-bearing account;
5. Rebates or awards earned in connection with the use of a debit or credit card;
6. A loan from a commercial lending institution that the institution makes in its ordinary course of business;
7. The reuse of surplus materials or the use of unused surplus materials acquired in connection with a previous campaign for or against the same candidate, political party, or recall if the materials were previously reported as a contribution;
8. The cost of invitations, food, and beverages in connection with an event held in a private residence on behalf of a candidate committee;
9. Any communication that does not expressly advocate for the election or defeat of a clearly identified candidate;
10. A communication made exclusively between an organization and its members. In this subdivision, a member of an organization means a shareholder, employee, or officer of the organization, or an individual who has affirmatively manifested an interest in joining, supporting, or aiding the organization;
11. Any cost incurred to conduct Internet activity by an individual acting in his or her own behalf, or acting in behalf of another person if the individual is not compensated specifically for those

- services, including the cost or value of any computers, software, Internet domain names, Internet service providers, and any other technology that is used to provide access to or use of the Internet, but not including professional video production services purchased by the individual;
12. Any news story, commentary, or editorial by a broadcasting stations, cable television operator, producer, or programmer, Internet site, or newspaper or other periodical publication, including an Internet or other electronic publication unless a committee owns the medium in which the news story, commentary, or editorial appears; or
 13. An expenditure of funds by a sponsoring organization for a political action committee's administrative or solicitation expenses.

[WIS. STAT. § 11.0101\(8\)\(b\).](#)

Required Information for Contributions

1. The date, full name, and street address of each person who has made a contribution to the political action committee, together with the amount of the contribution. [WIS. STAT. § 11.0504\(1\)\(a\)1.](#)
2. The occupation, if any, of each individual contributor whose cumulative contributions to the political action committee for the calendar year are in excess of \$200. [WIS. STAT. § 11.0504\(1\)\(a\)3.](#)
3. An itemized statement of each contribution made anonymously to the political action committee. If the contribution exceeds \$10, the political action committee shall specify whether the political action committee donated the contribution to the Common School Fund or to a charitable organization and shall include the full name and mailing address of the donee. [WIS. STAT. § 11.0504\(1\)\(a\)4.](#)
4. A statement of totals during the reporting period of contributions received and contributions donated. [WIS. STAT. § 11.0504\(1\)\(a\)5.](#)

Contributions and Other Income from Businesses

Businesses may make contributions to PACs under some circumstances, but the rules vary by the type of business.

1. Corporations **may not** contribute to political action committees in the State of Wisconsin. [WIS. STAT. § 11.1112.](#)
2. Sole proprietorships may contribute. The contribution must be reported under the name of the individual owner. [WIS. STAT. § 11.1113\(1\).](#)
3. Partnerships may contribute. The contribution must be reported under the names of the individual partners. The partnership may agree beforehand on how to allocate a portion of the contribution to each partner. If the partnership does not inform the candidate how the contribution should be allocated between the partners, then the contribution should be divided up according to each partner's share of the partnership's profits. [WIS. STAT. § 11.1113\(2\).](#)

4. LLCs taxed as a sole-proprietorship or partnership may contribute. The contribution must be reported under the name(s) of the individual owner(s). If there is more than one owner, contributions should be allocated as described in the partnership section above. [WIS. STAT. § 11.1113\(3\)](#).

Occasionally, a committee may receive other income, like interest on a savings or checking account, or a refund of a security deposit, from a business. This other income is not a contribution and may be accepted from any type of business. [WIS. STAT. § 11.0101\(8\)\(b\)](#). The income should be reported as “Other Income,” in campaign finance reports. [WIS. STAT. § 11.0504\(1\)\(a\)10](#).

In-Kind Contributions

An in-kind contribution is any good, service, or property offered to the committee free of charge or at less than the usual cost, or payment of a registrant’s obligations for such goods, services or property. [WIS. STAT. § 11.0101\(8\)\(a\)2](#). For example, if a volunteer purchases stamps that are used for a mailing and is not reimbursed for the cost of the stamps, the value of the stamps is an in-kind contribution to the political action committee from that volunteer. When an individual is paid to work on behalf of a political action committee by another committee or some other person, the payment for those services is an in-kind contribution to the political action committee that benefits from the work. If an individual or other committee offers to provide food and beverages for a fundraiser at less than the ordinary market price, the difference between the ordinary market price and the cost to the committee is an in-kind contribution from the person or committee.

Before making an in-kind contribution to a committee, the contributor is required to notify an authorized person and obtain either oral or written consent to the contribution. [WIS. STAT. § 11.1109](#). If the contributor does not know the actual value of the contribution, a good faith and reasonable estimate of the fair market value should be provided. [WIS. ADMIN. CODE ETH 1.20\(5\)](#).

Reporting In-Kind Contributions in CFIS

An in-kind contribution received by the committee is reported as **both a receipt and expenditure**. This procedure allows the committee to disclose the receipt of the contribution on its campaign finance report along with cash contributions received. Then, in order to keep the committee’s cash balance accurate, the amount of the in-kind is reported as an expenditure. The two entries offset each other and do not affect the cash balance.

If an estimate of the value of an in-kind contribution is the only value available at the time the committee is required to file a report, the committee must report the estimated value of the contribution. [WIS. ADMIN. CODE ETH 1.20\(7\)](#). When the actual value of the estimated in-kind contribution is known, the actual amount is reported as a contribution and an expenditure by amending the campaign finance report which the in-kind contribution was originally reported in. [Id.](#)

Returned Contributions

A committee may return a contribution at any time before or after it has been deposited. [WIS. STAT. § 11.1110\(1\)](#). Any contribution a committee returns to the donor after depositing it in the campaign account must be reported as a returned contribution to the contributor. A committee that accepts an unlawful contribution, reports that contribution, and returns that contribution within 15 days of the filing date for that report, does not violate the contribution or source limits. [WIS. STAT. § 11.1110\(2\)\(b\)](#).

Contributions Transferred through Conduits

A conduit is any individual, committee or group that receives contributions from individuals, deposits those contributions in a financial institution, and then transfers the contributions to a candidate or political committee selected by the original contributor. [WIS. STAT. § 11.0101\(7\)](#). The conduit may not exercise any discretion over the amount or ultimate recipient of the contributions. [WIS. STAT. § 11.0701\(3\)](#). Conduits are required to register with the Ethics Commission. [WIS. STAT. § 11.0702](#).

Reporting Conduit Contributions in CFIS

Conduits are required to provide a transmittal letter with contribution checks sent to a receiving committee. The transmittal letter must identify the organization as a conduit, and list the individual contributors, the amount of each individual's contribution, and the date the individual authorized the contribution. [WIS. STAT. § 11.0704\(1\)](#).

Contributions transferred through conduits are reported as contributions received from the individuals listed in the transmittal letter. [WIS. STAT. § 11.1106\(2\)](#). These contributions are reported under the individual's name. [WIS. STAT. § 11.1106\(1\)](#). They are subject to itemization on the same basis as other individual contributions. [WIS. STAT. § 11.0504\(1\)\(a\)](#).

Prohibited Contributions

Certain contributions are prohibited by Wisconsin law. A political action committee may not accept the following types of contributions:

1. Anonymous contributions of more than \$10 ([WIS. STAT. § 11.1108](#));
2. Contributions in cash of more than \$100 ([WIS. STAT. § 11.1107](#));
3. Contributions given in the name of someone other than the contributor ([WIS. STAT. § 11.1204\(1\)](#));
4. Contributions from corporations, associations organized under ch. 185 or 193, labor organizations, or federally recognized American Indian Tribes ([WIS. STAT. § 11.1112](#));
5. Contributions more than the limits set by law ([WIS. STAT. §§ 11.1101, 11.1204\(3\)](#)); or
6. Contributions from foreign nationals. [WIS. STAT. § 11.1208\(4\)](#).

A political action committee should monitor contributions carefully. If the committee is aware that a contribution was received from a potentially prohibited source, the committee should ensure that the contribution is lawful. [WIS. STAT. § 11.1204\(3\)](#). It is recommended that a committee not accept any contributions if the committee cannot determine whether the contribution is lawful.

Disbursements

“Disbursement” means any of the following:

1. An expenditure by a committee from the committee's depository account;
2. The transfer of tangible personal property or services by a committee;
3. A transfer of funds between committees; or
4. The purchase of a ticket for a fundraising event for a committee regardless of whether the ticket is used to attend the event.

[WIS. STAT. § 11.0101\(10\)\(a\)](#).

“Disbursement” does not include any of the following:

1. A communication made exclusively between an organization and its members. In this subdivision, a member of an organization means a shareholder, employee, or officer of the organization, or an individual who has affirmatively manifested an interest in joining, supporting or aiding the organization;
2. A communication or Internet activity by an individual acting in his or her own behalf, or acting on behalf of another person if the individual is not compensated specifically for those services, including the cost or value of computers, software, Internet domain names, Internet service providers, and any other technology that is used to provide access to or use of the Internet, but not including professional video production services purchased by the individual;
3. Any news story, commentary, or editorial by a broadcasting station, cable television operator, producer, or programmer, Internet site, or newspaper or other periodical publication, including an Internet or other electronic publication unless a committee owns the medium in which the news story, commentary, or editorial appears;
4. A nominal fee paid for a communication to the general public;
5. An expenditure of funds by a sponsoring organization for a political action committee's administrative or solicitation expenses; or
6. An expenditure of funds for a political action committee's fundraising and administrative expenses.

[WIS. STAT. § 11.0101\(10\)\(b\)](#).

Required Information for Disbursements

1. The date, full name, and street address of each committee to which the political action committee has made a contribution, together with the amount of the contribution. [WIS. STAT. § 11.0504\(1\)\(a\)2.](#)
2. An itemized statement of every disbursement exceeding \$20 in amount or value, together with the name and address of the person to whom the disbursement was made, and the date and specific purpose for which the disbursement was made. [WIS. STAT. § 11.0504\(1\)\(a\)8.](#)
3. A statement of totals during the reporting period of disbursements made. [WIS. STAT. § 11.0504\(1\)\(a\)10.](#)

Obligations and Loans

Political action committees are required to make full reports of all obligations received, made and incurred by the committee. The committee needs to include in each report information covering the period since the last date covered on the previous report. [WIS. STAT. § 11.0504\(1\)\(a\).](#)

“Obligation” means any express agreement to make a disbursement, including the following:

1. A loan or loan guarantee;
2. A promise to purchase, rent, or lease tangible personal property; or
3. A promise to pay for a service that has been or will be performed.

[WIS. STAT. § 11.0101\(23\).](#)

Required Information for Obligations

1. An itemized statement of every obligation exceeding \$20 in amount or value, together with the name of the person or business with whom the obligation was incurred, and the date and the specific purpose for which each such obligation was incurred must be reported in campaign finance reports. [WIS. STAT. § 11.0504\(1\)\(a\)9.](#)
2. A statement of the balance of obligations incurred as of the end of the reporting period. [WIS. STAT. § 11.0504\(1\)\(a\)11.](#)

Required Information for Loans

Each loan of money made to a political action committee in an aggregate amount or value in excess of \$20, must be reported with all of the following:

1. The full name and mailing address of the lender;
2. A statement of whether the lender is a commercial lending institution;
3. The date and amount of the loan;
4. The full name and mailing address of each guarantor, if any;
5. The original amount guaranteed by each guarantor; and
6. The balance of the amount guaranteed by each guarantor at the end of the reporting period.

[WIS. STAT. § 11.0504\(1\)\(a\)7.](#)

Cash Balances

Political action committees are required to provide a statement of the cash on hand at the beginning and end of each reporting period. [WIS. STAT. § 11.0504\(1\)\(a\)6.](#) The committee will be prompted to provide the beginning and ending cash balances when certifying the campaign finance report in CFIS.

Coordination with Candidate Committees

Political action committees may coordinate with candidate committees. A coordinated expense on behalf of a committee counts as a contribution to that committee and must be reported as such.

Coordination is defined as follows: For purposes of this section, an expenditure for express advocacy is coordinated if any of the following applies:

1. The candidate, candidate's agent, legislative campaign committee of the candidate's political party, or the candidate's political party communicates directly with the political action committee, independent expenditure committee, other person, or individual making the expenditure to specifically request that the political action committee, independent expenditure committee, other person, or individual make the expenditure that benefits the candidate and the political action committee, independent expenditure committee, other person, or individual explicitly assents to the request before making the expenditure; or
2. The candidate, candidate's agent, legislative campaign committee of the candidate's political party, or the candidate's political party exercises control over the expenditure or the content, timing, location, form, intended audience, number, or frequency of the communication.

[WIS. STAT. § 11.1203\(2\)\(a\).](#)

Express advocacy means:

A communication that contains terms such as the following with reference to a clearly identified candidate and that unambiguously relates to the election or defeat of that candidate:

- (a) “Vote for;”
- (b) “Elect;”
- (c) “Support;”
- (d) “Cast your ballot for;”
- (e) “Smith for ... (an elective office);”
- (f) “Vote against;”
- (g) “Defeat;”
- (h) “Reject;” or
- (i) “Cast your ballot against.”

[WIS. STAT. § 11.0101\(11\)](#).

If an expenditure for express advocacy is coordinated with a candidate committee the political action committee must report the expenditure as a contribution to that committee as required by [WIS. STAT. § 11.0504\(1\)\(a\)](#).

The amount of the coordinated contribution is subject to contributions limits provided for in [WIS. STAT. §11.1101](#).

Use of publicly available information when creating, producing, or distributing express advocacy communications does not constitute coordination.

Independent Expenditures

An independent expenditure is an expenditure for express advocacy that is not made in coordination with a candidate, candidate committee, candidate’s agent, legislative campaign committee, or political party. [WIS. STAT. § 11.1101\(16\)](#). A political action committee must report all of its receipts and expenses, including its independent expenditures as required by [WIS. STAT. § 11.0504\(1\)\(a\)](#).

CAMPAIGN FINANCE REPORTS

All registrants that are not exempt from filing must file campaign finance reports. Committees must continue to file periodic reports until the committee is terminated. The reports must be submitted electronically via CFIS (<https://cfis.wi.gov/>). [WIS. STAT. § 11.1304\(6\)](#).

The information listed on the campaign finance report discloses the financial activity of the political action committee. The law requires disclosure of contributions received, disbursements made, and incurred obligations. [WIS. STAT. § 11.0504\(1\)\(a\)](#). Committee treasurers must exercise diligence in acquiring and furnishing the contributor information required on the receipt schedules. Treasurers and candidates are required to make a “good faith effort” to obtain all information required on the reports. [WIS. STAT. § 11.0103\(1\)\(a\)](#). For all contributors, the report must disclose the person’s name and address. [WIS. STAT. § 11.0504\(1\)\(a\)1](#). If the individual’s cumulative contributions total exceeds \$200, you must also provide the individual’s occupation. [WIS. STAT. § 11.0504\(1\)\(a\)3](#).

Types of Reports

All committees, that are not on exempt status, must file continuing reports in January and July of each year until they terminate their registration. Political action committees that give to candidates or referenda on the ballot must file a pre-primary and a pre-election report due 8 days before the primary or general election.

Reporting Periods and Elections:

Spring Primary: A committee that engages in activity concerning a spring primary must file: (1) a pre-primary report; (2) a pre-election report; and (3) annually in each year of an election cycle, a report on January 15 and July 15. [WIS. STAT. § 11.0504\(2\)](#).

Spring Election: A committee that engages in activity concerning a spring election must file: (1) a pre-election report; and (2) annually in each year of an election cycle, a report on January 15 and July 15. [WIS. STAT. § 11.0504\(3\)](#).

Partisan Primary: A committee that engages in activity concerning a partisan primary must file: (1) a pre-primary report; (2) a pre-election report; (3) in an odd-numbered year, a report on January 15 and July 15; and (4) in an even-numbered year, a report on January 15 and July 15 and on the 4th Tuesday in September. [WIS. STAT. § 11.0504\(4\)](#).

General Election: A committee that engages in activity concerning a general election must file: (1) a pre-election report; (2) in an odd-numbered year, a report on January 15 and July 15; and (3) in an even numbered year, a report on January 15 and July 15 and on the 4th Tuesday in September. [WIS. STAT. § 11.0504\(5\)](#).

Special Elections: In addition to the pre-primary and pre-election reports described above, a committee may also have to file a post-election report within 45 days if the January or July report has not been filed. WIS. STAT. §§ [11.0504\(3\)\(c\)](#), [11.0504\(5\)\(d\)](#).

Reporting deadlines can be found on the Ethics Commission’s website at:
<https://ethics.wi.gov/Pages/CampaignFinance/ReportPeriods.aspx>.

How to Complete Campaign Finance Reports

There are two ways to enter campaign finance transactions (contributions and disbursements):

- Using the online screens in the Campaign Finance Information System (“CFIS”), and
- Using the CFIS upload templates.

Every committee must use one of the specified, approved forms. [WIS. STAT. § 11.1304\(1\)](#). A committee that chooses to use an upload template with schedule detail must use the approved template. Committees can find upload templates on the CFIS site in the “**Upload Transactions**” section of the menu.

For detailed instructions on how to complete and file the campaign finance report, go to <https://cfis.wi.gov> and click on the **CFIS Manuals** link in the center of the page, or go to the Ethics Commission **CFIS Manuals & Frequently Asked Questions** page:
<https://ethics.wi.gov/Pages/CampaignFinance/CFISManuals.aspx>.

Filing Reports in CFIS

Political action committees file campaign finance reports electronically through the CFIS website. The help screens on that site may answer some of your questions. When you have entered all transactions for a reporting period, the CFIS system will automatically generate the report for you and place all transactions on the appropriate schedules.

All contributions received by the committee must be reported in Schedule 1 (Receipts) of the campaign finance report. Contributions and loans from individuals are listed in Schedule 1A (Contributions Including Loans from Individuals). Contributions from other committees, such as other political action committees, political party committees, and candidate committees, are reported in Schedule 1B (Contributions from Committees). All other income such as loans from financial institutions, contributions returned from other registrants, refunds, returns of deposits or interest on investments are reported in Schedule 1C (Other Income and Commercial Loans). The date which must be provided for all contributions is the date the committee **received** the contribution, that is, the date it acquired possession and control of the contribution, **not** the date of deposit or date on the check (unless all dates are the same). [WIS. STAT. § 11.0103\(2\)\(a\)1](#).

All money spent by the committee is reported in Schedule 2 (Disbursements) of the campaign finance report. General operating expenditures are listed in Schedule 2A (Gross Expenditures). Contributions to other committees are listed in Schedule 2B (Contributions to Committees).

Additional information required to be disclosed is reported in Schedule 3 (Additional Disclosure) of the campaign finance report. All obligations of the committee such as unpaid debts are listed in Schedule 3A (Incurred Obligations Excluding Loans). Loans and the individuals who guarantee loans for the committee are listed in Schedule 3B (Loans).

Schedule 4 Termination Request of the campaign finance report form (Termination Request) is used for requests to terminate a committee.

Reporting Specific Express Advocacy (72-Hour Reporting)

Political action committees that spend more than \$2,500 on express advocacy in the 60 days before a primary election must also file a special report documenting their expenditures within 72 hours of making the disbursement. It is the date the communication takes place, not necessarily the day the expense is paid, that determines whether it falls within the 60-day period. [WIS. STAT. § 11.0505\(1\)\(a\)](#).

Committees required to file 72-hour reports (CF-7) of independent expenditures must do that through the CFIS website.

Directions on filing these reports in CFIS can be found in the CFIS User's Guide: <https://ethics.wi.gov/Pages/CampaignFinance/CFISManuals.aspx>.

When a committee submits a 72-hour report, the treasurer will also file an oath that the committee has not coordinated with the candidate committee. An oath is repeated for each separate communication and filed with each 72-hour report. Since oaths must be notarized, a copy of each 72-hour report must always be mailed, emailed, or faxed to the Ethics Commission.

Some entities not required to political action committees (individuals, or groups that spend less than 50% of their funds on independent expenditures) are still required to report spending on express advocacy if they spend more than \$2,500 within 60 days of a primary or election. The requirements for reporting and filing an oath are the same as the requirements for the 72-hour reports described in this section. [WIS. STAT. § 11.1001](#).

No-Activity Report

If a political action committee receives no contributions, makes no disbursements and incurs no obligations during a reporting period, the registrant may file a "No Activity Report." This form should be used **only** when there has been no financial activity and the cash balance remains unchanged during the reporting period. [WIS. STAT. § 11.0103\(3\)\(d\)](#).

ATTRIBUTION STATEMENTS (DISCLAIMERS)

Attribution statements, commonly referred to as disclaimers, are statements required to be placed on any communication containing express advocacy in order to identify the person(s) who paid for and/or authorized the communication. [WIS. STAT. § 11.1303\(2\)](#).

No disbursement by political action committees may be made anonymously and no contribution or disbursement may be made in a fictitious name or by one person or organization in the name of another. [WIS. STAT. § 11.1303\(1\)](#).

Every printed advertisement, billboard, handbill, sample ballot, television or radio advertisement, or other communication containing express advocacy which is paid for by any contribution or disbursement shall clearly identify its source. [WIS. STAT. § 11.1303\(2\)\(a\)](#).

Every communication containing express advocacy the cost of which is paid for or reimbursed by a committee, or for which a committee assumes responsibility, whether by accepting a contribution or making a disbursement, shall identify its source by the words "Paid for by" followed by the name of the committee making the payment or reimbursement or assuming responsibility for the communication and may include the name of the treasurer or other authorized agent of the committee. [WIS. STAT. § 11.1303\(2\)\(b\)](#).

Attribution statements must be readable, legible, and readily accessible. [WIS. STAT. § 11.1303\(2\)\(g\)](#).

Attribution statements do not apply to communications containing express advocacy printed on small items, which would normally require a disclaimer, but cannot be conveniently printed, including text messages, social media communications, and certain small advertisements on mobile phones. [WIS. STAT. § 11.1303\(2\)\(f\)](#).

Formats for Disclaimers

When a communication is paid for by a committee, the disclaimer must include the words "Paid for by," followed by the name of the committee:

"Paid for by the ABC Committee."

The disclaimer may also include the name of the treasurer or other authorized agent:

"Paid for by the ABC Committee, James Jones, Treasurer."

When a communication for express advocacy is paid for by the committee in coordination with a political action committee, both the committee making the payment and the political action committee accepting the in-kind contribution should be listed:

“Paid for by ABC Committee, Authorized by Mary Smith for Governor.”

[WIS. STAT. §11.1303\(2\)\(b\).](#)

When a committee places a communication for express advocacy that is not in coordination with a candidate, that committee should include the words "Not authorized by any candidate or candidate's agent or committee" in the attribution:

“Paid for by ABC Committee, Not Authorized by
Any Candidate or Candidate’s Agent or Committee”

[WIS. STAT. §11.1303\(2\)\(d\).](#)

TERMINATION OF CAMPAIGN FINANCE REGISTRATION

A political action committee may terminate its registration if it meets the following requirements:

1. Determines that all financial activity will stop, and that it will no longer receive contributions, make disbursements, or incur obligations;
2. Files a termination campaign finance report showing that all incurred obligations and loans have been paid or satisfied, and that the cash balance has been reduced to zero; and,
3. Completes a request for termination by filing a termination report. See the “Terminating a Committee” Quick Tip Sheet for more details: <https://ethics.wi.gov/Resources/CFIS-TerminatingCommittee.pdf>.

[WIS. STAT. § 11.0105.](#)

Disposal of Residual Funds

Residual funds may be used for any purpose that is not for an individual’s strictly personal use and is not prohibited by law, including:

1. Repay any outstanding loans. If loans are not repaid, they must be forgiven before the committee can request termination;
2. Returning money to contributors in amounts that are not more than the contributor’s original contribution (note: the committee or treasurer may choose which contributors to refund. The committee is not required to pro-rate and return a portion to all contributors);
3. Donating money to any tax-exempt charitable organization or the Common School Fund;
4. Transferring money to another registrant within the permitted contribution limit; or
5. Using any combination of the above.

WIS. STAT. §§ [11.0105](#), [11.1208\(2\)\(a\)](#).

Prior to making these disbursements of residual funds, make sure the committee does not have any pending fees or settlement offers.

CAMPAIGN FINANCE OVERVIEW

Independent Expenditure Committees



Wisconsin Ethics Commission
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Madison WI 53707-7125

Phone: (608) 266-8123
E-mail: campaignfinance@wi.gov
Websites: <https://cfis.wi.gov>
<https://ethics.wi.gov>

Published: July 2019

There has been no change in campaign finance statutes since March of 2016.

This manual has been updated to include specific statutory citations and clarify basic reporting requirements for state Political Action Committees.

Provided pursuant to WIS. STAT. § 11.1304(3) and in compliance with WIS. STAT. § 227.112.

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REGISTRATION REQUIREMENTS

What is an Independent Expenditure Committee?

An Independent Expenditure Committee is defined as:

any person, other than an individual, or any permanent or temporary combination of 2 or more persons unrelated by marriage that satisfies any of the following:

- (a) It has the major purpose of making independent expenditures, as specified in the person's organizational or governing documents, the person's bylaws, resolutions of the person's governing body, or registration statements filed by the person under this chapter; or
- (b) It uses more than 50 percent of its total spending in a 12-month period on independent expenditures and expenditures made to support or defeat a referendum. In this subdivision, total spending does not include a committee's fundraising or administrative expenses.

[WIS. STAT. § 11.0101\(17\).](#)

An independent expenditure is defined as:

an expenditure for express advocacy by a person, if the expenditure is not made in coordination with a candidate, candidate committee, candidate's agent, legislative campaign committee, or political party, as prohibited under s. [11.1203](#).

[WIS. STAT. § 11.0101\(16\).](#)

The express advocacy requirement is defined as:

(11) "Express advocacy" means a communication that contains terms such as the following with reference to a clearly identified candidate and that unambiguously relates to the election or defeat of that candidate:

- (a) "Vote for;"
- (b) "Elect;"
- (c) "Support;"
- (d) "Cast your ballot for;"
- (e) "Smith for ... (an elective office);"
- (f) "Vote against;"
- (g) "Defeat;"
- (h) "Reject;" or
- (i) "Cast your ballot against".

[WIS. STAT. § 11.0101\(11\).](#)

When is an Independent Expenditure Committee Required to Register?

Under [WIS. STAT. § 11.0602](#), a new independent expenditure committee must register within 10 business days of exceeding the threshold of \$2,500 of activity in a calendar year.

All independent expenditure committees must register with the Wisconsin Ethics Commission. [WIS. STAT. § 11.0102\(1\)\(a\)4m](#). Independent expenditure committees register online at <http://cfis.wi.gov>. To complete the committee registration you must print the form and send a signed copy to the Wisconsin Ethics Commission either electronically or by mail. When the signed registration statement is received, the Commission will activate the independent expenditure committee on CFIS.

After the registration statement has been filed and the committee has been activated, an independent expenditure committee may resume making disbursements and incurring obligations. [WIS. STAT. § 11.0602\(2\)](#). The committee's financial activities must be reported on campaign finance reports (ETHCF-2S, 2SE, 2SU or 2NA), unless the committee has claimed an exemption from filing finance reports. These reports will disclose information on the receipts, expenditures, incurred obligations and loans of the committee.

It is important to note that some entities not required to register as independent expenditure committees (individuals, or groups that spend less than 50% of their funds on independent expenditures) are still required to report spending on disbursements made for the purpose of express advocacy if they spend more than \$2,500 within 60 days of a primary or election. [WIS. STAT. § 11.1001](#). See the "[Reporting Specific Express Advocacy \(72-Hour Reporting\)](#)" section for more details.

Completing a Registration Statement

Registration statements are completed electronically using the Campaign Finance Information System (CFIS) website. The website address is <https://cfis.wi.gov>. For information about filing a registration statement, please click on the “[Need Help? Review the User’s Guide and FAQ](#)” link at the bottom of every CFIS web page.

Information required on the registration:

1. The name and mailing address of the independent expenditure committee;
2. The name and mailing address of the treasurer and any other custodian of books and accounts. Unless otherwise directed by the treasurer on the registration form and except as otherwise provided in this chapter or any rule of the commission, all mailings that are required by law or by rule of the commission shall be sent to the treasurer at the treasurer's address indicated upon the form;
3. The name and address of the depository account of the independent expenditure committee and of any other institution where funds of the committee are kept; and
4. The name and address of the independent expenditure committee's sponsoring organization, if any.

[WIS. STAT. § 11.0603\(1\)](#).

A sponsoring organization is defined as an entity that establishes, administers, or financially supports a political action committee or an independent expenditure committee. [WIS. STAT. § 11.0101\(31\)](#).

Amending a Registration Statement

When any of the information reported on the registration statement (CF-1) changes, the statement must be amended by filing an amendment to the CF-1. The CF-1 must be amended and submitted to the Ethics Commission **within 10 days of the change**. Committees must update their registration statements online in CFIS. [WIS. STAT. § 11.0603\(3\)](#).

Penalty for Not Filing a Registration Statement

If a required statement or amendment is not filed on time, the registrant may be subject to a civil penalty of up to \$500 for each violation. [WIS. STAT. § 11.1400\(1\)](#).

EXEMPTION FROM FILING CAMPAIGN FINANCE REPORTS

Eligibility

Committees may be eligible for an exemption from filing campaign finance reports if the committee anticipates that it will not accept contributions, make disbursements, or incur loans and other obligations in an aggregate amount exceeding \$2,000 in a calendar year. [WIS. STAT. § 11.0104](#).

An indication of limited activity (exemption) under this section is effective only for the calendar year in which it is granted. [WIS. STAT. § 11.0104\(2\)](#). The Ethics Commission is seeking guidance from the Attorney General's office on interpreting and enforcing this statute. Pending that guidance or legislative change, the Ethics Commission is not requiring committees to renew their exemption status annually.

If a committee wishes to renew or update its exempt status, it should file an amendment to the registration statement (CF-1).

Financial Records During Exemption

When a committee is exempt, it is not required to file any campaign finance reports. [WIS. STAT. § 11.0104\(2\)](#). However, the treasurer is required to keep financial records adequate to meet the requirements of campaign finance law. Records must be kept of all contributions to the committee and of all expenditures for the previous three years. [WIS. STAT. § 11.0601\(4\)](#).

Revoking Exemption

If, at a later date, the committee expects to exceed the \$2,000 limit on contributions, disbursements, or obligations, the committee must amend its campaign registration statement by checking the box: "This registrant is no longer eligible to claim exemption," on the registration statement. An amendment to the registration statement must be filed with the Wisconsin Ethics Commission within **ten days**. [WIS. STAT. § 11.0603\(3\)\(a\)](#). The committee is then required to file campaign finance reports beginning with the next regular report due after the earlier of either the date that the amended registration was filed or the date that the committee exceeded \$2,000 in aggregate contributions, disbursements, or obligations. [WIS. STAT. § 11.0104\(3\)](#).

FILING FEES

Every independent expenditure committee whose disbursements exceed a total of \$2,500 in any calendar year must pay an annual filing fee of \$100. The payment is made to the Ethics Commission and is due no later than January 15th following the calendar year for which the fee was required. [WIS. STAT. § 11.0102\(2\)](#).

If a committee becomes subject to registration during the year, it must pay the fee when it registers. [WIS. STAT. § 11.0102\(2\)\(b\)](#). If a committee terminates during a year, and spends more than \$2,500 in that year, the registrant must pay the \$100 filing fee with its termination request. [WIS. STAT. § 11.0105\(2\)](#).

Any committee required to pay the filing fee that fails to do so within the time prescribed will be referred to the Commission for further action. The statutes provide for a forfeiture of \$500 plus three times the filing fee (\$300), or \$800 total. [WIS. STAT. § 11.1400\(4\)](#).

CONTRIBUTIONS AND DISBURSEMENTS

Independent expenditure committees are required to make full reports of all contributions, disbursements, and obligations received, made and incurred by the committee. Each report needs to include information covering the period since the last date covered on the previous report. [WIS. STAT. § 11.0604\(1\)\(a\)](#).

Contributions

“Contribution” means any of the following:

1. A gift, subscription, loan, advance, or transfer of money to a committee;
2. With the committee's consent under [WIS. STAT. § 11.1109](#), a transfer of tangible personal property or services to a committee, valued as provided under [WIS. STAT. § 11.1105](#);
3. A transfer of funds between committees; or
4. The purchase of a ticket for a fundraising event for a committee regardless of whether the ticket is used to attend the event.

[WIS. STAT. § 11.0101\(8\)\(a\)](#).

“Contribution” does not include any of the following:

1. Services that an individual provides to a committee, if the individual is not specifically compensated for providing the services to the committee;
2. Any unreimbursed travel expenses that an individual incurs to volunteer his or her personal services to a committee;
3. The costs of preparing and transmitting personal correspondence;
4. Interest earned on an interest-bearing account;
5. Rebates or awards earned in connection with the use of a debit or credit card;
6. A loan from a commercial lending institution that the institution makes in its ordinary course of business;
7. The reuse of surplus materials or the use of unused surplus materials acquired in connection with a previous campaign for or against the same candidate, political party, or recall if the materials were previously reported as a contribution;
8. The cost of invitations, food, and beverages in connection with an event held in a private residence on behalf of a candidate committee;
9. Any communication that does not expressly advocate for the election or defeat of a clearly identified candidate;
10. A communication made exclusively between an organization and its members. In this subdivision, a member of an organization means a shareholder, employee, or officer of the organization, or an individual who has affirmatively manifested an interest in joining, supporting, or aiding the organization;
11. Any cost incurred to conduct Internet activity by an individual acting in his or her own behalf, or acting in behalf of another person if the individual is not compensated specifically for those

- services, including the cost or value of any computers, software, Internet domain names, Internet service providers, and any other technology that is used to provide access to or use of the Internet, but not including professional video production services purchased by the individual;
12. Any news story, commentary, or editorial by a broadcasting stations, cable television operator, producer, or programmer, Internet site, or newspaper or other periodical publication, including an Internet or other electronic publication unless a committee owns the medium in which the news story, commentary, or editorial appears; or
 13. An expenditure of funds by a sponsoring organization for an independent expenditure committee's administrative or solicitation expenses.

[WIS. STAT. § 11.0101\(8\)\(b\)](#).

Required Information for Contributions

1. The date, full name, and street address of each person who has made a contribution to the independent expenditure committee, together with the amount of the contribution. [WIS. STAT. § 11.0604\(1\)\(a\)1](#).
2. The occupation, if any, of each individual contributor whose cumulative contributions to the independent expenditure committee for the calendar year are in excess of \$200. [WIS. STAT. § 11.0604\(1\)\(a\)3](#).
3. An itemized statement of each contribution made anonymously to the independent expenditure committee. If the contribution exceeds \$10, the independent expenditure committee shall specify whether the committee donated the contribution to the common school fund or to a charitable organization and shall include the full name and mailing address of the donee. [WIS. STAT. § 11.0604\(1\)\(a\)4](#).
4. A statement of totals during the reporting period of contributions received and contributions donated. [WIS. STAT. § 11.0604\(1\)\(a\)5](#).

Other Income from Businesses

Occasionally, a committee may receive other income, like interest on a savings or checking account, or a refund of a security deposit, from a business. This other income is not a contribution and may be accepted from any type of business. [WIS. STAT. § 11.0101\(8\)\(b\)](#). The income should be reported as "Other Income," in campaign finance reports. [WIS. STAT. § 11.0604\(1\)\(a\)10](#).

In-Kind Contributions

An in-kind contribution is any good, service, or property offered to the committee free of charge or at less than the usual cost, or payment of a registrant's obligations for such goods, services or property. [WIS. STAT. § 11.0101\(8\)\(a\)2](#). For example, if a volunteer purchases stamps that are used for a mailing and is not reimbursed for the cost of the stamps, the value of the stamps is an in-kind contribution to the independent expenditure committee from that volunteer. When an individual is paid to work on behalf of an independent expenditure committee by another committee or some other person, the payment for those services is an in-kind contribution to the independent

expenditure committee that benefits from the work. If a person or another committee offers to provide food and beverages for a fundraiser at less than the ordinary market price, the difference between the ordinary market price and the cost to the independent expenditure committee is an in-kind contribution from the person or committee.

Before making an in-kind contribution to a committee, the contributor is required to notify an authorized person and obtain either oral or written consent to the in-kind contribution. [WIS. STAT. § 11.1109](#). If the contributor does not know the actual value of the in-kind contribution, a good faith and reasonable estimate of the fair market value should be provided. [WIS. ADMIN. CODE ETH 1.20\(5\)](#).

Reporting In-Kind Contributions in CFIS

An in-kind contribution received by the independent expenditure committee is reported as **both a receipt and expenditure**. This procedure allows the committee to disclose the receipt of the contribution on its campaign finance report along with cash contributions received. Then, in order to keep the committee's cash balance accurate, the amount of the in-kind is reported as an expenditure. The two entries offset each other and do not affect the cash balance.

If an estimate of the value of an in-kind contribution is the only value available at the time the committee is required to file a report, the committee must report the estimated value of the contribution. [WIS. ADMIN. CODE ETH 1.20\(7\)](#). When the actual value of the estimated in-kind contribution is known, the actual amount is reported as a contribution and an expenditure by amending the campaign finance report which the in-kind contribution was originally reported in. [Id.](#)

Returned Contributions

A committee may return a contribution at any time before or after it has been deposited. [WIS. STAT. § 11.1110\(1\)](#). Any contribution a committee returns to the donor after depositing it in the campaign account must be reported as a returned contribution to the contributor. A committee that accepts an unlawful contribution, reports that contribution, and returns that contribution within 15 days of the filing date for that report, does not violate the contribution or source limits. [WIS. STAT. § 11.1110\(2\)\(b\)](#).

Contributions Transferred through Conduits

A conduit is any individual, committee or group that receives contributions from individuals, deposits those contributions in a financial institution, and then transfers the contributions to a candidate or political committee selected by the original contributor. [WIS. STAT. § 11.0101\(7\)](#). The conduit may not exercise any discretion over the amount or ultimate recipient of the contributions. [WIS. STAT. § 11.0701\(3\)](#). Conduits are required to register with the Ethics Commission. [WIS. STAT. § 11.0702](#).

Reporting Conduit Contributions in CFIS

Conduits are required to provide a transmittal letter with contribution checks sent to a receiving committee. The transmittal letter must identify the organization as a conduit, and list the individual contributors, the amount of each individual's contribution, and the date the individual authorized the contribution. [WIS. STAT. § 11.0704\(1\)](#).

Contributions transferred through conduits are reported as contributions received from the individuals listed in the transmittal letter. [WIS. STAT. § 11.1106\(2\)](#). These contributions are reported under the individual's name. [WIS. STAT. § 11.1106\(1\)](#). They are subject to itemization on the same basis as other individual contributions. [WIS. STAT. § 11.0604\(1\)\(a\)](#).

Corporate Contributions

Unlike other registered committees, independent expenditure committees **may** receive contributions from corporations, cooperatives, associations, unions, and American Indian Tribes. [WIS. STAT. § 11.1112](#).

Contribution Limits

Unlike other registered committees, there are no contribution limits on donations to independent expenditure committees. [WIS. STAT. § 11.1104\(13\)](#).

Prohibited Contributions

Certain contributions are prohibited by Wisconsin law. An independent expenditure committee may not accept the following types of contributions:

1. Anonymous contributions of more than \$10 ([WIS. STAT. § 11.1108](#));
2. Contributions in cash of more than \$100 ([WIS. STAT. § 11.1107](#));
3. Contributions given in the name of someone other than the contributor ([WIS. STAT. § 11.1204\(1\)](#)); or
4. Contributions from foreign nationals ([WIS. STAT. § 11.1208\(4\)](#)).

An independent expenditure committee should monitor contributions carefully. If the committee is aware that a contribution was potentially one which is prohibited under Wisconsin law, the committee should ensure that the contribution is lawful. [WIS. STAT. § 11.1204\(3\)](#). It is recommended that a committee not accept any contributions if the committee cannot determine whether the contribution is lawful.

Disbursements

“Disbursement” means any of the following:

1. An expenditure by a committee from the committee's depository account;
2. The transfer of tangible personal property or services by a committee;
3. A transfer of funds between committees; or
4. The purchase of a ticket for a fundraising event for a committee regardless of whether the ticket is used to attend the event.

[WIS. STAT. § 11.0101\(10\)\(a\).](#)

“Disbursement” does not include any of the following:

1. A communication made exclusively between an organization and its members. In this subdivision, a member of an organization means a shareholder, employee, or officer of the organization, or an individual who has affirmatively manifested an interest in joining, supporting or aiding the organization;
2. A communication or Internet activity by an individual acting in his or her own behalf, or acting on behalf of another person if the individual is not compensated specifically for those services, including the cost or value of computers, software, Internet domain names, Internet service providers, and any other technology that is used to provide access to or use of the Internet, but not including professional video production services purchased by the individual;
3. Any news story, commentary, or editorial by a broadcasting station, cable television operator, producer, or programmer, Internet site, or newspaper or other periodical publication, including an Internet or other electronic publication unless a committee owns the medium in which the news story, commentary, or editorial appears;
4. A nominal fee paid for a communication to the general public;
5. An expenditure of funds by a sponsoring organization for an independent expenditure committee's administrative or solicitation expenses; or
6. An expenditure of funds for an independent expenditure committee's fundraising and administrative expenses.

[WIS. STAT. § 11.0101\(10\)\(b\).](#)

Required Information for Disbursements

1. The date, full name, and street address of each committee to which the independent expenditure committee has made a contribution, together with the amount of the contribution. [WIS. STAT. § 11.0604\(1\)\(a\)2.](#)
2. An itemized statement of every disbursement exceeding \$20 in amount or value, together with the name and address of the person to whom the disbursement was made, and the date and specific purpose for which the disbursement was made. [WIS. STAT. § 11.0604\(1\)\(a\)8.](#)

3. A statement of totals during the reporting period of disbursements made. [WIS. STAT. § 11.0604\(1\)\(a\)10.](#)

Obligations and Loans

Independent expenditure committees are required to make full reports of all obligations received, made and incurred by the committee. The committee needs to include in each report information covering the period since the last date covered on the previous report. [WIS. STAT. § 11.0604\(1\)\(a\).](#)

“Obligation” means any express agreement to make a disbursement, including the following:

1. A loan or loan guarantee;
2. A promise to purchase, rent, or lease tangible personal property; or
3. A promise to pay for a service that has been or will be performed.

[WIS. STAT. § 11.0101\(23\).](#)

Required Information for Obligations

1. An itemized statement of every obligation exceeding \$20 in amount or value, together with the name of the person or business with whom the obligation was incurred, and the date and the specific purpose for which each such obligation was incurred must be reported in campaign finance reports. [WIS. STAT. § 11.0604\(1\)\(a\)9.](#)
2. A statement of the balance of obligations incurred as of the end of the reporting period. [WIS. STAT. § 11.0604\(1\)\(a\)11.](#)

Required Information for Loans

Each loan of money made to an independent expenditure committee in an aggregate amount or value in excess of \$20, must be reported with all of the following:

1. The full name and mailing address of the lender;
2. A statement of whether the lender is a commercial lending institution;
3. The date and amount of the loan;
4. The full name and mailing address of each guarantor, if any;
5. The original amount guaranteed by each guarantor; and
6. The balance of the amount guaranteed by each guarantor at the end of the reporting period.

[WIS. STAT. § 11.0604\(1\)\(a\)7.](#)

Independent Expenditures and Coordination

An independent expenditure is an expenditure for express advocacy that is not made in coordination with a candidate, candidate committee, candidate's agent, legislative campaign committee, or political party. [WIS. STAT. § 11.1101\(16\)](#).

Independent expenditure committees may not make contributions to candidates, party committees, legislative campaign committees, or political action committees. [WIS. STAT. § 11.0601\(3\)\(b\)](#). This prohibition applies to both monetary contributions and in-kind contributions. Independent expenditure committees **may not** coordinate their spending with candidates or party committees, because a coordinated expense qualifies as a contribution. [WIS. STAT. § 11.1203\(2\)\(b\)2](#).

The definition of coordination is listed below:

For purposes of this section, an expenditure for express advocacy is coordinated if any of the following applies:

1. The candidate, candidate's agent, legislative campaign committee of the candidate's political party, or the candidate's political party communicates directly with the political action committee, independent expenditure committee, other person, or individual making the expenditure to specifically request that the political action committee, independent expenditure committee, other person, or individual make the expenditure that benefits the candidate and the political action committee, independent expenditure committee, other person, or individual explicitly assents to the request before making the expenditure; or
2. The candidate, candidate's agent, legislative campaign committee of the candidate's political party, or the candidate's political party exercises control over the expenditure or the content, timing, location, form, intended audience, number, or frequency of the communication.

[WIS. STAT. § 11.1203\(2\)\(a\)](#).

Express advocacy means:

A communication that contains terms such as the following with reference to a clearly identified candidate and that unambiguously relates to the election or defeat of that candidate:

- (a) "Vote for;"
- (b) "Elect;"
- (c) "Support;"
- (d) "Cast your ballot for;"
- (e) "Smith for ... (an elective office);"
- (f) "Vote against;"
- (g) "Defeat;"

- (h) “Reject;” or
- (i) “Cast your ballot against.”

[WIS. STAT. § 11.0101\(11\)](#).

An independent expenditure committee must report all of its receipts and expenses, including its independent expenditures as required by [WIS. STAT. § 11.0604\(1\)\(a\)](#).

CAMPAIGN FINANCE REPORTS

All registrants that are not exempt from filing must file campaign finance reports. Committees must continue to file periodic reports until their committee is terminated. The reports must be submitted electronically via CFIS (<https://cfis.wi.gov/>). [WIS. STAT. § 11.1304\(6\)](#).

The information listed on the campaign finance report discloses the financial activity of the independent expenditure committee. The law requires disclosure of contributions received, disbursements made, and incurred obligations. [WIS. STAT. § 11.0604\(1\)\(a\)](#). Committee treasurers must exercise diligence in acquiring and furnishing the contributor information required on the receipt schedules. Committees are required to make a “good faith effort” to obtain all information required on the reports. [WIS. STAT. § 11.0103\(1\)\(a\)](#). For all contributors, the report must disclose the individual’s name and address. [WIS. STAT. § 11.0604\(1\)\(a\)1](#). If the individual’s cumulative contributions exceed \$200, you must also provide the individual’s occupation. [WIS. STAT. § 11.0604\(1\)\(a\)3](#).

Types of Reports

All committees must file continuing reports in January and July of each year until they terminate their registration. Independent expenditure committees that make expenditures for or against candidates on the ballot must file a pre-primary and a pre-election report due 8 days before the primary or general election.

Reporting Periods and Elections:

Spring Primary: A committee that engages in activity concerning a spring primary must file: (1) a pre-primary report; (2) a pre-election report; and (3) annually in each year of an election cycle, a report on January 15 and July 15. [WIS. STAT. § 11.0604\(2\)](#).

Spring Election: A committee that engages in activity concerning a spring election must file: (1) a pre-election report; and (2) annually in each year of an election cycle, a report on January 15 and July 15. [WIS. STAT. § 11.0604\(3\)](#).

Partisan Primary: A committee that engages in activity concerning a partisan primary must file: (1) a pre-primary report; (2) a pre-election report; (3) in an odd-numbered year, a report on January 15 and July 15; and (4) in an even-numbered year, a report on January 15 and July 15 and on the 4th Tuesday in September. [WIS. STAT. § 11.0604\(4\)](#).

General Election: A committee that engages in activity concerning a general election must file: (1) a pre-election report; (2) in an odd-numbered year, a report on January 15 and July 15; and (3) in an even numbered year, a report on January 15 and July 15 and on the 4th Tuesday in September. [WIS. STAT. § 11.0604\(5\)](#).

Special Elections: In addition to the pre-primary and pre-election reports described above, a committee may also have to file a post-election report within 45 days if January or July report has not been filed. WIS. STAT. §§ [11.0604\(3\)\(c\)](#) and [11.0604\(5\)\(d\)](#).

Reporting deadlines can be found on the Ethics Commission's website at:

<https://ethics.wi.gov/Pages/CampaignFinance/ReportPeriods.aspx>

How to Complete Campaign Finance Reports

There are two ways to enter campaign finance transactions (contributions and disbursements):

- Using the online screens in the Campaign Finance Information System (“CFIS”), and
- Using the CFIS upload templates.

Every committee must use one of the specified, approved forms. [WIS. STAT. § 11.1304\(1\)](#). A committee that chooses to use an upload template with schedule detail must use the approved template. Committees can find upload templates on the CFIS site in the “**Upload Transactions**” section of the menu.

For detailed instructions on how to complete and file the campaign finance report, go to <https://cfis.wi.gov> and click on the **CFIS Manuals** link in the center of the page, or go to the Ethics Commission **CFIS Manuals & Frequently Asked Questions** page: <https://ethics.wi.gov/Pages/CampaignFinance/CFISManuals.aspx>.

Filing Reports in CFIS

Independent expenditure committees file campaign finance reports electronically through the CFIS website. The help screens on that site may answer some of your questions. When you have entered all transactions for a reporting period, the CFIS system will automatically generate the report for you and place all transactions on the appropriate schedules.

Independent expenditure committees are required to provide a statement of the cash on hand at the beginning and end of each reporting period. [WIS. STAT. § 11.0604\(1\)\(a\)6](#). The committee will be prompted to provide the beginning and ending cash balances when certifying the campaign finance report in CFIS. This will appear on the summary page of the report generated by CFIS.

All contributions received by the committee must be reported in Schedule 1 (Receipts) of the campaign finance report. Contributions and loans from individuals are listed in Schedule 1A (Contributions Including Loans from Individuals). Contributions from other committees are reported in Schedule 1B (Contributions from Committees). All other income such as loans from financial institutions, contributions returned from other registrants, refunds, returns of deposits or interest on investments are reported in Schedule 1C (Other Income and Commercial Loans). The date which must be provided for all contributions is the date the committee **received** the

contribution, that is, the date it acquired possession and control of the contribution, **not** the date of deposit or date on the check (unless all dates are the same). [WIS. STAT. § 11.0103\(2\)\(a\)1.](#)

All money spent by the committee is reported in Schedule 2 (Disbursements) of the campaign finance report. General operating expenditures are listed in Schedule 2A (Gross Expenditures). Contributions to other independent expenditure committees or referendum committees are listed in Schedule 2B (Contributions to Committees).

Additional information required to be disclosed is reported in Schedule 3 (Additional Disclosure) of the campaign finance report. All obligations of the committee such as unpaid debts are listed in Schedule 3A (Incurred Obligations Excluding Loans). Loans and the individuals who guarantee loans for the committee are listed in Schedule 3B (Loans).

Reporting Specific Express Advocacy (72-Hour Reporting)

Independent expenditure committees that spend more than \$2,500 on express advocacy in the 60 days before a primary election must also file a special report documenting their expenditures within 72 hours of making the disbursement. It is the date the communication takes place, not necessarily the day the expense is paid, that determines whether it falls within the 60-day period. [WIS. STAT. § 11.0605\(1\)\(a\).](#)

Committees required to file 72-hour reports (CF-7) of independent expenditures must file on the CFIS website.

Directions on filing these reports in CFIS can be found in the CFIS User's Guide: <https://ethics.wi.gov/Pages/CampaignFinance/CFISManuals.aspx>.

When a committee submits a 72-hour report, the treasurer will also file an oath that the committee has not coordinated with the candidate committee. An oath is repeated for each separate communication and filed with each 72-hour report. Since oaths must be notarized, a copy of each 72-hour report must always be mailed, emailed, or faxed to the Ethics Commission.

Some entities not required to register as independent expenditure committees (individuals, or groups that spend less than 50% of their funds on independent expenditures) are still required to report spending on express advocacy if they spend more than \$2,500 within 60 days of a primary or election. The requirements for reporting and filing an oath are the same as the requirements for the 72-hour reports described in this section. [WIS. STAT. § 11.1001.](#)

No-Activity Report

If an independent expenditure committee receives no contributions, makes no disbursements and incurs no obligations during a reporting period, the registrant may file a "No Activity Report."

This form should be used **only** when there has been no financial activity and the cash balance remains unchanged during the reporting period. [WIS. STAT. § 11.0103\(3\)](#).

ATTRIBUTION STATEMENTS (DISCLAIMERS)

Attribution statements, commonly referred to as disclaimers, are statements required to be placed on any communication containing express advocacy in order to identify the person(s) who paid for and/or authorized the communication. [WIS. STAT. § 11.1303\(2\)](#).

No disbursement by independent expenditure committees may be made anonymously and no contribution or disbursement may be made in a fictitious name or by one person or organization in the name of another. [WIS. STAT. § 11.1303\(1\)](#).

Every printed advertisement, billboard, handbill, sample ballot, television or radio advertisement, or other communication containing express advocacy which is paid for by any contribution or disbursement shall clearly identify its source. [WIS. STAT. § 11.1303\(2\)\(a\)](#).

Every communication containing express advocacy the cost of which is paid for or reimbursed by a committee, or for which a committee assumes responsibility, whether by accepting a contribution or making a disbursement, shall identify its source by the words "Paid for by" followed by the name of the committee making the payment or reimbursement or assuming responsibility for the communication and may include the name of the treasurer or other authorized agent of the committee. [WIS. STAT. § 11.1303\(2\)\(b\)](#).

Attribution statements must be readable, legible, and readily accessible. [WIS. STAT. § 11.1303\(2\)\(g\)](#).

Attribution statements do not apply to communications containing express advocacy printed on small items, which would normally require a disclaimer, but cannot be conveniently printed, including text messages, social media communications, and certain small advertisements on mobile phones. [WIS. STAT. § 11.1303\(2\)\(f\)](#).

Formats for Disclaimers

When a communication is paid for by a committee, the disclaimer must include the words "Paid for by," followed by the name of the committee:

"Paid for by the ABC Committee."

[WIS. STAT. § 11.1303\(2\)\(b\)](#).

The disclaimer may also include the name of the treasurer or other authorized agent:

"Paid for by the ABC Committee, James Jones, Treasurer."

When a committee places a communication for express advocacy that is not in coordination with a candidate (an independent expenditure), that committee should include the words "Not authorized by any candidate or candidate's agent or committee" in the attribution:

“Paid for by ABC Committee, Not Authorized by
Any Candidate or Candidate’s Agent or Committee”

[Wis. Stat. §11.1303\(2\)\(d\).](#)

TERMINATION OF CAMPAIGN FINANCE REGISTRATION

An independent expenditure committee may terminate its registration if it meets the following requirements:

1. Determines that all financial activity will stop, and that it will no longer receive contributions, make disbursements, or incur obligations;
2. Files a termination campaign finance report showing that all incurred obligations have been paid or satisfied, and that the cash balance has been reduced to zero; and,
3. Completes a request for termination by filing a termination report. See the “Termination a Committee” Quick Tip Sheet for more details: <https://ethics.wi.gov/Resources/CFIS-TerminatingCommittee.pdf>.

[WIS. STAT. § 11.0105.](#)

Disposal of Residual Funds

Residual funds may be used for any purpose that is not for an individual’s strictly personal use and is not prohibited by law, including:

1. Repay any outstanding loans. If loans are not repaid, they must be forgiven before the committee can request termination;
2. Returning money to contributors in amounts that are not more than the contributor’s original contribution (note: the committee or treasurer may choose which contributors to refund. The committee is not required to pro-rate and return a portion to all contributors);
3. Donating money to any tax-exempt charitable organization or the Common School Fund;
4. Transferring money to another registrant within the permitted contribution limit; or
5. Using any combination of the above.

WIS. STAT. §§ [11.0105](#), [11.1208\(2\)\(a\)](#).

Prior to making these disbursements of residual funds, make sure the committee does not have any pending fees or settlement offers.



Wisconsin Ethics Commission

PO Box 7125

Madison, WI 53707-7125

Phone: (608) 266-8123

Email: campaignfinance@wi.gov

Websites: <https://cfs.wi.gov>

<https://ethics.wi.gov>

CAMPAIGN FINANCE OVERVIEW

Conduits

Published: July 2019

There has been no change in campaign finance statutes since March of 2016. This manual has been updated to include specific statutory citations and clarify basic reporting requirements for conduits.

Provided pursuant to [WIS. STAT. § 11.1304\(3\)](#) and in compliance with [WIS. STAT. § 227.112](#).

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REGISTRATION REQUIREMENTS

What is a Conduit?

A conduit is defined as:

“...a person other than an individual that receives a contribution of money, deposits the contribution in an account held by the person, and releases the contribution to a candidate committee, legislative campaign committee, political party, or political action committee at the direction of the contributor.” [WIS. STAT. § 11.0101\(7\)](#).

The conduit may not exercise any discretion over the amount or ultimate recipient of the contributions. [WIS. STAT. § 11.0701\(3\)](#).

When Conduits are Required to Register

A new conduit must register “upon its inception and prior to accepting or releasing any... contribution.” [WIS. STAT. § 11.0702](#).

All conduits must register at the state level – with the Ethics Commission. Registration statements are to be filed using the Ethics Commission’s Campaign Finance Information System website (<https://cfis.wi.gov/>). When completed, to activate your registration, you must print the form and send a signed copy to the Ethics Commission by email (CampaignFinance@wi.gov), fax: (608) 264-9319 or US mail: PO Box 7125, Madison, WI 53707-7125. [WIS. STAT. § 11.0102\(1\)\(a\)2](#).

After filing the registration statement, a conduit may begin disbursing funds. The conduit’s financial activities must be reported on campaign finance reports, unless the conduit has claimed an exemption from filing finance reports. WIS. STAT. §§ [11.0103](#), [11.0104](#).

Completing a Registration Statement

Registration statements are completed electronically using the Campaign Finance Information System (CFIS) website. [WIS. STAT. § 11.1304](#). The website address is <https://cfis.wi.gov/>. For questions while filing a registration statement, please click “[Need Help? Review the User’s Guide and FAQ](#)” link at the bottom of every CFIS web page or call our office.

Information required on the registration statement:

1. The name and mailing address of the conduit;
2. The name and mailing address of the administrator of the conduit and any other custodian of books and accounts. Unless otherwise directed by the administrator on the registration form and except as otherwise provided in this chapter or any rule of the commission, all mailings that are required by law or by rule of the commission shall be sent to the administrator at the administrator's address indicated upon the form;
3. The name and address of the depository account of the conduit and of any other institution where funds of the conduit are kept; and

4. The name and mailing address of a sponsor ([WIS. STAT. § 11.0705\(1\)](#)) to which contributions may be redirected as provided under s. [11.0705\(2\)](#).

[WIS. STAT. § 11.0703](#).

If a conduit has a sponsor, the conduit must provide the name of that organization. [WIS. STAT. § 11.0703\(1\)\(d\)](#). A sponsor is “a person, other than an individual or a candidate committee, which is associated with a conduit.” [WIS. STAT. § 11.0705\(1\)](#). A sponsor may spend an unlimited amount for the conduit’s administrative and solicitation expenses. [WIS. STAT. § 11.0101\(8\)\(b\)15](#). If the conduit receives contributions and loses contact with the contributor, under some circumstances, it may redirect contributions to the sponsor or the conduit’s administrative fund. [WIS. STAT. § 11.0705\(2\)](#).

Every conduit must have a bank account and provide the name and address of the financial institution. [WIS. STAT. § 11.0703\(1\)\(c\)](#). To open the bank account, it may be necessary to complete a request for Employer Identification Number (EIN) using form SS4 (<https://www.irs.gov/forms-pubs/about-form-ss-4>). This form should also be available from your financial institution or from an IRS office or website.

Amending a Registration Statement

When any of the information reported on the registration statement changes, an amendment to the registration statement must be filed with the Wisconsin Ethics Commission within **ten days**. [WIS. STAT. § 11.0703\(3\)](#). This can be done in CFIS through the View/Edit Registration Screen.

Penalty for Not Filing a Registration Statement

If a required statement or amendment is not filed on time, the registrant may be subject to a civil penalty. [WIS. STAT. § 11.1400\(1\)](#).

EXEMPTION FROM FILING CAMPAIGN FINANCE REPORTS

Eligibility

Conduits may be eligible for an exemption from filing campaign finance reports if the conduit anticipates that it will not accept or release contributions in an aggregate amount exceeding \$2,000 in a calendar year. [WIS. STAT. § 11.0104\(1\)\(a\)](#)

An indication of limited activity (exemption) under this section is effective only for the calendar year in which it is granted. [WIS. STAT. § 11.0104\(2\)](#). The Ethics Commission is seeking guidance from the Attorney General's office on interpreting and enforcing this statute. Pending that guidance or legislative change, the Ethics Commission is not requiring committees to renew their exemption status annually.

If a committee wishes to renew or update its exempt status, it should file an amendment to the registration statement (CF-1).

Financial Records During Exemption

When a committee is exempt, it is not required to file any campaign finance reports. [WIS. STAT. § 11.0104\(2\)](#). However, the conduit administrator is required to keep financial records adequate to meet the requirements of campaign finance law. Records must be kept for the previous three years. [WIS. STAT. § 11.0701\(4\)](#).

Revoking Exemption

If, at a later date, the committee expects to exceed the \$2,000 limit, the committee must amend its campaign registration statement by checking the box: "This registrant is no longer eligible to claim exemption," on the registration statement. An amendment to the registration statement must be filed with the Wisconsin Ethics Commission within ten days. [WIS. STAT. § 11.0703\(3\)](#). The committee is then required to file campaign finance reports beginning with the next regular report due after the earlier of either the date that the amended registration was filed or the date that the committee exceeded \$2,000 in aggregate contributions. [WIS. STAT. § 11.0104\(3\)](#).

CONTRIBUTION LIMITS

Contribution limitations to candidates apply cumulatively to the entire primary and election campaign in which the candidate participates, whether or not there is a contested primary election.

OFFICE	INDIVIDUAL CONTRIBUTIONS RELEASED BY CONDUIT
GOVERNOR	\$20,000
LIEUTENANT GOVERNOR	\$20,000
SECRETARY OF STATE	\$20,000
STATE TREASURER	\$20,000
ATTORNEY GENERAL	\$20,000
SUPERINTENDENT OF PUBLIC INSTRUCTION	\$20,000
SUPREME COURT	\$20,000
STATE SENATOR	\$2,000
ASSEMBLY REPRESENTATIVE	\$1,000
APPEALS JUDGE – POPULOUS DISTRICTS	\$6,000
APPEAL JUDGE – OTHER DISTRICTS	\$5,000
CIRCUIT JUDGE – POPULOUS AREA	\$6,000
DISTRICT ATTORNEY – POPULOUS AREA	\$6,000
CIRCUIT JUDGE – OTHER AREA	\$2,000
DISTRICT ATTORNEY – OTHER AREA	\$2,000
LOCAL OFFICES	GREATER OF \$500 OR 2 CENTS TIMES THE POPULATION; NOT MORE THAN \$6,000

[WIS. STAT. § 11.1101\(1\).](#)

The contribution limits established by state statute determine the maximum amount of all contributions (cash, non-commercial loans, and in-kind contributions combined) that an individual or committee can give or receive over a campaign period. These limits depend on the office sought by the candidate and the identity of the contributor. A conduit may not transfer contributions that exceed the applicable limit. WIS. STAT. §§ [11.1101](#), [11.1204\(3\)](#).

Populous Areas:

- Appeals Judge – A county having a population of more than 750,000.
- Circuit Judge – Circuits having a population of more than 300,000.
- District Attorney – Prosecutorial units having a population more than 300,000.

Local Offices:

- Districts with 25,000 or fewer population have a limit of \$500. Districts with 300,000 or greater population have a limit of \$6000. Other districts need to be calculated.
- The number of inhabitants in the jurisdiction or district is determined by the latest federal census or the census information on which the district is based, as certified by the appropriate filing officer. [WIS. STAT. § 11.1101\(2\)\(h\)2](#).

Applicable Periods for Contribution Limits

For purposes of calculating contribution limits, a new candidate's campaign begins on the date a new candidate is required to file a registration statement, i.e., the date she or he becomes a candidate. The campaign period includes both the primary and general election. The campaign period ends the day before the winning candidate begins his or her new term of office. [WIS. STAT. § 11.1103\(2\)](#).

For an incumbent candidate, the new campaign period begins on the day the candidate assumes office. The campaign period runs through the primary and general election for that office and lasts until the day before the winning candidate begins his or her new term of office. [WIS. STAT. § 11.1103\(1\)](#).

For more information on contribution limits, go to the Ethics Commission's Contributions Limits page: <https://ethics.wi.gov/Pages/CampaignFinance/ContributionLimits.aspx>.

CONTRIBUTIONS

Conduits are required to make full reports of all contributions made. Each report needs to include information covering the period since the last date covered on the previous report. [WIS. STAT. § 11.0704\(1\)](#).

A contribution released by a conduit to a committee is a contribution from the individual who made the contribution through the conduit, not a contribution from the conduit. [WIS. STAT. § 11.1106](#).

Reporting Contributions Released to Committees

Conduits releasing contributions must report the date, full name and street address of each committee to which contributions were released during the reporting period, along with the total of all contributions released to each committee.

For each contribution, conduits must report the date, amount and the individual contributor's full name and street address. If the contributor's total contributions to that committee for that calendar year are over \$200, the conduit must also report the contributor's occupation.

[WIS. STAT. § 11.0704\(1\)](#).

Redirected Contributions

Occasionally, an individual will deposit money with a conduit, but the conduit will lose contact with that individual. The conduit may redirect any contributions from that individual to the sponsor or, if there is no sponsor, to an administrative fund of the conduit as long as it meets all of the criteria below:

- a) The conduit has held the contribution for at least 24 consecutive months, over which time the individual or organization that made the contribution has made no contact with the conduit; and
- b) Either of the following apply:
 1. The conduit has, over the 24-month period described in par. (a), attempted in good faith to contact the individual that made the contribution at least 5 times, and has documented each such attempt, but has been unable to make contact with the individual. A conduit may satisfy the requirement to contact the individual by telephoning the individual at the last-known telephone number; by sending a text message to the individual at the last-known cellular telephone number or pager number capable of receiving text messages; by sending a facsimile transmission to the individual at the last-known facsimile transmission number; by sending a letter or postcard to the individual by U.S. mail; by sending a message by electronic mail; or by any combination of the foregoing. A conduit may not satisfy the requirement to attempt in good faith to contact the individual

at least 5 times if all 5 attempted contacts occur within a period of 30 consecutive days;
or

2. The surviving spouse or executor of the estate of a deceased individual that made the contribution authorizes the redirection of the contribution.

[WIS. STAT. § 11.0705](#)

Reporting Contributions Redirected to a Sponsor

Conduits redirecting contributions to a sponsor or administrative fund of the conduit must report the date and the full name and street address of the sponsor (or administrative fund) to which contributions were released during the reporting period. Conduits must also report the total of all contributions redirected to the sponsor or administrative fund.

For each redirected contribution, conduits must report the date, amount, and the individual contributor's full name and street address. If the individual's total redirected contributions for that calendar year are over \$200, the conduit must also report the contributor's occupation.

[WIS. STAT. § 11.0704\(1\)\(a\)2.](#)

Transmittal Letters

A conduit releasing a contribution of money to the recipient shall, in writing at the time the contribution is released, identify itself to the recipient as a conduit and report to the recipient the following information about each contribution released by it:

1. An itemized statement giving the date, full name, and street address of each person who has made a contribution to the conduit which contribution is being released to the recipient, together with the amount of the contribution; and
2. The occupation, if any, of each individual contributor whose cumulative contributions to the recipient for the calendar year are in excess of \$200.

[WIS. STAT. § 11.0704\(1\)\(b\).](#)

When a conduit enters or uploads information into the CFIS website, CFIS will generate a transmittal letter with a pass code. The receiving committee may enter the pass code and CFIS will automatically upload all of the conduit's contributions to that committee. Conduits may choose to generate transmittal letters outside of CFIS as long as the required information is included, but the receiving committee will not be able to upload those contributions automatically.

Prohibited Contributions

Certain contributions are prohibited by Wisconsin law. A conduit may not accept the following types of contributions:

1. Anonymous contributions ([WIS. STAT. § 11.0704\(1\)\(b\)](#));

2. Contributions in cash of more than \$100 ([WIS. STAT. § 11.1107](#));
3. Contributions given in the name of someone other than the contributor ([WIS. STAT. § 11.1204\(1\)](#));
4. Conduits from committees, businesses, or other groups ([WIS. STAT. § 11.1106\(1\)](#));
5. Contributions from foreign nationals ([WIS. STAT. § 11.1208\(4\)](#)); or
6. Conduits may not transfer contributions more than the limits set by law (WIS. STAT. §§ [11.1101](#), [11.1204\(3\)](#)).

Conduits that collect and release contributions on behalf of licensed lobbyists must observe the prohibitions on lobbyist contributions to partisan state candidates. Licensed lobbyists are prohibited from making campaign contributions to state candidates for partisan state office except between the first day authorized to circulate nominations papers, if the legislature is not in session, and the day of the general election in the year of the candidate's election. [WIS. STAT. § 13.625\(1m\)](#). For further information on lobbyist contributions, visit the lobbying portion of the Ethics Commission's website (<http://ethics.wi.gov>) or contact an Ethics Commission staff member.

A conduit should monitor contributions carefully. If the conduit is aware that a contribution was received from a potentially prohibited source, the conduit should ensure that the contribution is lawful. [WIS. STAT. § 11.1204\(3\)](#). It is recommended that a conduit not accept any contributions if it cannot determine whether the contribution is lawful.

Contributions from Businesses

Only individuals may contribute to conduits. Business contributions are prohibited. [WIS. STAT. § 11.1106\(1\)](#)

Returned Contributions

Conduits do not have to report when individuals contribute money to the conduit fund – only contributions that are released to political committees must be reported. If money is returned from the conduit fund to a contributor, that transaction does not have to be reported by the conduit.

Likewise, if a conduit contributes an individual's money to a political committee, and the committee returns the contribution, or never cashes the check, the money should be placed back in the conduit fund under the control of the same individual. The conduit does not have to report the receipt of the returned contribution.

[WIS. STAT. § 11.0704\(1\)](#).

CAMPAIGN FINANCE REPORTS

All registrants that are not exempt from filing must file campaign finance reports. Conduits must continue to file periodic reports until the conduit is terminated. The reports must be submitted electronically via CFIS (<https://cfis.wi.gov/>). [WIS. STAT. § 11.1304\(6\)](#).

The information listed on the campaign finance report discloses the financial activity of the conduit. Conduits must disclose any contributions released to a committee, and any contributions redirected to a sponsor. [WIS. STAT. § 11.0704\(1\)\(a\)](#). Conduit administrators must exercise diligence in acquiring and furnishing the contributor information required. Under current state law, conduits are required to make a “good faith effort” to obtain all information required on the reports. [WIS. STAT. § 11.0103\(1\)\(a\)](#). For all contributors, you must disclose the individual’s name and address. If the individual’s year-to-date contribution total to a single committee exceeds \$200, you must also provide the individual’s occupation. [WIS. STAT. § 11.0704\(1\)\(b\)](#).

Types of Reports

All conduits must file continuing reports in January and July of each year until they terminate their registration. Conduits must file a post-election report after giving to a candidate on the ballot in a special election only if they are not already required to file a January or July continuing report within 45 days of the election.

Itemization of Reporting Periods and Elections:

Spring Primary: A conduit that engages in activity concerning a spring primary must file a report on January 15 and July 15. [WIS. STAT. § 11.0704\(2\)](#).

Spring Election: A conduit that engages in activity concerning a spring election must file a report on January 15 and July 15.

In the case of a special election, unless a continuing report is required to be filed before the 45th day after the special election, the conduit must also file a post-election report no earlier than 23 days and no later than 45 days after the special election. [WIS. STAT. § 11.0704\(3\)](#).

Partisan Primary: A conduit that engages in activity concerning a partisan primary or a special primary held to nominate candidates to be voted for at a special election held to fill a vacancy in one or more of the state or local offices voted for at the general election must, in an odd-numbered year, file a report on January 15 and July 15; and, in an even-numbered year, a report on January 15 and July 15 and on the 4th Tuesday in September. [WIS. STAT. § 11.0704\(4\)](#).

General Election: A committee that engages in activity concerning a general election or a special election held to fill a vacancy in one or more of the state or local offices voted for at the general election must, in an odd-numbered year, file a report on January 15 and July 15; and, in an even numbered year, a report on January 15 and July 15 and on the 4th Tuesday in September.

In the case of a special election, unless a continuing report is required to be filed before the 45th day after the special election, the conduit must also file a post-election report no earlier than 23 days and no later than 45 days after the special election. [WIS. STAT. § 11.0704\(5\)](#).

Reporting deadlines can be found at: (<https://ethics.wi.gov>)

How to Complete Campaign Finance Reports

There are two ways to enter transactions in the Campaign Finance Information System (CFIS):

- Using the “Enter Contributions” screen in CFIS;
- Using the CFIS spreadsheet upload templates.

Every conduit must use one of the specified, approved forms [WIS. STAT. § 11.1304\(1\)](#). A conduit that chooses to use the upload template with schedule detail must use the template issued by the Commission. Committees can find upload templates on the CFIS site in the “**Upload Transactions**” section of the menu.

For detailed instructions on how to complete and file the campaign finance report, go to <https://cfis.wi.gov> and click on the **CFIS Manuals** link in the center of the page, or go to the Ethics Commission **CFIS Manuals & Frequently Asked Questions** page: <https://ethics.wi.gov/Pages/CampaignFinance/CFISManuals.aspx>.

Filing Reports in CFIS

Conduits will file campaign finance reports electronically through the CFIS website. The help screens on that site may answer some of your questions. When you have entered all transactions for a reporting period, the CFIS system will automatically generate the report for you and place all transactions on the appropriate schedules.

All contributions transferred by the conduit will be summarized, and the summary will be followed by the details of the individual contributors. A second section will summarize redirected contributions and give detail on the individuals whose contributions were redirected.

A conduit does not have to provide information on money received from members that has not been released to committees or the sponsor. A conduit does not have to document contributions that are later returned from a committee to the conduit. A conduit does not have to report administrative and fundraising expenses spent by the conduit’s sponsor or its administrative fund. [WIS. STAT. § 11.0704\(1\)](#).

No-Activity Report

If a conduit does not release any contributions during a reporting period, the conduit may file a no activity report. No activity reports should be used only when there has been no contribution activity. If there is any financial activity, a registrant is required to use the regular campaign finance report form. [WIS. STAT. § 11.0103\(3\)\(d\)](#).

TERMINATION OF REGISTRATION

If a conduit determines that it will no longer be transferring contributions or redirecting contributions it may terminate its registration by filing a final “Termination” report. Conduits should have no money left in their account when they request termination [WIS. STAT. § 11.0105\(1\)](#). Conduits must pay the filing fee, if required for that year, before terminating their committee [WIS. STAT. § 11.0105\(2\)](#).

Conduits should ensure that the final report filed by the conduit has a “TERMINATION” watermark in the upper right of the report. Contact Ethics Commission staff if you need assistance requesting termination.



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CAMPAIGN FINANCE OVERVIEW

Referenda Committees

Updated: July 2019

There has been no change in campaign finance statutes since March of 2016.

This manual has been updated to include specific statutory citations and clarify basic reporting requirements for Referenda committees.

Provided pursuant to [WIS. STAT. § 11.1304\(3\)](#) and in compliance with [WIS. STAT. § 227.112](#).

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REGISTRATION REQUIREMENTS

A Referendum Committee is defined as an entity organized by:

any person, other than an individual, or any permanent or temporary combination of 2 or more persons unrelated by marriage that does not receive contributions or make disbursements for the purpose of influencing a candidate's nomination or election. A referendum committee must also satisfy either of the following:

1. It has the major purpose of making expenditures to support or defeat a referendum, as specified in the entity's organizational or governing documents, the entity's bylaws, resolutions of the entity's governing body, or registration statements filed by the entity; or
2. It uses more than 50 percent of its total spending in a 12-month period on expenditures made to support or defeat a referendum. In this subdivision, total spending does not include a committee's fundraising or administrative expenses.

[WIS. STAT. § 11.0101\(28\).](#)

When Referendum Committees are Required to Register

A new referendum committee must register within 10 days of passing the threshold of \$10,000 of activity in a calendar year. [WIS. STAT. § 11.0802\(2\).](#)

All referendum committees must register at the level where the referendum is occurring (State, County, Municipal or School District). [WIS. STAT. § 11.0102.](#) State-level referendum committees may register online at <http://cfis.wi.gov>. Referendum committees at the county, municipal, or school district level will register with a [CF-1 form](#). When completed, to activate your registration, you must submit a signed copy to the requisite filing officer in person, or by email, fax or US mail. The Wisconsin Elections Commission maintains a directory of county and municipal clerks here: <https://elections.wi.gov/clerks/directory>.

After filing the registration statement, a referendum committee may continue receiving and disbursing campaign funds. The committee's financial activities must be reported to the filing officer on campaign finance reports (state-level committees will use CFIS to file a [CF-2S, CF-2SE, CF-2SU or CF-2NA](#), and local committees will file a [CF-2L/CF-LE \(local\) or CF-2NA](#)), *unless the committee has claimed an exemption from filing finance reports*. These reports will disclose information on the receipts, expenditures, incurred obligations and loans of the committee. [WIS. STAT. § 11.0804.](#)

Completing a Registration Statement

Several items of information are required on a referendum committee's registration statement (CF-1). When any of this information changes, an amendment to the registration statement must be filed **within 10 days**. [WIS. STAT. § 11.0803\(3\).](#)

Required Registration Information

- After picking the Committee Type of “Referendum Committee”, new registrants must indicate whether they support or oppose the referendum in question. [WIS. STAT. § 11.0803\(1\)\(d\)](#).
- Along with the name and contact information, new committees must also supply a four-digit PIN number. The PIN number will be used when submitting any reports or changing registration information in the CFIS website. (This is required for state-level committees only).
- All committees are required to have an active treasurer. [WIS. STAT. § 11.0803\(1\)\(b\)](#). Please make sure the email address for the treasurer is kept up to date, so the committee receives notices of filing deadlines and other communications. Failure to keep this information current may result in the committee missing important filing deadline reminders and other communications.
- Additional contacts are not required. However, the Ethics Commission recommends having more than one contact person for the committee.
- Every referendum committee must have a campaign account and provide the name and address of the financial institution. [WIS. STAT. § 11.0803\(1\)\(c\)](#). To open the campaign account, it may be necessary to complete a request for Employer Identification Number (EIN) using form SS4. This form should be available from your financial institution or from an IRS office or website <https://www.irs.gov/pub/irs-pdf/fss4.pdf>.
- After registration, every statewide referendum committee will be issued an Ethics Committee ID#. This ID# also serves as the ‘username’ to login to the CFIS website. The Ethics Commission recommends that this ID#, along with the full committee name, appear on all committee checks.

Certification

The committee treasurer must sign the registration statement certifying that the information is true, correct, and complete. [WIS. STAT. § 11.0803\(2\)](#). When the filing officer receives the signed statement, they will activate the committee. Referenda committees that register at the state level will receive the Ethics Committee ID# (which is also the username) and a password sent to the committee’s email address(es) from the CFIS website.

Amending a Registration Statement

When any of the information reported on the registration statement changes, the statement must be amended by filing a new CF-1 within 10 days. The treasurer should file an amended CF-1 indicating that it is an amendment. [WIS. STAT. § 11.0803\(3\)](#).

FILING FEES (STATE-LEVEL COMMITTEES ONLY)

Every referendum committee registered with the state whose disbursements exceed a total of \$2,500 in any calendar year must pay an annual filing fee of \$100. The payment is made to the Ethics Commission and is due no later than January 15th following the calendar year for which the fee was required. [WIS. STAT. § 11.0102\(2\)](#).

If a committee becomes subject to registration during the year, it must pay the fee when it registers. [WIS. STAT. § 11.0102\(2\)\(b\)](#). If a committee terminates during a year, and spends more than \$2,500 in that year, the registrant must pay the \$100 filing fee with its termination request. [WIS. STAT. § 11.0105\(2\)](#).

Any committee required to pay the filing fee that fails to do so within the time prescribed will be referred to the Commission for further action. The statutes provide for a forfeiture of \$500 plus three times the filing fee (\$300), or \$800 total. [WIS. STAT. § 11.1400\(4\)](#).

EXEMPTION FROM FILING CAMPAIGN FINANCE REPORTS

Eligibility

Committees may amend their registration and claim exemption from filing campaign finance reports if the committee anticipates that it will not receive or spend funds in an aggregate amount exceeding \$2,000 in a calendar year. [WIS. STAT. § 11.0104](#). Since referendum committees have a \$10,000 registration threshold, this will usually only happen if the referendum committee was active in one calendar year and anticipates little financial activity in the next calendar year, but still wishes to remain registered.

An indication of limited activity (exemption) under this section is effective only for the calendar year in which it is granted. [WIS. STAT. § 11.0104\(2\)](#). The Ethics Commission is seeking guidance from the Attorney General's office on interpreting and enforcing this statute. Pending that guidance or legislative change, the Ethics Commission is not requiring committees to renew their exemption status annually.

Financial Records During Exemption

When a committee is exempt, it is not required to file any campaign finance reports. However, the treasurer is still required to keep financial records of all contributions to the committee and of all expenditures from the date of registration until three years from the date of the election in which the referendum committee participates. [WIS. STAT. § 11.0801\(4\)](#).

Revoking Exemption

If, at a later date, the committee expects to exceed the \$2,000 limit on contributions, disbursements, or obligations, the committee must amend its campaign registration statement by checking the box: "This registrant is no longer eligible to claim exemption," on the registration statement. An amendment to the registration statement must be filed with the Wisconsin Ethics Commission or other filing officer within **ten days**. [WIS. STAT. § 11.0803\(3\)](#). The committee is then required to file campaign finance reports beginning with the next regular report due after the date the committee amended its registration statement or the date the committee exceeded \$2,000 in aggregate contributions, disbursements, or obligations. [WIS. STAT. § 11.0104\(3\)](#).

CONTRIBUTIONS AND DISBURSEMENTS

Prohibited Contributions and Disbursements

Certain contributions are prohibited by Wisconsin law. A referendum committee may not accept the following types of contributions:

1. Anonymous contributions of more than \$10 ([WIS. STAT. § 11.1108](#));
2. Contributions in cash of more than \$100 ([WIS. STAT. § 11.1107](#));
3. Contributions given in the name of someone other than the contributor ([WIS. STAT. § 11.1204\(1\)](#));
4. Contributions in excess of the limits set by law. **Referendum committees may accept unlimited amounts from individuals, party committees, corporations, labor unions and other referendum committees** ([WIS. STAT. § 11.1104\(12\)](#)); or
5. Contributions from foreign nationals. [WIS. STAT. § 11.1208\(4\)](#).

A referendum committee also may not contribute money to candidates, or make disbursements attempting to influence a candidate's nomination or election. [WIS. STAT. § 11.0101\(28\)\(c\)](#).

Contributions

"Contribution" means any of the following:

1. A gift, subscription, loan, advance, or transfer of money to a committee;
2. With the committee's consent under [WIS. STAT. § 11.1109](#), a transfer of tangible personal property or services to a committee, valued as provided under [WIS. STAT. § 11.1105](#);
3. A transfer of funds between committees; or
4. The purchase of a ticket for a fundraising event for a committee regardless of whether the ticket is used to attend the event.

[WIS. STAT. § 11.0101\(8\)\(a\)](#).

"Contribution" does not include any of the following:

1. Services that an individual provides to a committee, if the individual is not specifically compensated for providing the services to the committee;
2. Any unreimbursed travel expenses that an individual incurs to volunteer his or her personal services to a committee;
3. The costs of preparing and transmitting personal correspondence;
4. Interest earned on an interest-bearing account;
5. Rebates or awards earned in connection with the use of a debit or credit card;
6. A loan from a commercial lending institution that the institution makes in its ordinary course of business;
7. The reuse of surplus materials or the use of unused surplus materials acquired in connection with a previous campaign for or against the same candidate, political party, or recall if the materials were previously reported as a contribution;
8. The cost of invitations, food, and beverages in connection with an event held in a private residence on behalf of a candidate committee;
9. Any communication that does not expressly advocate for the election or defeat of a clearly identified candidate;

10. A communication made exclusively between an organization and its members. In this subdivision, a member of an organization means a shareholder, employee, or officer of the organization, or an individual who has affirmatively manifested an interest in joining, supporting, or aiding the organization;
11. Any cost incurred to conduct Internet activity by an individual acting in his or her own behalf, or acting in behalf of another person if the individual is not compensated specifically for those services, including the cost or value of any computers, software, Internet domain names, Internet service providers, and any other technology that is used to provide access to or use of the Internet, but not including professional video production services purchased by the individual; or
12. Any news story, commentary, or editorial by a broadcasting stations, cable television operator, producer, or programmer, Internet site, or newspaper or other periodical publication, including an Internet or other electronic publication unless a committee owns the medium in which the news story, commentary, or editorial appears.

[WIS. STAT. § 11.0101\(8\)\(b\).](#)

Required Information for Contributions

1. The date, full name, and street address of each person who has made a contribution to the candidate committee, together with the amount of the contribution. [WIS. STAT. § 11.0804\(1\)\(a\)1.](#)
2. The occupation, if any, of each individual contributor whose cumulative contributions to the candidate committee for the calendar year are in excess of \$200. [WIS. STAT. § 11.0804\(1\)\(a\)2.](#)
3. An itemized statement of each contribution made anonymously to the candidate committee. If the contribution exceeds \$10, the candidate committee shall specify whether the candidate committee donated the contribution to the common school fund or to a charitable organization and shall include the full name and mailing address of the donee. [WIS. STAT. § 11.0804\(1\)\(a\)3.](#)
4. A statement of totals during the reporting period of contributions received and contributions donated. [WIS. STAT. § 11.0804\(1\)\(a\)4.](#)

Contributions and Other Income from Businesses

1. Corporations **may contribute** to referendum committees in the State of Wisconsin. [WIS. STAT. § 11.1112.](#)
2. Sole-proprietorships may contribute. The contribution must be reported under the name of the individual owner. [WIS. STAT. § 11.1113\(1\).](#)
3. Partnerships may contribute. The contribution must be reported under the names of the individual owners. The partnership may agree beforehand on how to allocate a portion of the contribution to each partner. If the partnership does not inform the candidate how the contribution should be allocated between the partners, then the contribution should be divided up according to each partner's share of the partnership's profits. [WIS. STAT. § 11.1113\(2\).](#)
4. LLCs taxed as a sole-proprietorship or partnership may contribute. The contribution must be reported under the name(s) of the individual owner(s). If there is more than one owner, contributions should be allocated as described in the partnership section above. [WIS. STAT. § 11.1113\(3\).](#)

Occasionally, a committee may receive other income, like interest on a savings or checking account, or a refund of a security deposit, from a business. This other income is not a contribution and may be accepted from any type of business. [WIS. STAT. § 11.0101\(8\)\(b\).](#) The income should be reported on Schedule 1-C (Other Income), rather than Schedule 1-A, where contributions are reported. [WIS. STAT. § 11.0804\(1\)\(a\)9.](#)

In-Kind Contributions

An in-kind contribution is any good, service, or property offered to the referendum committee free of charge or at less than the usual cost, or payment of a registrant's obligations for such goods, services or property. [WIS. STAT. § 11.0101\(8\)\(a\)2](#). For example, if a volunteer purchases stamps that are used for a mailing and is not reimbursed for the cost of the stamps, the value of the stamps is an in-kind contribution to the committee from that person. When an individual is paid to work on behalf of a committee by a political committee or some other individual, the payment for those services is an in-kind contribution to the committee. If a political committee or individual offers to provide food and beverages for a fundraiser at less than the ordinary market price, the difference between the ordinary market price and the cost to the committee is an in-kind contribution from the political committee or individual. If another committee pays for a newspaper, radio, or TV ad on behalf of the referendum committee, that ad would be an in-kind contribution.

Before making an in-kind contribution, the contributor is required to notify the treasurer of the committee and obtain either oral or written consent to the contribution. [WIS. STAT. § 11.1109](#). If the contributor does not know the actual value of the contribution, a good faith and reasonable estimate of the fair market value should be provided to the referendum committee before the closing date of the next campaign finance report in which the contribution is required to be listed. [WIS. STAT. § 11.1105](#), [WIS. ADMIN. CODE ETH 1.20\(5\)](#).

In-kind contributions are subject to the same itemization thresholds as monetary contributions. [WIS. STAT. § 11.0101\(8\)](#).

Reporting In-Kind Contributions in CFIS

An in-kind contribution received by the campaign committee is reported by the committee as **both a receipt and expenditure**. Reporting the amount of the in-kind contribution as a contribution allows the campaign to disclose the receipt of the contribution on its campaign finance report along with cash contributions received and track year to date and campaign period totals. To keep the committee's cash balance accurate, the amount of the in-kind is also reported as an expenditure. The two entries offset each other so as to not affect the committee's cash balance.

If an estimate of the value of an in-kind contribution is the only value available at the time the candidate is required to file a report, the committee must report the estimated value of the contribution. [WIS. ADMIN. CODE ETH 1.20\(7\)](#). When the actual value of the estimated in-kind contribution is known, the actual amount is reported as an amendment to the original campaign finance report. *Id.*

Returned Contributions

A committee may return a contribution at any time before or after it has been deposited. [WIS. STAT. § 11.1110\(1\)](#). Any contribution a committee returns to the donor after depositing it in the campaign account must be reported as a returned contribution to the contributor. A committee that accepts an unlawful contribution, reports that contribution, and returns that contribution within 15 days of the filing date for that report, does not violate the contribution or source limits. [WIS. STAT. § 11.1110\(2\)\(b\)](#).

Contributions Transferred through Conduits

A conduit is any individual, committee or group that receives contributions from individuals, deposits those contributions in a financial institution, and then transfers the contributions to a candidate or political committee selected by the original contributor. [WIS. STAT. § 11.0101\(7\)](#). The conduit may not exercise any discretion over

the amount or ultimate recipient of the contributions. [WIS. STAT. § 11.0701\(3\)](#). A conduit is required to register with the Ethics Commission. [WIS. STAT. § 11.0702](#).

Reporting Conduit Contributions in CFIS

Conduits are required to provide a transmittal letter with contribution checks sent to a receiving committee. The transmittal letter must identify the organization as a conduit, and list the individual contributors, the amount of each individual's contribution, and the date the individual authorized the contribution. [WIS. STAT. § 11.0704\(1\)](#).

Contributions transferred through conduits are reported as contributions received from the individuals listed in the transmittal letter. [WIS. STAT. § 11.1106\(2\)](#). These contributions are reported under the individual's name. [WIS. STAT. § 11.1106\(1\)](#). They are subject to itemization on the same basis as other individual contributions. [WIS. STAT. § 11.0804\(1\)\(a\)](#).

Disbursements

“Disbursement” means any of the following:

1. An expenditure by a committee from the committee's depository account;
2. The transfer of tangible personal property or services by a committee;
3. A transfer of funds between committees. Note that referendum committees may only contribute to other referendum committees ([WIS. STAT. § 11.0101\(28\)\(c\)](#)); or
4. The purchase of a ticket for a fundraising event for a committee regardless of whether the ticket is used to attend the event.

[WIS. STAT. § 11.0101\(10\)\(a\)](#).

“Disbursement” does not include any of the following:

1. A communication made exclusively between an organization and its members. In this subdivision, a member of an organization means a shareholder, employee, or officer of the organization, or an individual who has affirmatively manifested an interest in joining, supporting or aiding the organization;
2. A communication or Internet activity by an individual acting in his or her own behalf, or acting on behalf of another person if the individual is not compensated specifically for those services, including the cost or value of computers, software, Internet domain names, Internet service providers, and any other technology that is used to provide access to or use of the Internet, but not including professional video production services purchased by the individual;
3. Any news story, commentary, or editorial by a broadcasting station, cable television operator, producer, or programmer, Internet site, or newspaper or other periodical publication, including an Internet or other electronic publication unless a committee owns the medium in which the news story, commentary, or editorial appears; or
4. A nominal fee paid for a communication to the general public.

[WIS. STAT. § 11.0101\(10\)\(b\)](#).

Required Information for Disbursements

1. An itemized statement of every disbursement exceeding \$20 in amount or value, together with the name and address of the person to whom the disbursement was made, and the date and specific purpose for which the disbursement was made. [WIS. STAT. § 11.0804\(1\)\(a\)7](#).
2. A statement of totals during the reporting period of disbursements made. [WIS. STAT. § 11.0804\(1\)\(a\)9](#).

Obligations and Loans

Committees are required to make full reports of all obligations received, made and incurred by the committee. The committee needs to include in each report information covering the period since the last date covered on the previous report. [WIS. STAT. § 11.0804\(1\)\(a\)](#).

“Obligation” means any express agreement to make a disbursement, including the following:

1. A loan or loan guarantee;
2. A promise to purchase, rent, or lease tangible personal property; or
3. A promise to pay for a service that has been or will be performed.

[WIS. STAT. § 11.0101\(23\)](#).

Required Information for Obligations

1. An itemized statement of every obligation exceeding \$20 in amount or value, together with the name of the person or business with whom the obligation was incurred, and the date and the specific purpose for which each such obligation was incurred must be reported in campaign finance reports. [WIS. STAT. § 11.0804\(1\)\(a\)8](#).
2. A statement of the balance of obligations incurred as of the end of the reporting period. [WIS. STAT. § 11.0804\(1\)\(a\)10](#).

Required Information for Loans

Each loan of money made to the committee in an aggregate amount or value in excess of \$20, must be reported with all of the following:

1. The full name and mailing address of the lender;
2. A statement of whether the lender is a commercial lending institution;
3. The date and amount of the loan;
4. The full name and mailing address of each guarantor, if any;
5. The original amount guaranteed by each guarantor; and
6. The balance of the amount guaranteed by each guarantor at the end of the reporting period.

[WIS. STAT. § 11.0804\(1\)\(a\)6](#).

Cash Balances

Committees are required to provide a statement of the cash on hand at the beginning and end of each reporting period. [WIS. STAT. § 11.0804\(1\)\(a\)5](#). State-level committees will be prompted to provide the beginning and ending cash balances when certifying the campaign finance report in CFIS.

CAMPAIGN FINANCE REPORTS

All registrants that are not exempt from filing must file campaign finance reports. Committees must continue to file periodic reports until termination of their registration. These reports must be filed with the appropriate local filing officer when due. Any state-level referendum committee must file reports electronically through the CFIS website (<https://cfis.wi.gov/>). [WIS. STAT. § 11.1304\(6\)](#).

The information listed on the campaign finance report discloses the financial activity of the referendum committee. The law requires disclosure of contributions, disbursements, and incurred obligations. [WIS. STAT. § 11.0804\(1\)\(a\)](#). Committee treasurers must exercise diligence in acquiring and furnishing the contributor information required on the receipt schedules. For all contributors, the report must disclose the individual's name and address. [WIS. STAT. § 11.0804\(1\)\(a\)1](#). If the individual's year-to-date total exceeds \$200, you must also provide the individual's occupation. [WIS. STAT. § 11.0804\(1\)\(a\)2](#).

Treasurers are required to make a "good faith effort" to obtain all information required on the reports. [WIS. STAT. § 11.0103\(1\)\(a\)](#).

Types of Reports

Referendum committees must file reports based on when the referendum will appear on the ballot. If the referendum is on the ballot for a primary election, the referendum committee must file a report before the primary election and the general election. If the referendum is on the ballot for an April or a November election, the referendum committee must file a report before the general election. Referendum committees must also file continuing reports in January and July of each year until they terminate (or go on exempt status). [WIS. STAT. § 11.0804](#).

Referendum committees that will not spend or receive more than \$2,000 in a calendar year may amend their registration and claim "exempt" status, which means they do not have to file campaign finance reports. See the section "[EXEMPTION FROM FILING CAMPAIGN FINANCE REPORTS](#)" for more information.

Reporting Periods and Elections:

Spring Primary: A committee that engages in activity for a referendum at the spring primary must file: (1) a pre-primary report; (2) a pre-election report; and (3) annually in each year of an election cycle, a report on January 15 and July 15. [WIS. STAT. § 11.0804\(2\)](#).

Spring Election: A committee that engages in activity for a referendum at the spring election must file: (1) a pre-election report; and (2) annually in each year of an election cycle, a report on January 15 and July 15. [WIS. STAT. § 11.0804\(3\)](#).

Partisan Primary: A committee that engages in activity for a referendum at the partisan primary must file: (1) a pre-primary report; (2) a pre-election report; (3) in an odd-numbered year, a report on January 15 and July 15; and (4) in an even-numbered year, a report on January 15 and July 15 and on the 4th Tuesday in September. [WIS. STAT. § 11.0804\(4\)](#).

General Election: A committee that engages in activity for a referendum at the general election must file: (1) a pre-election report; (2) in an odd-numbered year, a report on January 15 and July 15; and (3) in an even numbered year, a report on January 15 and July 15 and on the 4th Tuesday in September. [WIS. STAT. § 11.0804\(5\)](#).

Reporting deadlines can be found on the Ethics Commission's website at:

<https://ethics.wi.gov/Pages/CampaignFinance/ReportPeriods.aspx>

Local Committees: How to Complete the CF-2L, 2LE or 2NA Campaign Finance Reports

Local referendum committees will file reports with the local filing officer.

- The [CF-2L](#) is the standard paper report for local committees.
- The [CF-2LE](#) is the Excel version of the CF-2L, used by some local jurisdictions including larger cities and counties. Please talk with your local filing officer to make sure they will accept the CF-2LE before you submit it.
- The [CF-2NA](#) is a no-activity report. This form should be used **only** when there has been no financial activity and the cash balance remains unchanged during the reporting period. [WIS. STAT. § 11.0103\(3\)\(d\)](#).
- The [CF-13](#) (or CF-2L, Schedule 4) is a termination request, used when you wish to close your committee. Please see the "[TERMINATION OF REGISTRATION AND REPORTING REQUIREMENTS](#)" section below for details.

State-level Committees: How to Complete Campaign Finance Reports in CFIS

There are two ways to enter campaign finance transactions (contributions and disbursements):

- Using the manual data entry screens in the Campaign Finance Information System ("CFIS"), and
- Using the CFIS upload templates.

Every committee must use one of the specified, approved forms. [WIS. STAT. § 11.1304\(1\)](#). A committee that chooses to use an upload template with schedule detail must use the approved template. Committees can find upload templates on the CFIS site in the "**Upload Transactions**" section of the menu.

For detailed instructions on how to complete and file the campaign finance report, go to <https://cfis.wi.gov> and click on the **CFIS Manuals** link in the center of the page, or go to the Ethics Commission **CFIS Manuals & Frequently Asked Questions** page: <https://ethics.wi.gov/Pages/CampaignFinance/CFISManuals.aspx>.

Filing Reports in CFIS

State candidate committees file campaign finance reports electronically through the CFIS website. The help screens on that site may answer some of your questions. When you have entered all transactions for a reporting period, the CFIS system will automatically generate the report for you and place all transactions on the appropriate schedules.

All contributions received by the committee must be reported in Schedule 1 (Receipts) of the campaign finance report. Contributions and loans from individuals are listed in Schedule 1A (Contributions Including Loans from Individuals). Contributions from other committees, such as political action committees, political party committees, and other candidate committees, are reported in Schedule 1B (Contributions from Committees). All other income such as loans from financial institutions, contributions returned from other registrants, refunds, returns of deposits or interest on investments are reported in Schedule 1C (Other Income and Commercial Loans). The date which must be provided for all contributions is the date the committee **received** the contribution, that is, the date it acquired possession and control of the contribution, **not** the date of deposit or date on the check (unless all dates are the same). [WIS. STAT. § 11.0103\(2\)](#).

All money spent by the committee is reported in Schedule 2 (Disbursements) of the campaign finance report. General operating expenditures are listed in Schedule 2A (Gross Expenditures). Contributions to other political committees are listed in Schedule 2B (Contributions to Committees).

Additional information required to be disclosed is reported in Schedule 3 (Additional Disclosure) of the campaign finance report. All obligations of the committee such as unpaid debts are listed in Schedule 3A (Incurred Obligations Excluding Loans). Loans and the individuals who guarantee loans for the committee are listed in Schedule 3B (Loans).

Schedule 4 of the campaign finance report form (Termination Request) is used for requests to terminate a committee.

ATTRIBUTION STATEMENTS (DISCLAIMERS)

The requirements for attribution statements in Chapter 11 do not apply to referenda committees in the same way they apply to other types of committees.

State law requires communications containing express advocacy paid for by any contribution or disbursement to include an attribution statement identifying its source. [WIS. STAT. § 11.1303\(2\)\(a\)](#). Express advocacy is a communication which clearly identifies a candidate and clearly relates to the election or defeat of the candidate. [WIS. STAT. § 11.0101\(11\)](#). Communications from a referendum committee do not advocate for or against a candidate, but instead advocate to support or defeat a referendum. [WIS. STAT. § 11.0101\(28\)](#).

While state statutes do not require a disclaimer, referenda committees may voluntarily choose to include a disclaimer on their communications. The suggested format for disclaimers is listed below.

Formats for Disclaimers

When a communication is paid for by a committee, the disclaimer should include the words “Paid for by,” followed by the name of the committee:

“Paid for by The Committee to Support our Local Schools.”

The disclaimer may also include the name of the treasurer or other authorized agent:

“Paid for by Citizens for Responsible Spending, James Jones, Treasurer.”

TERMINATION OF REGISTRATION AND REPORTING REQUIREMENTS

A referendum committee may terminate its registration if it meets the following requirements. [WIS. STAT. § 11.0105](#):

1. Determines that all financial activity will stop, and that it will no longer receive contributions, make disbursements, or incur obligations;
2. Files a termination campaign finance report showing that all incurred obligations have been paid or satisfied, and that the cash balance has been reduced to zero; and,
3. Completes a request for termination in Schedule 4.

Referenda committees that wish to remain active with limited financial activity may file for “exempt” status, which means they would not have to file campaign finance reports during that time. See the section [“EXEMPTION FROM FILING CAMPAIGN FINANCE REPORTS”](#) for more information.

Disposal of Residual Funds

Residual funds may be used for any purpose that is not for an individual’s strictly personal use and is not prohibited by law, including:

1. Repaying any outstanding loans. If loans are not repaid, they must be forgiven before the committee can request termination;
2. Returning money to contributors in amounts that are not more than the contributor’s original contribution (note: the treasurer may choose which contributors to refund. The committee is not required to pro-rate and return a portion to all contributors);
3. Donating money to any tax-exempt charitable organization or the Common School Fund;
4. Transferring money to another referendum committee; or
5. Using any combination of the above.

WIS. STAT. §§ [11.0105](#), [11.1208\(2\)\(a\)](#).

Prior to making these disbursements of residual funds, the committee must make sure it does not have any pending fees or settlement offers.

Buerger, David - ETHICS

From: ETH Ethics
Sent: Monday, March 11, 2019 4:00 PM
To: Colleen Adams
Subject: RE: Comment on Guidance Document ETH-1211

Hi Colleen,

"Certain Persons" is a category for the miscellaneous exceptions the Legislature has created for the certain types of persons listed (i.e., organizer of an event, a political committee, WEDC/Tourism, or local government unit that is also a lobbying principal). It is intended to be an exhaustive list, so there are no further examples to give. All other exceptions should be covered in either the Any Persons or Persons Other than a Lobbyist/Lobbying Principal categories.

As for 1.B.i, if the criteria for eligibility are not established and readily identifiable, the offer of the item of value may fail that part of the test and it may not be possible for the official to accept under the general public exception. However, it is hard to reach a definite conclusion about whether an official may or may not accept a given item in a hypothetical situation without all the facts. For example, there could be a different exception available, so the official could accept under that exception instead of relying on the general public exception; or maybe the criteria are established and readily identifiable in part and the question is one of degree. So while the guideline does attempt to give the regulated community some guidance as to what current law and past precedent may require or permit, it is not intended to replace the advisory opinion process where a person can give the material facts of their situation and ask for an advisory opinion.

Sincerely,

David P. Buerger
Staff Counsel
Wisconsin Ethics Commission
Campaign Finance | Lobbying | Ethics
<https://ethics.wi.gov> | (608) 266-8123 | Twitter: [@EthicsWi](https://twitter.com/EthicsWi)

From: Colleen Adams <adams.colleen.e@gmail.com>
Sent: Monday, March 11, 2019 3:23 PM
To: ETH Ethics <ethics@wisconsin.gov>
Subject: Comment on Guidance Document ETH-1211

Good afternoon,

I'm reviewing the proposed Guidance Document ETH-1211. Can you give me examples of who would be considered "From Certain Persons"? Also, for 1.B.i. (Established and readily identifiable . . .), what if an item is not clearly established or readily identifiable? Can the public official still accept the item or service?

Thanks,

Colleen Gruszynski

March 20, 2019

VIA E-Mail: ethics@wi.gov

Wisconsin Ethics Commission
PO Box 7125
Madison, WI 53707-7125

Proposed Guidance Document
Ethics Guideline ETH-1211

Members of the Commission:

On behalf of the Association of Wisconsin Lobbyists, we urge the Commission to reject proposed ETH-1211 in its current form. The guidance improperly relies on an Attorney General opinion and a Wisconsin Ethics Board advisory opinion interpreting and applying a portion of the Wisconsin Lobbying Law (“lobbying law”) that was since amended.¹ Because the Attorney General opined on a term that was struck from the statute, the rationale for revised guidance in ETH-1211 lacks any legal basis.

In practice, revised guidance in proposed ETH-1211 would prevent lobbying principals from hosting grassroots advocacy day receptions for the purpose of facilitating interaction between public officials and individual constituents. Although the guidance does not expressly ban receptions sponsored by the lobbying principals, this is the practical result. Proposed ETH-1211 does the following:

- Prohibits a lobbying principal from requiring a covered public official or legislative employee² to pay for food and refreshments at a private grassroots advocacy day reception;
- Because a lobbying principal cannot seek reimbursement, requires a lobbying principal to open a grassroots advocacy day reception to the general public if covered public officials and legislative employees will have access to food and refreshments;

¹ 80 Op. Att’y Gen. 205; 1997 Wis. Eth Bd 12.

² Covered officials under the lobbying law are elective state officials, candidates for elective office and agency officials. Although the proposed guidance refers to public officials, the lobbying law restrictions on accepting things of pecuniary value also apply to legislative employees. See Wis. Stat. § 13.625(1)(b).

- Allows a lobbying principal to establish criteria for segments of the public that may attend, but prohibits a lobbying principal from including public officials and legislative employees in that criteria; and,
- Prohibits a lobbying principal from directly inviting covered public officials and legislative employees to a grassroots advocacy day reception that is open to the public.

The Commission should reject proposed ETH-1211 since it relies on the interpretation of a statute that no longer exists and establishes guidelines for compliance that are entirely unworkable. If the Commission chooses to proceed with this guidance, it should begin the rule promulgation process as required by Wis. Stat. §§ 227.01(13) and 227.10(1).

GRASSROOTS ADVOCACY DAY RECEPTIONS

For nearly 30 years, lobbying principals – including trade associations, labor unions and other advocacy groups – have hosted grassroots advocacy days that include a formal program with panel discussions and presentations, scheduled office visits with legislators and, at the end of the day, a reception where drinks and hors d'oeuvres are traditionally served. Lobbying principal employees, grassroots advocacy day participants, legislators and other public officials, and agency and legislative staff are typically invited to attend the reception.

These types of receptions take place in states across the nation and in Washington, D.C. because meeting with constituents and constituent organizations is a basic duty of state and federal representatives. In fact, Wisconsin's code of ethics for state officials encourages exactly these types of interactions.

Every state public official is encouraged to meet with clubs, conventions, special interest groups, political groups, school groups and gatherings to discuss and to interpret legislative, administrative, executive or judicial processes and proposals and issues initiated by or affecting a department or judicial branch.³

The lobbying law likewise recognizes the essential role of advocacy in representative government.

The legislature declares that the operation of an open and responsible government requires that the fullest opportunity be afforded to the people to petition their government for the redress of grievances and to express freely to any officials of the executive or legislative branch their opinions on legislation, on pending administrative rules and other policy decisions by administrative agencies, and on current issues.⁴

³ Wis. Stat. § 19.56(1).

⁴ Wis. Stat. § 13.61.

Nearly all grassroots advocacy day receptions are hosted by lobbying principals since their representation of specific community and advocacy groups, professions, trades, industries, employers or employees allows them to organize large groups of constituents interested in meeting their government representatives. With the exception of some local chambers of commerce, other organizations do not share this mission with lobbying principals. As a result, while the revised guidance impacts “only” lobbying principals, they are the only groups – with minor exceptions – hosting these types of receptions.

RELEVANT REVISIONS TO EXISTING GUIDANCE IN ETH-1211

Guidance adopted by the Wisconsin Ethics Board, affirmed by the Government Accountability Board in 2008 and currently posted to the Commission’s website advises that a public official may purchase from a lobbying principal “food and drink that the official purchases at an event intended for and conducive to the discussion of state governmental processes, proposals, and issues.”⁵ Accordingly, the longstanding practice of lobbying principals is to charge public officials and legislative staff who attend their grassroots advocacy day receptions. This guidance is deleted from proposed ETH-1211 and with it, the ability of a lobbying principal to host a reception at which a covered public official or legislative employee pays to consume food or refreshments.

Under revised ETH-1211, a lobbying principal may provide food and refreshments to covered public officials and legislative employees who attend a reception only if the event is open to the public. Specifically, the food and refreshments must be provided to the general public on the same terms. But under this proposed guidance, a covered public official or legislative employee cannot be directly invited to attend the event.

ETH-1211 APPLIES PRE-2015 STATUTES

Proposed ETH-1211 is based on a 1992 Attorney General opinion that interpreted a provision of the lobbying law later amended in 2015.⁶ The Attorney General concluded that the statutory prohibition on a lobbying principal “furnishing” items of pecuniary value, including food and beverages, to covered public officials and legislative employees included selling items to them.⁷ The lobbying law was amended in 2015 to eliminate the word “furnish” from the prohibition. Currently, the statute interpreted by the Attorney General provides that a lobbying principal may not “give” things of pecuniary value to a covered official or legislative employee.⁸

The lobbying law also places reciprocal limitations on covered officials and legislative employees; it provides that they may not “solicit or *accept* anything of pecuniary value” from a

⁵ ETH-1211 (Rev. 10/16).

⁶ 2015 Wisconsin Act 117.

⁷ 80 Op. Att’y Gen. 205 (1992).

⁸ Wis. Stat. § 13.625(2).

lobbying principal.⁹ (Emphasis added.) The code of ethics for state officials similarly provides that no state public official “may *accept* or retain any transportation, lodging, meals, food or beverages, or reimbursement” except as provided in Chapter 19 of the Wisconsin Statutes.¹⁰ (Emphasis added.) According to a separate 1992 Attorney General opinion, “accept” as used in the code of ethics was intended to apply only to receiving gifts.¹¹ A gift means “the payment or receipt of anything of value without valuable consideration.” In other words, a state public official has accepted something of value in violation of the ethics code only when he or she does not pay for it.

The Attorney General said that “accept” had a different meaning in the 1992 lobbying law specifically because “the concomitant prohibition...is a prohibition against ‘furnishing,’ a term that includes both giving and selling.”¹² When the legislature struck “furnishing” from the lobbying law prohibition on providing things of pecuniary value in 2015, it established a uniform meaning of “accept” under the code of ethics for state officials and the lobbying law. As a result, a covered public official or legislative employee has accepted something of pecuniary value from a lobbying principal in violation of the lobbying law only when he or she does not pay for it. Accordingly, the reasoning and conclusions of the Attorney General related to “furnishing” items of pecuniary value are inapplicable to the existing statutes and provide no legal basis for the revised guidance in ETH-1211.

PRACTICAL EFFECT OF ETH-1211

Under revised ETH-1211, a lobbying principal may provide food and refreshments to public officials and legislative employees who attend a reception only if the event is open to the public. According to the proposed guidance, a lobbying principal has provided these items to the general public and public officials and legislative employees on the same terms when:

- They are available to anyone who wants it and who meets the criteria for eligibility;
- The criteria are:
 - Established and readily identifiable; and
 - Drawn without the purpose or effect of giving a preference to or conferring an advantage upon an agency officials legislative employee, or elective state official; and,

⁹ Wis. Stat. § 13.625(3).

¹⁰ Wis. Stat. § 19.45(3m).

¹¹ 80 Op. Att’y Gen. 201 (1992).

¹² Id.

- There is no offer or notice of the event, item or service direct to an official that would confer an advantage to the official.

In practice, this proposed guidance means lobbying principals must provide free food and refreshments to public officials and legislative employees, rather than requiring payment as they have for 30 years. Although absurd, this is the only logical result since a host typically will not charge its own employees and members to attend the reception.

Even more absurd are guidelines that do not allow a grassroots advocacy day reception to achieve its intended purpose of facilitating discussions between public officials and their constituents. Revised ETH-1211 does not allow the host of a “public” grassroots advocacy day reception to invite public officials or legislative employees for two reasons. First, any criteria for attendance that includes public officials and legislative employees improperly provides “a preference” to them. Second, since the lobbying principal may not provide notice of the event to the covered public official that “confers an advantage,” it may not email or mail invitations to covered public officials or legislative employees since it would not be possible to email or mail invitations to every other person who fits the public criteria.

CONCLUSION

Even if one draws the conclusion that the pre-2015 lobbying law prevented a covered public official or legislative employee from paying a lobbying principal for food and drink consumed at a reception, current state law does not. The prohibition on accepting items of pecuniary value from a lobbying principal applies only when those items are provided free of charge. Reimbursement of a lobbying principal is not prohibited under state law. Since the existing guidance allows covered public officials and legislative employees to pay for food and drink consumed at a private grassroots advocacy day reception, the proposed revisions are unnecessary and should be rejected.

If the Commission does go forward with the revised guidance, it should begin the rule promulgation process since it intends to interpret the statutory requirement of making items available to general public and apply that interpretation to all persons who must comply with the lobbying law.

GODFREY & KAHN, S.C.



Mike B. Wittenwyler
Jodi Jensen



Wisconsin Ethics Commission

Campaign Finance | Lobbying | Ethics
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(608) 266-8123 | ethics@wi.gov | <https://ethics.wi.gov>

DATE: For the Commission Meeting on August 20, 2019
TO: Members, Wisconsin Ethics Commission
FROM: Colette Greve, Ethics Specialist
SUBJECT: Standard Settlement Schedule Review

FOR COMMISSION ACTION

Campaign Finance Settlement Schedules

1. For Late Special Post-Election Reports the Commission may:
 - a. Create a separate schedule as provided for in this memorandum,
 - b. Create a separate schedule as amended by today's discussion, or
 - c. Keep the Late Special Post-Election Reports as part of the schedule for Late Pre-Primary and Pre-Election Reports.
2. For Late September Reports the Commission may:
 - a. Remove this from the schedule for Late Continuing Reports and combine it with the schedule for Late Pre-Primary and Pre-Election Reports, or
 - b. Keep this as part of the schedule for Late Continuing Reports.
3. For settlement amounts for Late Continuing Reports the Commission may:
 - a. Adopt option 1 recommended by staff,
 - b. Adopt option 2 recommended by staff, or
 - c. Take some other action based on today's discussion.
4. The Commission may make a determination to use calendar days for all campaign finance reports or take some other action based on today's discussion.

Lobbying Settlement Schedules

1. The Commission may make a determination to use calendar days for all lobbying reports, except for late filing of statements of lobbying activity and expenditures or take some other action based on today's discussion.

Introduction

At the Commission meeting on April 9, 2019, the Commissioners directed staff to conduct a review of the standard settlement schedules. The current schedules were developed pursuant to [WIS. STAT. § 19.49\(1\)\(b\)](#), which grants the Commission authority to settle violations of the statutes that it administers, and [WIS. STAT. § 19.49\(2\)\(b\)10.](#), which provides that the Commission shall by rule set forth categories of civil offenses which the Commission will settle without formal investigation upon payment of specified amounts. At the meeting on June 18, 2019, the Commission directed

staff to make changes to certain schedules and conduct further review on other schedules and settlements. Any changes made to the schedules that are already codified in WIS. ADMIN. CODE ETH 26, will need to be amended through the administrative rulemaking process. Additionally, any new standard settlement schedules will have to be added through the administrative rulemaking process.

I. Changes to Settlement Schedules After the Meeting on June 18, 2019

The Commission began review of the settlement schedules at the meeting on June 18, 2019, and directed staff to make changes to certain standard settlement schedules. An update on the changes that have been completed is below.

First, the Commission directed staff to add statutory citations to the website for the exceeding contribution limits standard settlement schedule. Staff has completed this task, and the changes can be viewed at <https://ethics.wi.gov/Pages/Enforcement/SettlementSchedules.aspx>.

Second, the Commission directed staff to amend the Late Payment of Lobbying Fees settlement schedule to have a warning period of 30 days rather than 15 days and increase in 30-day increments rather than 15-day increments. The Commission also made the determination that this settlement schedule should be based on calendar days late. Staff has completed this and implemented the change in the settlements for late lobbying fees that were issued after the June 18 meeting. The revised settlement schedule for late payment of lobbying fees is updated on the Commission's website and is as follows:

Calendar days late	Lobbyist	Principal
1-30	Warning	Warning
31-45	\$100	\$200
46-60	\$200	\$400
61+	\$300	\$600

II. Further Review of the Settlement Schedules

In addition to the changes to the schedules made above, the Commission directed staff to continue to review and provide the Commission with further information and options for certain standard settlement schedules.

Scope Statements

First, the Commission directed staff to prepare scope statements to amend the provisions of WIS. ADMIN. CODE ETH 26 related to late filing of semi-annual lobbying reports to clarify business days for all increments in the schedule and to create new settlement schedules within WIS. ADMIN. CODE ETH 26 for unauthorized lobbying and late payment of lobbying fees. Staff Counsel Buerger has prepared a memorandum for the Commission to review at this meeting related to the scope statements.

Special Post-Election Settlement Schedule

Second, the Commission directed staff to review settlements related to special post-election reports. At the meeting on June 18, 2019, the Commission discussed separating the schedule for special post-election from the pre-primary and pre-election, and whether to combine it with the continuing reports settlement schedule or create a separate schedule. Currently, the special post-election reports are within the same standard settlement schedule as the late filing of pre-primary and pre-election reports. The special post-election report covers 14 days prior to the special election through 22 days following the special election. It is not due until 45 days after the special election and only required if a continuing report is not due within 45 days after the special election.

This report is filed after the election, which is different from the pre-primary reports and the pre-election reports, which are due 8 days before the primary or election and provide the public with records of the campaign finance activity related to the primary and election before they take place. Because the pre-primary and pre-election are due shortly before the primary or election date, the settlement schedule begins monetary settlements at 1 business day late. The special post-election report does not require this same urgency, and therefore, staff believes it would be best to create a separate settlement schedule for the special post-election report. Also of note, the Commission has only issued one settlement for a late special post-election report, but late reporting for the late pre-primary and late pre-election reports occurs more frequently.

If the Commission wishes to create a separate schedule for late special post-election reports, staff recommends the following settlement schedule:

Days Late:	First Violation:	Second or Greater Violation:
0-30	Warning	Warning
31-60	\$100	\$200
61-90	\$200	\$300
91-120	\$300	\$400
Over 120	\$500	\$500

The Commission could also add the late special-post election to the schedule for late continuing reports, as the schedule proposed above is the same as the late continuing report schedule.

Schedules for Late Filing of Continuing Reports and Election Related Reports

The Commission directed staff to review the settlements related to late continuing reports and late elections reports, specifically the amounts and how many resulted in the committee requesting the Commission reconsider the initial settlement offer. Out of 263 late campaign finance filings, 228 were for late continuing reports and 35 were for late pre-primary or pre-election reports. Committees have requested that the Commission reconsider the initial settlement offers 10 times,

8 were for continuing reports and 2 were for pre-primary or pre-election reports. A table of the settlements for late campaign finance reports is attached. (Attachment A). Records that do not have a number in the “Settlement Paid” column are those that were issued warnings.

Currently, the late September reports are settled using the continuing report schedule. However, this report is filed between the pre-primary and pre-election only during years when there are fall elections. The September report is similar to the pre-primary and pre-election reports, in that it is more time-sensitive than the January and July Continuing reports, as there are only 5-6 weeks between the deadline to file the September report and the general election. Staff recommends adding it to the schedule for election reports.

At the meeting on June 18, 2019, the Commission discussed lowering the settlement amounts for late reports and extending the warning period. Staff reviewed the late filings for the continuing reports from the July Continuing 2016 through the January Continuing 2019, specifically to look at how many filed within 30 days of the deadline. Below is a list, by reporting period, of the number of reports filed within 30 days out of the total number of late reports.

Campaign Finance Filing Period	Filed Within 30 Days of Deadline	% Filed Within 30 Days of Deadline
July Continuing 2016	79 out of 98	81%
January Continuing 2017	46 out of 55	84%
July Continuing 2017	32 out of 46	70%
January Continuing 2018	39 out of 46	85%
July Continuing 2018	34 out of 41	83%
January Continuing 2019	37 out of 45	82%

Most late filers do file during the 30-day warning period. For continuing reports, staff has found that committees tend to think of the first 30-days as a “grace period” because there is no monetary settlement.

Staff recommends amending the schedule for late continuing reports as follows:

Days Late:	First Violation:	Second or Greater Violation:
0-30	Warning	\$50
31-60	\$50	\$100
61-90	\$100	\$200
91-120	\$200	\$300
Over 120	\$400	\$500

This amendment to the schedule lowers the monetary settlements in each 30-day increment, except for committees that file over 120 days late and had previous violations, but it also adds a monetary settlement for filing 0-30 days late for the committees that have two or more violations. This could

limit the number of committees that file late reports repeatedly during the first 30 days after the filing deadline.

A second option for the late continuing reports is as follows:

Days Late:	First Violation:	Second or Greater Violation:
0-30	Warning	Warning
31-60	\$50	\$100
61-90	\$100	\$200
91-120	\$200	\$300
Over 120	\$400	\$500

This amendment to the schedule only lowers the monetary settlements in each 30-day increment, except for committees that file over 120 days late and had previous violations, and keeps the first 30 days as a warning period.

Use of Calendar Days vs. Business Days

When the campaign finance settlement schedules were adopted at the Commission meeting on August 23, 2016, they were adopted specifying calendar or business days late as shown in the attached settlement schedule tables. (Attachment B). However, when codified, the business or calendar days was not included. The Commission discussed clarifying this at its meeting on June 18, 2019. All campaign finance schedules, except for the late election related reports and late filing fees use calendar days. Staff believes that using business days gives committees an advantage of possibly having extra days to file their election reports and filing fees, if a deadline falls near a weekend or holiday. For example, if the deadline is on a Friday, the committee would not be subject to a settlement if it filed on Saturday or Sunday, or if a deadline is on Thursday, and a holiday is the next day, the committee would have 3 extra days to file without the possibility of a settlement. For this reason, staff recommend that the Commission use calendar days for all campaign finance settlement schedules.

As for lobbying reports, the Commission has already directed staff to clarify all categories use business days for late statements of lobbying activity and expenditures. The Commission already made a determination at the meeting on June 18, 2019, to use calendar days for the late payment of lobbying fees. For the late reports of first communication on a lobbying matter (15-day reports) staff recommends using calendar days, as the lobbyists and principals can file these reports at any time on the lobbying website.

Attachments:

Attachment A -

Created	Audit Category	Year	Reporting Period	Settlement Paid:
12/5/2016 13:54	Late CF report (CF)	2016	2016 July Continuing	\$ 500.00
12/5/2016 13:58	Late CF report (CF)	2016	2016 Fall Pre-Election	\$ 500.00
12/5/2016 13:58	Late CF report (CF)	2016	2016 Fall Pre-Election	\$ 500.00
6/15/2017 7:53	Late CF report (CF)	2017	2017 January Continuing	\$ 500.00
6/16/2017 14:48	Late CF report (CF)	2017	2017 January Continuing	\$ 500.00
12/18/2017 9:40	Late CF report (CF)	2017	2017 July Continuing	\$ 400.00
2/2/2017 13:26	Late CF report (CF)	2016	2016 July Continuing	\$ 300.00
10/16/2017 13:33	Late CF report (CF)	2017	2017 July Continuing	\$ 300.00
10/16/2017 13:38	Late CF report (CF)	2017	2017 July Continuing	\$ 300.00
12/11/2017 11:33	Late CF report (CF)	2017	2017 July Continuing	\$ 300.00
4/19/2018 9:41	Late CF report (CF)	2018	2018 January Continuing	\$ 300.00
4/8/2019 13:37	Late CF report (CF)	2019	2019 January Continuing	\$ 300.00
2/2/2017 13:34	Late CF report (CF)	2016	2016 Fall Pre-Election	\$ 250.00
4/13/2017 16:11	Late CF report (CF)	2017	2016 July Continuing	\$ 250.00
4/13/2017 16:13	Late CF report (CF)	2017	2016 Fall Pre-Election	\$ 250.00
12/5/2016 13:55	Late CF report (CF)	2016	2016 July Continuing	\$ 200.00
4/4/2017 14:02	Late CF report (CF)	2017	2017 January Continuing	\$ 200.00
8/29/2017 12:06	Late CF report (CF)	2017	2017 July Continuing	\$ 200.00
8/29/2017 14:41	Late CF report (CF)	2017	2017 July Continuing	\$ 200.00
8/30/2017 9:54	Late CF report (CF)	2017	2017 July Continuing	\$ 200.00
10/10/2018 14:02	Late CF report (CF)	2018	2018 July Continuing	\$ 200.00

3/13/2019 11:30	Late CF report (CF)	2019	2019 January Continuing	\$	200.00
2/2/2017 13:14	Late CF report (CF)	2016	2016 July Continuing	\$	180.00
3/9/2017 15:37	Late CF report (CF)	2017	2016 Fall Pre- Election	\$	178.95
12/5/2016 13:58	Late CF report (CF)	2016	2016 Fall Pre- Election	\$	150.00
2/2/2017 13:38	Late CF report (CF)	2016	2016 Fall Pre- Election	\$	150.00
9/27/2017 14:12	Late CF report (CF)	2017	2017 July Continuing	\$	150.00
10/10/2017 11:36	Late CF report (CF)	2017	2017 July Continuing	\$	150.00
10/16/2017 13:43	Late CF report (CF)	2017	2017 July Continuing	\$	150.00
10/18/2018 13:39	Late CF report (CF)	2018	2018 Fall Pre- Primary	\$	150.00
12/5/2016 13:55	Late CF report (CF)	2016	2016 July Continuing	\$	100.00
12/5/2016 13:55	Late CF report (CF)	2016	2016 July Continuing	\$	100.00
12/5/2016 13:55	Late CF report (CF)	2016	2016 July Continuing	\$	100.00
12/5/2016 13:55	Late CF report (CF)	2016	2016 July Continuing	\$	100.00
12/5/2016 13:55	Late CF report (CF)	2017	2016 July Continuing	\$	100.00
12/5/2016 13:55	Late CF report (CF)	2016	2016 July Continuing	\$	100.00
2/2/2017 13:16	Late CF report (CF)	2016	2016 July Continuing	\$	100.00
2/2/2017 13:20	Late CF report (CF)	2016	2016 July Continuing	\$	100.00
2/2/2017 13:23	Late CF report (CF)	2016	2016 July Continuing	\$	100.00
2/2/2017 13:27	Late CF report (CF)	2016	2016 Fall Pre- Primary	\$	100.00
2/2/2017 13:29	Late CF report (CF)	2016	2016 September Continuing	\$	100.00
2/2/2017 13:30	Late CF report (CF)	2016	2016 Fall Pre- Election	\$	100.00
2/2/2017 13:32	Late CF report (CF)	2016	2016 Fall Pre- Election	\$	100.00

2/2/2017 13:36	Late CF report (CF)	2016	2016 Fall Pre-Election	\$	100.00
2/7/2017 12:26	Late CF report (CF)	2016	2016 Fall Pre-Election	\$	100.00
2/22/2017 12:50	Late CF report (CF)	2016	2016 Fall Pre-Primary	\$	100.00
3/9/2017 15:33	Late CF report (CF)	2017	2016 September Continuing	\$	100.00
3/14/2017 16:28	Late CF report (CF)	2017	2016 September Continuing	\$	100.00
3/22/2017 12:55	Late CF report (CF)	2017	2016 July Continuing	\$	100.00
5/15/2017 10:58	Late CF report (CF)	2017	2017 January Continuing	\$	100.00
5/31/2017 10:46	Late CF report (CF)	2017	2017 January Continuing	\$	100.00
9/12/2017 15:02	Late CF report (CF)	2017	2017 July Continuing	\$	100.00
9/20/2017 10:38	Late CF report (CF)	2017	2017 July Continuing	\$	100.00
9/20/2017 10:42	Late CF report (CF)	2017	2017 July Continuing	\$	100.00
9/20/2017 10:49	Late CF report (CF)	2017	2017 July Continuing	\$	100.00
4/17/2018 15:14	Late CF report (CF)	2018	2018 Spring Pre-Primary	\$	100.00
10/18/2018 13:36	Late CF report (CF)	2018	2018 Fall Pre-Primary	\$	100.00
3/12/2019 15:10	Late CF report (CF)	2019	2019 January Continuing	\$	90.00
4/27/2018 12:50	Late CF report (CF)	2018	2018 Spring Pre-Election	\$	50.00
10/11/2018 10:36	Late CF report (CF)	2018	2018 July Continuing	\$	50.00
4/10/2019 8:42	Late CF report (CF)	2019	2019 Spring Pre-Election	\$	50.00
12/5/2016 13:57	Late CF report (CF)	2017	2016 September Continuing	\$	-
4/30/2018 16:05	Late CF report (CF)	2018	2019 Calendar Year (CF)	\$	-
12/5/2016 13:55	Late CF report (CF)	2016	2016 Fall Pre-Election		
12/5/2016 13:55	Late CF report (CF)	2016	2016 July Continuing		

12/5/2016 13:55	Late CF report (CF)	2016	2016 July Continuing
12/5/2016 13:55	Late CF report (CF)	2016	2016 July Continuing
12/5/2016 13:55	Late CF report (CF)	2016	2016 July Continuing
12/5/2016 13:55	Late CF report (CF)	2016	2016 July Continuing
12/5/2016 13:55	Late CF report (CF)	2016	2016 July Continuing
12/5/2016 13:55	Late CF report (CF)	2016	2016 July Continuing
12/5/2016 13:55	Late CF report (CF)	2016	2016 July Continuing
12/5/2016 13:57	Late CF report (CF)	2016	2016 Fall Pre-Primary
12/5/2016 13:58	Late CF report (CF)	2016	2016 Fall Pre-Election
12/5/2016 13:58	Late CF report (CF)	2016	2016 Fall Pre-Election
12/5/2016 13:58	Late CF report (CF)	2016	2016 Fall Pre-Election
12/5/2016 13:58	Late CF report (CF)	2016	2016 Fall Pre-Election
12/5/2016 13:58	Late CF report (CF)	2016	2016 July Continuing
12/5/2016 13:58	Late CF report (CF)	2016	2016 July Continuing
12/5/2016 13:58	Late CF report (CF)	2016	2016 Fall Pre-Election
12/5/2016 13:58	Late CF report (CF)	2016	2016 Fall Pre-Election
12/5/2016 13:58	Late CF report (CF)	2016	2016 Fall Pre-Election
12/5/2016 13:58	Late CF report (CF)	2016	2016 Fall Pre-Election
8/30/2017 12:08	Late CF report (CF)	2017	2017 July Continuing
8/30/2017 15:18	Late CF report (CF)	2017	2017 July Continuing
8/30/2017 15:22	Late CF report (CF)	2017	2017 July Continuing
8/30/2017 15:26	Late CF report (CF)	2017	2017 July Continuing
8/30/2017 15:29	Late CF report (CF)	2017	2017 July Continuing

8/30/2017 15:32	Late CF report (CF)	2017	2017 July Continuing
8/30/2017 15:37	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 13:27	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 13:30	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 13:34	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 13:48	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 13:50	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 13:55	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 13:59	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 14:03	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 14:05	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 14:08	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 14:11	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 14:15	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 14:17	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 14:30	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 14:33	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 14:36	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 14:39	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 15:41	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 15:44	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 15:46	Late CF report (CF)	2017	2017 July Continuing

8/31/2017 15:48	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 15:51	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 15:53	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 15:56	Late CF report (CF)	2017	2017 July Continuing
8/31/2017 15:59	Late CF report (CF)	2017	2017 July Continuing
9/6/2017 12:21	Late CF report (CF)	2017	2017 July Continuing
9/6/2017 12:24	Late CF report (CF)	2017	2017 July Continuing
9/6/2017 12:28	Late CF report (CF)	2017	2017 July Continuing
9/6/2017 12:30	Late CF report (CF)	2017	2017 July Continuing
9/6/2017 12:40	Late CF report (CF)	2017	2017 July Continuing
9/6/2017 12:49	Late CF report (CF)	2017	2017 July Continuing
9/6/2017 12:52	Late CF report (CF)	2017	2017 July Continuing
9/6/2017 12:54	Late CF report (CF)	2017	2017 July Continuing
9/6/2017 12:56	Late CF report (CF)	2017	2017 July Continuing
9/6/2017 13:00	Late CF report (CF)	2017	2017 July Continuing
9/6/2017 13:02	Late CF report (CF)	2017	2017 July Continuing
9/6/2017 13:05	Late CF report (CF)	2017	2017 July Continuing
9/6/2017 13:08	Late CF report (CF)	2017	2017 July Continuing
9/6/2017 13:11	Late CF report (CF)	2017	2017 July Continuing
9/7/2017 12:06	Late CF report (CF)	2017	2017 July Continuing
9/7/2017 14:38	Late CF report (CF)	2017	2017 July Continuing
9/18/2017 11:20	Late CF report (CF)	2017	2017 July Continuing

9/19/2017 14:51	Late CF report (CF)	2017	2017 July Continuing
9/20/2017 9:43	Late CF report (CF)	2017	2017 July Continuing
9/20/2017 9:44	Late CF report (CF)	2017	2017 July Continuing
9/20/2017 10:10	Late CF report (CF)	2017	2017 July Continuing
9/20/2017 10:45	Late CF report (CF)	2017	2017 July Continuing
10/17/2017 11:03	Late CF report (CF)	2017	2017 July Continuing
4/6/2018 12:26	Late CF report (CF)	2018	2018 January Continuing
4/10/2018 15:32	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 6:50	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 7:17	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 7:21	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 7:29	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 7:33	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 7:36	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 7:39	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 7:43	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 8:32	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 8:35	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 8:40	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 8:56	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 9:08	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 9:40	Late CF report (CF)	2018	2018 January Continuing

4/11/2018 9:43	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 9:54	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 10:25	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 10:28	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 10:31	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 10:34	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 10:37	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 10:40	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 10:43	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 10:47	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 10:50	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 10:52	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 10:58	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 11:01	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 11:03	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 11:06	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 11:09	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 11:11	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 11:13	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 11:15	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 11:17	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 11:20	Late CF report (CF)	2018	2018 January Continuing

4/11/2018 11:23	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 11:25	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 11:27	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 12:41	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 12:44	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 12:46	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 15:22	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 15:24	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 15:27	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 15:29	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 15:32	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 15:34	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 15:37	Late CF report (CF)	2018	2018 January Continuing
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4/11/2018 15:41	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 15:43	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 15:46	Late CF report (CF)	2018	2018 January Continuing
4/11/2018 15:51	Late CF report (CF)	2018	2018 January Continuing
4/17/2018 15:08	Late CF report (CF)	2018	2018 January Continuing
4/17/2018 15:10	Late CF report (CF)	2018	2018 January Continuing
8/24/2018 14:56	Late CF report (CF)	2018	2018 July Continuing
9/10/2018 10:52	Late CF report (CF)	2018	2018 July Continuing

9/10/2018 10:57	Late CF report (CF)	2018	2018 July Continuing
9/10/2018 11:01	Late CF report (CF)	2018	2018 July Continuing
9/10/2018 11:05	Late CF report (CF)	2018	2018 July Continuing
9/10/2018 11:10	Late CF report (CF)	2018	2018 July Continuing
9/10/2018 11:21	Late CF report (CF)	2018	2018 July Continuing
9/10/2018 11:25	Late CF report (CF)	2018	2018 July Continuing
9/10/2018 11:28	Late CF report (CF)	2018	2018 July Continuing
9/10/2018 11:32	Late CF report (CF)	2018	2018 July Continuing
9/10/2018 14:59	Late CF report (CF)	2018	2018 July Continuing
9/10/2018 15:43	Late CF report (CF)	2018	2018 July Continuing
9/12/2018 8:55	Late CF report (CF)	2018	2018 July Continuing
9/12/2018 8:58	Late CF report (CF)	2018	2018 July Continuing
9/18/2018 14:58	Late CF report (CF)	2018	2018 July Continuing
9/20/2018 11:53	Late CF report (CF)	2018	2018 July Continuing
10/4/2018 12:32	Late CF report (CF)	2018	2018 July Continuing
10/4/2018 12:37	Late CF report (CF)	2018	2018 July Continuing
10/4/2018 12:41	Late CF report (CF)	2018	2018 July Continuing
10/4/2018 12:49	Late CF report (CF)	2018	2018 July Continuing
10/4/2018 12:53	Late CF report (CF)	2018	2018 July Continuing
10/4/2018 12:56	Late CF report (CF)	2018	2018 July Continuing
10/4/2018 12:58	Late CF report (CF)	2018	2018 July Continuing
10/4/2018 13:00	Late CF report (CF)	2018	2018 July Continuing

10/4/2018 13:02	Late CF report (CF)	2018	2018 July Continuing
10/4/2018 13:39	Late CF report (CF)	2018	2018 July Continuing
10/4/2018 13:46	Late CF report (CF)	2018	2018 July Continuing
10/4/2018 13:53	Late CF report (CF)	2018	2018 July Continuing
10/4/2018 13:56	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 12:35	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 12:42	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 12:49	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 12:51	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 12:56	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 12:58	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 13:04	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 13:28	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 13:33	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 13:37	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 13:40	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 13:49	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 13:54	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 13:57	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 14:03	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 14:06	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 14:23	Late CF report (CF)	2018	2018 July Continuing

10/8/2018 14:26	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 14:31	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 15:21	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 15:24	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 15:28	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 15:30	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 15:32	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 15:35	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 15:39	Late CF report (CF)	2018	2018 July Continuing
10/8/2018 15:41	Late CF report (CF)	2018	2018 July Continuing
10/11/2018 10:48	Late CF report (CF)	2018	2018 July Continuing
10/12/2018 15:55	Late CF report (CF)	2018	2018 Fall Pre-Primary
10/18/2018 9:43	Late CF report (CF)	2018	2018 Fall Pre-Primary
10/18/2018 10:50	Late CF report (CF)	2018	2018 Fall Pre-Primary
10/18/2018 12:09	Late CF report (CF)	2018	2018 Fall Pre-Primary
10/18/2018 13:15	Late CF report (CF)	2018	2018 Fall Pre-Primary
10/19/2018 11:38	Late CF report (CF)	2018	2018 Fall Pre-Primary
10/19/2018 12:02	Late CF report (CF)	2018	2018 Fall Pre-Primary
3/12/2019 15:42	Late CF report (CF)	2019	2019 January Continuing
3/13/2019 8:30	Late CF report (CF)	2019	2019 January Continuing
3/13/2019 9:29	Late CF report (CF)	2019	2019 January Continuing
4/9/2019 15:56	Late CF report (CF)	2019	2018 Post-Election

Campaign Finance Standard Settlement Schedules

Late Filing of Continuing Campaign Finance Reports

(Calendar) Days Late:	First Violation:	Second or Greater Violation:
0-30	Warning	Warning
31-60	\$100	\$200
61-90	\$200	\$300
91-120	\$300	\$400
Over 120	\$500	\$500

Late Filing of Pre-Primary, Pre-Election, and Special Post-Election Reports

(Business) Days Late:	Settlement Amount:
1	\$100
2	\$150
3	\$200
4	\$250
5	\$300
6	\$350
7	\$400
8	\$450
9	\$500

Late Payment of Annual Filing Fees

(Calendar) Days Late:	Settlement Amount:
1-15	Warning
16-45	\$300
46-90	\$500
91 or more	\$800

Cash Balance Discrepancies

Calendar Days Late:	Settlement Amount:
Up to 30 days from staff contact	Warning
31+ days from staff contact	\$100 plus 10% of discrepancy

Incomplete Contribution Information

Calendar Days Late:	Settlement Amount:
Up to 30 days from staff contact	Warning
31+ days from staff contact	\$100 plus 10 percent of contributions with incomplete information

Incomplete Distribution Information

Calendar Days Late:	Settlement Amount:
Up to 30 days from staff contact	Warning
31+ days from staff contact	\$100 plus 10 percent of disbursements with incomplete information

Exceeding Contributions Limits

Violation Type:	Settlement Amount:
Receiving Excess Contribution	Amount of excess contribution
Furnishing Excess Contribution	If receiving committee forfeits full amount of excess contribution, \$0; else, case-by-case basis

Prohibited Corporate Contributions

Violation Type:	Settlement Amount:
Receiving Committee	1.5 times amount of contribution
Corporate Contributor	1.5 times amount of contribution

Prohibited Lobbyist Contributions

Violation Type:	Settlement Amount:
Receiving Committee	Return of the contribution to the lobbyist
Lobbyist Contributor	1.5 times amount of contribution, up to \$1,000

Lobbying Standard Settlement Schedules

Unauthorized Lobbying

	First Session of Unauthorized Lobbying	Subsequent Session of Unauthorized Lobbying	Aggregate Total Maximum
Lobbyist	\$100 per excess communication	\$200 per excess communication	\$1,000 per principal
Principal	\$200 per excess communication	\$400 per excess communication	\$2,000 per lobbyist

Late Payment of Lobbying Fees

Days Late	Lobbyist	Principal
1-15	Warning	Warning
16-30	\$100	\$200
31-45	\$200	\$400
46+	\$300	\$600

Late filing of semi-annual lobbying report (§13.68) – maximum penalty \$5,000.

Days Late	First Offense	Second or Greater Offense
2 business days	No penalty	Warning

3-5 days	Warning	\$50
6-15 days	Warning	\$100
16-29 days	\$50	\$250
30+ days	\$100	\$500

Late reporting of the first communication on a lobbying matter.

Late Reports	Percent of Total Effort	Forfeiture
1st Occurrence of Late Reported Interest	< 10 percent	Warning
1st Occurrence of Late Reported Interest	>= 10 percent	\$25 Per Interest
2 nd Occurrence of Late Reported Interest	< 10 percent	\$50 Per Interest
2 nd Occurrence of Late Reported Interest	>= 10 percent	\$100 Per Interest
3 rd or Greater Occurrence of Late Reported Interest	Any	\$100 Per Interest

Ethics Standard Settlement Schedule

Late Filing of Statement of Economic Interest

Type of Official	Days Late	Result
Candidate	0+	N/A – Candidate denied ballot placement
Other Official	0-15	Warning
Other Official	16+	\$100 plus \$100 every 15 days
Other Official	30	Compensation temporarily withheld per § 19.43(7)



Wisconsin Ethics Commission

Campaign Finance | Lobbying | Ethics
101 E. Wilson Street | Suite 127 | P.O. Box 7125 | Madison, WI 53707-7125
(608) 266-8123 | ethics@wi.gov | <https://ethics.wi.gov>

DATE: For the Commission Meeting on August 20, 2019

TO: Members, Wisconsin Ethics Commission

FROM: Richard Bohringer, Ethics Specialist;
Caroline M. Russell, Ethics Specialist

SUBJECT: Convenience Fees for Electronic Payments

FOR COMMISSION ACTION

1. Regarding convenience fees for electronic payments of lobbying fees:
 - a. Take no action and continue to charge a 2% convenience fee; or
 - b. Move to change the convenience fee in accordance with today's discussion.
2. Regarding convenience fees for electronic payment of campaign finance fees:
 - a. Apply a 2% convenience fee to campaign finance fee transactions;
 - b. Move to change convenience fee in accordance with today's discussion; or
 - c. Absorb any convenience fee costs for campaign finance fees.

Background

Changes to the campaign finance and lobbying statutes in 2015 Wisconsin Acts 117 and 118 allowed the Ethics Commission ("Commission") to accept electronic forms of payment for campaign finance filing fees, lobbying fees, and any other payments pursuant to the administration of the statutes that the Commission has jurisdiction over. WIS. STAT. § 11.0102(2)(a), 13.75(1r), 19.47(11). Additionally, the Commission may charge a surcharge (or convenience fee) to recover the costs associated with the electronic payments (e.g., credit card processing fees) pursuant to WIS. STAT. § 19.47(11).

At the Commission's meeting on August 23, 2016, the Commission adopted a 2% convenience fee to all transactions and directed staff to work with the State Controller's Office and Department of Administration to find out if the Commission can distinguish between convenience fees for different program areas. Staff recalls there being some discussion about charging a 2% convenience fee for lobbying fees, but absorbing the costs related to campaign finance filing fees. The official meeting materials do not note this discussion and there is no audio recording of that portion of the meeting. The Ethics Commission can charge different convenience fee rates for different program areas.

Other Agency Practices

To assist in determining if the Commission should change the convenience fee rate, staff gathered the convenience fee rates from other state agencies. From our research, we did not find any agencies with comparable budgets that charge fees.

Convenience Fee Rate

Department of Workforce Development	1%
Department of Motor Vehicles (DoT)	2%
Department of Natural Resources	2.5%
Wisconsin Court System	2.75%

I. Lobbying

Implementation of electronic payment of lobbying fees was set as first priority due to the high volume of transactions and the registration for the 2017-18 legislative session beginning on December 1, 2016. Electronic payment of lobbying fees was available in April 2017. The availability of these payment methods has been very well received by the regulated community, with approximately 70% of all lobbying fees paid electronically (credit, debit, or bank transfer) for the 2019-2020 legislative session.

As lobbying registration for the 2019-20 legislative session was the first time that lobbyists and principals were able to register for a new session with electronic payment methods available, the Commission may wish to review the 2% convenience fee rate prior to starting the process for electronic payment of campaign finance filing fees.

Lobbying Convenience Fee Collection Summary

So far in the 2019-2020 legislative session, approximately 61% of all lobbying fees were paid online via a credit/debit card (excludes payments made via bank transfer). The Commission processes monthly payments to credit card processing companies. The rate of credit card processing payments varied over each month in fiscal years 2017, 2018, and 2019 from 2.42% to 11.62%, with an overall average in FY19 of 2.735%. Fees charged to the agency vary by month based on the number of transactions, the types of cards used for payment, and the amount of each transaction. There are also monthly flat fees charged by the processing company. In months where there are few credit/debit card transactions, the percent paid in processing fees will increase due to the flat fees representing a larger proportion of the entire bill, with an overall average in FY19 of 2.735%.

	Number of Credit Card Transactions	Total Lobbying Fees Paid with Credit Card	Convenience Fees Collected (2%)	Fees Paid to Processing Companies	Fees Absorbed by Commission
FY17	53	\$17,870.00	\$114.50	\$732.68	\$618.18
FY18	169	\$47,985.00	\$957.20	\$1,552.44	\$595.24
FY19	861	\$345,752.50	\$6,892.10	\$9,455.32	\$2,563.22

Table 1

Lobbying Convenience Fee Comparison

Based on the total credit card payment processing fees charged in FY19, we can approximate possible future savings for FY21 based on a change in the convenience fee rate as outlined below in Table 2. It is difficult to approximate savings for FY20 because nearly all lobbying fees are collected in the odd numbered first year of each legislative session.

	2% (current)	2.25%	2.50%	2.75%
Convenience Fee Collected	\$6,892.10	\$7,779.43	\$8,643.81	\$9,508.19
Fees Paid to Credit Processors	\$9,455.32	\$9,455.32	\$9,455.32	\$9,455.32
Fees Absorbed	\$2,563.22	\$1,675.89	\$811.51	\$52.87 credit

Table 2

Possible Actions

Regarding convenience fees for electronic payments of lobbying fees, the Commission may:

- a. Take no action and continue to charge a 2% convenience fee;
- b. Change the convenience fee in accordance with today's discussion.

II. Campaign Finance

Campaign finance filing fees are collected from all non-candidate committees that had over \$2,500 in disbursements during the previous calendar year and are due on January 15. WIS. STAT. § 11.0102(2)(a) sets the filing fee at \$100. The Commission does not currently allow committees to pay filing fees electronically. However, staff is in the process of adding that capability and expect to be able to provide that service by December 1, 2019.

Campaign Finance Filing Fee Collection Summary

	\$100	\$300	\$500	Total Collected
CY 2016	287	9	0	\$31,400
CY 2017	274	3	0	\$28,300
CY 2018	376	4	1	\$39,400

Table 3

Campaign Finance Convenience Fee Collection Approximations

Over fiscal year 2019, 61% of all lobbying fees were paid online via a credit/debit card. Staff believes we can reasonably expect campaign finance filing fees to be completed electronically at a similar rate. For approximation purposes we will underestimate and forecast that at least 50% of campaign finance filing fees will be completed electronically.

If we use the average amount collected annually, and round to the nearest \$100 (\$33,000) collected from all campaign finance filing fees for calendar years 2016 – 2018, with an average credit card

processing rate of 2.74%, and an electronic payment rate of 50%, we can estimate convenience fees and agency absorption at different rates to be the following:

	No Fee	2%	2.25%	2.50%	2.75%
Convenience Fees Collected	\$0	\$330.00	\$371.25	\$412.50	\$453.75
Fees Paid to Credit Processors	\$451.28	\$451.28	\$451.28	\$451.28	\$451.28
Fees Absorbed	\$451.28	\$121.28	\$80.03	\$37.78	\$2.48 credit

Table 4

Possible Action

Regarding convenience fees for electronic payment of campaign finance fees, the Commission may:

- a. Apply a 2% convenience fee to campaign finance fee transactions;
- b. Apply a different convenience fee in accordance with today’s discussion; or
- c. Absorb any convenience fee costs for campaign finance fees.



Wisconsin Ethics Commission

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DATE: For the Commission Meeting on August 20, 2019

TO: Members, Wisconsin Ethics Commission

FROM: Adam Harvell, Ethics Specialist
Richard Bohringer, Ethics Specialist

SUBJECT: Campaign Finance Auditing –
Proposed Procedures for Auditing Occupation and Address Information

FOR COMMISSION ACTION

After discussion of the campaign finance audit procedures below, does the commission wish to:

1. Implement a contributor occupation audit that examines only single contributions in excess of \$200?
2. Implement an address information audit that examines all contributions and expense in excess of \$20?
3. If so, does the Commission wish to adopt the same standards used by the Government Accountability Board or use additional/different standards?
4. If the Commission wishes to implement one or both audits, does the Commission direct staff to draft a scope statement, so that the proposed audit procedures can be promulgated into an Administrative Rule prior to enforcement?
5. Does the Commission wish to direct staff to contact committees captured in the review of calendar year 2018 reports, and advise them of compliance issues, and the potential of future enforcement?

I. Occupation Audit - Background

The Ethics Commission is directed to examine campaign finance reports and conduct audits for violations of Chapter 11 by [WIS. STAT. § 19.49\(2g\)](#). Committees are required to make a “good faith effort” to obtain and provide all required information. *See* [WIS. STAT. § 11.0103\(1\)\(a\)](#).

Committees filing campaign finance reports are required to report the occupation information of any individual contributor whose contributions for the calendar year total more than \$200. *See* WIS. STATS. §§ [11.0204\(1\)\(a\)3.](#), [11.0304\(1\)\(a\)3.](#), [11.0404\(1\)\(a\)3.](#), [11.0504\(1\)\(a\)3.](#), [11.0604\(1\)\(a\)3.](#), [11.0704\(1\)\(b\)2.](#), [11.0804\(1\)\(a\)2.](#), [11.0904\(1\)\(a\)3.](#)

Wisconsin Ethics Commissioners

Mac Davis | David R. Halbrooks | Katie McCallum | Tamara Packard | Pat Strachota | Timothy Van Akkeren

Administrator

Daniel A. Carlton, Jr.

The Ethics Commission has not audited committees for compliance with the requirement to report occupation information since its formation. Prior to that, the Government Accountability Board conducted audits of occupation information, but under previous statutory requirements that called for the provision of an Occupation, the Employer Name, and the Employer Address.

Staff would like direction from the Commission on whether to conduct these audits in the future and, if so, under what standards.

II. Prior Standards for Occupation Information Audit

When auditing occupation and employer information in the past, the Government Accountability Board (“G.A.B.”) considered both the overall compliance within a report and the number of instances of missing information. The G.A.B. limited the employer/occupation audit to single contributions of \$200 or more. It also established a standard that any committee that provided more than 90% of the occupation and employer information would be presumed to be in compliance with the “good faith effort” standard. There were a few large committees with hundreds of contributions missing the required occupation information, but as long as more than 90% of the contributions had the required information, the committee was presumed to have made a good faith effort overall.

The G.A.B. also limited auditing to committees with 10 or more instances of missing information. This kept the audit to a manageable size by eliminating dozens of committees with only a few potential violations. It also made application of the “good faith effort” standard more reasonable for small committees – if a committee failed to report the occupation or employer information for one of two contributions over \$200, they would only have a 50% compliance rate, but they may well have made the required good faith effort to obtain that information.

Once contacted, committees were given a 30-day period to add missing information. Committees would also be able to let staff know if a mistake had been made – for example, a candidate contribution was incorrectly flagged because it was reported as from an “Individual” instead of “Self,” or the occupation was included in the “Comments” field but not the “Occupation” field. If the committee added missing information and was at least 90% compliant by the end of the 30-day period, no further action was taken. Committees that were less than 90% compliant at that time could still submit documentation of their efforts to obtain the required information and ask the G.A.B. to waive any settlement offer based on their efforts.

Our Sharepoint settlement tracker goes back to 2014, and there were no instances of settlements being issued for failure to provide employer information. The staff members working in campaign finance before that date do not recall any committees being issued a settlement for missing occupation/employer information.

The current Campaign Finance Standard Settlement Schedule has a section covering “Incomplete Contribution Information.” That section states the standard settlement for

missing information is \$100 plus 10 percent of the value of contributions with incomplete information.

III. Occupation Audit - Application of the Proposed Standards to 2018 Calendar Year Reporting

Data from the past calendar year may help to illustrate the practical effects of various audit standards. In 2018, there were 530 committees that accepted at least one contribution from an individual that was over \$200. 392 committees had 100% compliance – every required contribution had an occupation listed. 437 committees had at least 90% compliance.

Limiting enforcement to a certain percentage of compliance reduces the number of committees by a small amount but may affect a larger number of reported transactions – for example a committee with 6,000 contributions over \$200 and 500 instances of missing information would not have to correct any transactions. Limiting enforcement to a certain number of instances greatly reduces the number of committees contacted, while affecting relatively few reported transactions, because each committee had only a few instances of missing information.

Each column shows the total number of committees that would be contacted in an audit under each standard:

Number of Committees with:

Less than 100% compliance

At least one instance	5 or more instances	10 or more instances
138	40	16

Less than 95% compliance

At least one instance	5 or more instances	10 or more instances
105	31	14

Less than 90% compliance

At least one instance	5 or more instances	10 or more instances
93	28	12

Less than 85% compliance

At least one instance	5 or more instances	10 or more instances
86	28	9

IV. Address Information Audit - Background

Committees filing campaign finance reports are required to itemize all receipts giving the date, full name, and street address of each person who has made a contribution. *See* WIS. STATS. §§ [11.0204\(1\)\(a\)1.](#), [11.0304\(1\)\(a\)1.](#), [11.0404\(1\)\(a\)1.](#), [11.0504\(1\)\(a\)1.](#), [11.0604\(1\)\(a\)1.](#), [11.0704\(1\)\(b\)1.](#), [11.0804\(1\)\(a\)1.](#), [11.0904\(1\)\(a\)1.](#)

In addition to itemizing the contributors, each committee is required to itemize every disbursement exceeding \$20, with the name and address of the person to whom the disbursement was made, the date and specific purpose for which the disbursement was made. *See* WIS. STATS. §§ [11.0204\(1\)\(a\)8.](#), [11.0304\(1\)\(a\)8.](#), [11.0404\(1\)\(a\)8.](#), [11.0504\(1\)\(a\)8.](#), [11.0604\(1\)\(a\)8.](#), [11.0804\(1\)\(a\)8.](#), [11.0904\(1\)\(a\)8.](#)

The Ethics Commission has not audited committees for compliance with the requirement to report address information since its formation. Prior to that, the Government Accountability Board conducted audits of address information, but under previous statutory requirements that called for the complete name and address for any contribution or expenditure over \$20.

Staff would like direction from the Commission on whether to conduct these audits in the future and, if so, under what standards.

V. Prior Standards for Address Information Audit

Under the G.A.B., audits for contributor address information were conducted using generally the same standards as the occupation audit. Because each address can contain multiple fields (Address Line 1, Address Line 2, City, State, and Zip), staff applied a standard of “at least street and city” meaning that if Address Line 1 and City information were provided, an entry was counted as sufficient. Contributions that did not have at least Address Line 1 and City were considered incomplete.

Like the Employer/Occupation audit, the G.A.B. only followed up with committees with more than 10 incidents and less than 90% compliance. Committees were given 30 days to amend the reports to include missing information, and if they reached the auditing threshold within the 30 days, no further action was taken. Committees that were less than 90% compliant at that time could still submit documentation of their efforts to obtain the required information and ask the G.A.B. to waive any settlement offer based on their efforts.

Our Sharepoint settlement tracker goes back to 2014, and there were no instances of settlements being issued for failure to provide address information. The staff members working in campaign finance before that date do not recall any committees being issued a settlement for missing address information.

The current Campaign Finance Standard Settlement Schedule has a section covering “Incomplete Contribution Information.” That section states the standard settlement for missing information is \$100 plus 10 percent of the value of contributions with incomplete information.

VI. Address Information Audit - Application of the Proposed Standards to 2018 Calendar Year Reporting

Data on the past calendar year may help to illustrate the practical effects of various audit standards. In 2018, there were 923 committees, including conduits, that had at least one transaction. 454 committees had 100% compliance – every transaction had at least a street address and city listed. 813 committees had at least 90% compliance.

Limiting enforcement to a certain percentage of compliance reduces the number of committees involved by a small amount but may affect a larger number of reported transactions. Limiting enforcement to a certain number of instances greatly reduces the number of committees contacted, while affecting relatively few reported transactions, because each committee had only a few instances of missing information.

Each column below shows the total number of committees that would be contacted in an audit under each standard:

Number of Committees with:

Less than 100% compliance

At least one instance	5 or more instances	10 or more instances
323	237	144

Less than 95% compliance

At least one instance	5 or more instances	10 or more instances
57	128	90

Less than 90% compliance

At least one instance	5 or more instances	10 or more instances
110	87	63

Less than 85% compliance

At least one instance	5 or more instances	10 or more instances
79	60	41



Wisconsin Ethics Commission

Campaign Finance | Lobbying | Ethics
101 E. Wilson Street | Suite 127 | P.O. Box 7125 | Madison, WI 53707-7125
(608) 266-8123 | ethics@wi.gov | <https://ethics.wi.gov>

DATE: For the Commission Meeting on August 20, 2019

TO: Members, Wisconsin Ethics Commission

FROM: Daniel A. Carlton, Jr., Commission Administrator

SUBJECT: 2019 Annual Agency Report

FOR COMMISSION ACTION

For the 2019 Annual Agency Report, the Commission may:

1. Approve the 2019 Annual Agency Report as drafted; or
2. Suggest revisions and authorize staff to file the report once amended.

The Wisconsin Ethics Commission is required to submit an annual report containing certain information to the Governor and Chief Clerk of each house of the Legislature no later than October 15. Attached to this memo is the draft of the 2019 Annual Agency Report. The substance of the report is largely unchanged from last year's submission. However, the performance data table on page 6 has been updated to include FY 2019 performance statistics and some of the goals for the next couple of years have been revised. Additionally, the report contains summaries of the advice given by the Commission during FY 2019. The Commission's complaint process has also been updated to reflect the Commission's corrected policy concerning transmittal of unredacted complaints to respondents. Finally, technical and stylistic changes were made as appropriate.

The Commission can either approve the 2019 Annual Agency Report as drafted and direct staff to submit the report or the Commission can make changes and direct staff to submit the report once the changes are made. Because there is no meeting scheduled between this meeting and the meeting on December 3, 2019, staff will not have an opportunity to present any revisions prior to the due date.

Wisconsin Ethics Commissioners

Mac Davis | David R. Halbrooks | Katie McCallum | Tamara Packard | Pat Strachota | Timothy Van Akkeren

Administrator

Daniel A. Carlton, Jr.



State of Wisconsin
Ethics Commission

2019 Annual Agency Report

October 15, 2019

Ethics@wi.gov
<https://ethics.wi.gov>

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Introduction

The Wisconsin Ethics Commission is pleased to submit its annual report to the Governor and the chief clerk of each house of the legislature, in accordance with WIS. STAT. §§ 15.04(1)(d), 19.47(5), and 11.1304(14).

This report provides information on the performance and operations of the Commission and projects, goals, and objectives as developed for the agency budget.

This report also includes information required specifically of the Ethics Commission, as well as information provided at the Commission's discretion.

Finally, the report also includes information on matters within the Commission's jurisdiction and recommendations for legislation.

Information Required of All Agencies under WIS. STAT. § 15.04(1)(d)

Mission

The mission of the Ethics Commission is to promote and strengthen the faith and confidence of the people of Wisconsin in their government, support the operation of open and responsible government, preserve the integrity of the governmental decision-making process, and protect the rights of individuals through the administration of Wisconsin's campaign finance, lobbying, and ethics laws, and through readily available and understandable disclosure of information.

Agency Description

The Commission is comprised of six members, who serve for 5-year terms. One member is appointed by the senate majority leader; one appointed by the senate minority leader; one appointed by the speaker of the assembly; one appointed by the assembly minority leader; and two are individuals who formerly served as judges for a court of record in this state, who were elected to the positions in which they served, and who are nominated by the governor with the advice and consent of a majority of the members of the senate confirmed. A detailed description of the appointment of Commissioners is provided in WIS. STAT. § 15.62. The transition plan from the Government Accountability Board to the Ethics Commission put forth by the Department of Administration established a rotational term schedule of the Commissioners. The Commission elects a chair and vice-chair from its members by a majority vote.

The Administrator serves as the agency head and is responsible for the daily operations of the Commission. The Commission Administrator and staff are non-partisan. The agency has a staff of 4.55 GPR and 3.45 PR full-time employees. The Commission administers and enforces Wisconsin law pertaining to campaign finance (Wisconsin Chapter 11), lobbying (Wisconsin Chapter 13, Subchapter III), and the Code of Ethics (Wisconsin Chapter 19, Subchapter III). The duties of the Ethics Commission are codified in WIS. STAT. §§ 11.1304, 13.685, and 19.48.

Additional information is available on the Ethics Commission's website at <https://ethics.wi.gov> about the Commission, its members and staff, meetings and resources provided to the public.

Commission activities are arranged by five general functions:

1. General administration;
2. Assistance to state public officials, candidates, lobbyists, principals, political committees and officeholders;
3. Assistance to local governments;
4. Education and training; and
5. Enforcement.

Within these functional areas, the Commission develops policy, issues formal and informal opinions, promulgates administrative rules, prescribes procedures and forms, audits disclosure reports, carries out investigations, conducts hearings and reviews appeals, brings civil actions to assess forfeitures, and performs related activities.

The Commission has four general program areas which are described below:

Campaign Finance

Wisconsin campaign finance law requires candidates for state public office, political action committees, referenda committees, and independent expenditure committees to register with the Commission, disclose campaign receipts and disbursements, and abide by certain contribution limits and prohibitions. The Commission is responsible for auditing campaign finance reports and enforcing registration and reporting requirements along with limits on the source and amount of campaign funding. Information is available to the public on the Commission's website: <http://ethics.wi.gov/campaign-finance>, and through <https://cfis.wi.gov>.

Lobbying

Wisconsin lobbying law regulates registration of businesses, organizations, and individuals that attempt to influence government decisions. Registrants must identify who lobbies on their behalf, issues in which they have an interest, and provide other information, all available to the public on the Commission's website: <https://ethics.wi.gov/Pages/Lobbying/LobbyingOverview.aspx>, and <https://lobbying.wi.gov>.

Ethics

The Commission fosters ethical conduct of public officials by advising them about ethics laws and providing information about officials' financial interests to identify any potential conflicts of interest. State public officials file annual Statements of Economic Interests with the Commission, and the trustees and staff of the State of Wisconsin Investment Board file quarterly reports. Information regarding the Commission's ethics-related activities is available to the public on the Commission's website: <https://sei.wi.gov>

State Purchasing

The Contract Sunshine program is mandated by the Legislature to allow the public to view the process state agencies use to procure goods and services from vendors. Additional information about the program is available on the Commission's website:

<https://ethics.wi.gov/Pages/Ethics/ContractSunshine.aspx>.

Statutory Duties of the Ethics Commission and the Agency's Compliance

The table in Appendix A outlines the statutory duties of the Wisconsin Ethics Commission, as well as provides a summary of the agency's compliance with those requirements or any unresolved issues related to those duties.

Programs, Goals, Objectives, and Activities

Program 1: Ethics, Campaign Finance, and Lobbying Regulation

A. Goal: Facilitate compliance with the requirements of Wisconsin's campaign finance, lobbying, and ethics laws.

A-1. Objective/Activity: Provide training, educational materials, and assistance to the regulated community and the public, focusing on applicable registration and reporting requirements.

A-2. Objective/Activity: Conduct timely audits of registration and report information, consistent with statutory requirements.

A-3. Objective/Activity: Provide informal and formal advisory opinions, as well as informal guidance, in a timely manner whenever requested to do so.

B. Goal: Support the operation of open and responsible government, and preserve the integrity of governmental decision-making, and protect the rights of individuals.

B-1. Objective/Activity: Promptly make reported campaign finance, lobbying, and financial disclosure information publicly available.

B-2. Objective/Activity: Maintain the Wisconsin Campaign Finance Information System (CFIS), Eye On Lobbying website, and Statements of Economic Interests website in order to facilitate the registration and reporting requirements under applicable Wisconsin Statutes, as well as making the disclosure of reported information readily accessible and understandable.

B-3. Objective/Activity: Investigate complaints of possible violations of the ethics code, lobbying law, and campaign finance law and seek appropriate remedies as circumstances merit.

Performance Measures, Goals, and Performance

The table below includes the new performance measures established by the Wisconsin Ethics Commission in 2019. The Commission's next annual report will include actual measured performance relative to these goals.

Performance Measure (by Fiscal Year)	Goal 2019	Actual 2019	Goal 2020	Goal 2021
Campaign finance registrations created/amended electronically ¹	N/A	N/A	N/A	N/A
Campaign finance reports filed electronically ²	N/A	N/A	N/A	N/A
Campaign finance reports filed on/before the required date	92%	94%	95%	96%
Percentage of committees in compliance, based on audit findings	90%	95.6%	93%	95%
Lobbying fees received by electronic payment methods	50%	71%	75%	75%
Lobbyist time reports completed on/before the required date	99%	99.9%	99%	99%
Principals completing their Statements of Lobbying Activities and Expenditures on/before the required date	99%	99.3%	99%	99%
Percentage of principals in compliance, based on audit findings	99%	96.7%	99%	99%
Required SEIs filed on or before the required date	96%	92%	95%	96%
Statements of Economic Interest filed electronically	90%	92%	93%	95%

¹ Campaign finance registration forms are prescribed by the Commission to be electronic, with few exceptions when technical difficulties were present.

² This performance measure is no longer applicable to the Ethics Commission, as [WIS. STAT. § 11.1304](#) requires all committees that file with the Commission to file electronically.

Information the Ethics Commission is required to Report under WIS. STAT. § 19.47(5)

Statutory Duties of the Administrator and Compliance with Each Duty

1. 19.46(2)(a)4. *At each regular meeting of the Commission, the Commission administrator shall review informal advisory opinions requested of and issued by the administrator and that relate to recurring issues or issues of first impression for which no formal advisory opinion has been issued.*

The Administrator includes an agenda item for requests for advice on every closed session meeting agenda to present the information required under this provision. The Commission first delegated the authority to the Administrator to issue informal advisory opinions at its meeting on March 7, 2017.

2. 19.47(2). *The administrator shall appoint such other personnel as he or she requires to carry out the duties of the Commission and may designate an employee of the Commission to serve as legal counsel of the Commission.*

The Administrator has designated the staff attorney to serve as legal counsel of the Commission. The Administrator also makes all other staffing decisions for the Commission.

3. 19.47(2). *The administrator shall perform such duties as the Commission assigns to him or her in the administration of ch. 11, subch. III of ch. 13, and this subchapter.*

The Commission has approved the Administrator's position description and can decide to review the Administrator's performance at any time.

4. 19.47(2). *Neither the Commission nor any member or employee of the Commission, including the Commission administrator, may file a sworn complaint for purposes of this subsection.*

The Administrator is responsible for reviewing all complaints received by the Commission and does not file complaints, nor accept them from Commissioners or staff.

5. 19.49(2)(b)4. *If the Commission authorizes the administrator to investigate any matter without retaining a special investigator, the administrator shall make periodic reports to the Commission, as directed by the Commission, but in no case may the reporting interval exceed 30 days.*

The Commission and the Administrator are aware of this requirement and include it in the Commission's adopted complaints and investigations procedures. The Commission has complied with this requirement when applicable.

6. 19.49(2)(b)4. *During the pendency of any investigation, the Commission shall meet for the purpose of reviewing the progress of the investigation at least once every 90 days. The special investigator or the administrator shall report in person to the Commission at that meeting concerning the progress of the investigation.*

The Commission and the Administrator are aware of this requirement and include it in the Commission's adopted complaints and investigations procedures. The Commission has complied with this requirement when applicable.

7. 19.49(2)(b)4. *Unless an investigation is terminated by the Commission, at the conclusion of each investigation, the administrator shall present to the Commission one of the following:*
 - a. *A recommendation to make a finding that probable cause exists to believe that one or more violations under subd. 1. have occurred or are occurring, together with a recommended course of action.*
 - b. *A recommendation for further investigation of the matter together with facts supporting that course of action.*
 - c. *A recommendation to terminate the investigation due to lack of sufficient evidence to indicate that a violation under subd. 1. has occurred or is occurring.*

The Commission and the Administrator are aware of this requirement and include it in the Commission's adopted complaints and investigations procedures. The Commission has complied with this requirement when applicable.

8. 19.49(2)(b)5.a. *If the Commission finds that there is probable cause to believe that a violation under subd. 1. has occurred or is occurring, the Commission may authorize the administrator to file a civil complaint against the alleged violator.*

The Commission and the Administrator are aware of this requirement and include it in the Commission's adopted complaints and investigations procedures. The Commission has complied with this requirement when applicable.

9. 19.49(2)(b)5.a. *In such case, the administrator may request the assistance of special counsel to prosecute any action brought by the Commission. If the administrator requests the assistance of special counsel with respect to any matter, the administrator shall submit to the Commission the names of 3 qualified individuals to serve as special counsel. The Commission may retain one of the individuals to act as special counsel.*

The Commission and the Administrator are aware of this requirement and include it in the Commission's adopted complaints and investigations procedures. The Commission has complied with this requirement when applicable.

10. 19.49(2)(b)10. *The commission shall, by rule, prescribe categories of civil offenses which the commission will agree to compromise and settle without a formal investigation upon payment of specified amounts by the alleged offender. The Commission may authorize the administrator to compromise and settle such alleged offenses in the name of the Commission if the alleged offenses by an offender, in the aggregate, do not involve payment of more than \$2,500.*

The Commission is in the process of promulgating the necessary administrative rule but has not authorized the Administrator to settle any alleged offenses.

11. 19.49(2)(b)11. *If a special investigator or the administrator, in the course of an investigation authorized by the Commission, discovers evidence that a violation under subd. 1. that was not within the scope of the authorized investigation has occurred or is occurring, the special investigator or the administrator may present that evidence to the Commission. If the Commission finds that there is a reasonable suspicion that a violation under subd. 1. that is not within the scope of the authorized investigation has occurred or is occurring, the Commission may authorize the special investigator or the administrator to investigate the alleged violation or may elect to authorize a separate investigation of the alleged violation as provided in subd. 3.*

The Commission and the Administrator are aware of this requirement and include it in the Commission's adopted complaints and investigations procedures. The Commission has complied with this requirement when applicable.

12. 19.49(2)(b)12. *If a special investigator or the administrator, in the course of an investigation authorized by the Commission, discovers evidence of a potential violation of a law that is not administered by the Commission arising from or in relation to the official functions of the subject of the investigation or any matter that involves campaign finance, ethics, or lobbying regulation, the special investigator or the administrator may present that evidence to the Commission. The Commission may thereupon refer the matter to the appropriate district attorney specified in subd. 9. or may refer the matter to the attorney general. The attorney general may then commence a civil or criminal prosecution relating to the matter.*

The Commission and the Administrator are aware of this requirement and include it in the Commission's adopted complaints and investigations procedures. The Commission has complied with this requirement when applicable.

Duties of All Individuals Employed by the Ethics Commission

Staff Counsel

Under the general supervision of the Administrator of the Wisconsin Ethics Commission, this position is responsible for providing legal advice on the application of campaign finance, election administration, ethics, and lobbying laws to the Commission and its staff along with authoritative and timely advice and information to political registrants, state public officials, county and local corporate counsels, district attorneys, and the public. This position is responsible for preparing legal opinions, enforcement orders, and administrative rules to implement agency policy and authority. This person is responsible for agency investigation and enforcement of campaign finance, ethics, and lobbying law violations. The individual in this position responds to questions involving complex application of statutes and administrative code in order to promote compliance with applicable laws. The individual in this position conducts policy and legal analysis related to the administration of Wisconsin's campaign finance, election administration, lobbying, and ethics laws, and reviews applicable court decisions for potential impact on the Commission's responsibilities.

This position receives and responds to requests for information and requires the judgment necessary to discern what information may or may not be released to the public. Due to the nature of the responsibilities of the Ethics Commission, this position works with and is privy to statutorily confidential information. Therefore, this position requires an increased level of professionalism and the maintenance of confidentiality in order to preserve the public trust in the efforts of the Commission. Wisconsin Ethics Commission staff members are required to be non-partisan, in accordance with WIS. STAT. § 19.47(10). The individual in this position must also possess a law degree from an accredited law school and be eligible to be licensed to practice law in the State of Wisconsin.

Major duties and responsibilities of the Staff Counsel and the approximate allocation of effort include the following:

- A. Provide legal advice to the Commission and staff, along with authoritative and timely advice and information on the application of laws, rules, and regulations under the agency's jurisdiction to political registrants, state public officials, county and local corporate counsels, district attorneys, and the public (40%);
- B. Investigate alleged violations of campaign finance, ethics, and lobby law (25%);
- C. Represent the agency in election related matters, civil forfeiture actions, and provide litigation support on behalf of the agency (15%);
- D. Provide general legal services for the agency (5%);
- E. Implement administrative rule making authority and responsibilities of agency. (5%);
- F. Provide legislative support services for the agency (5%); and,
- G. Perform all other duties as assigned by the Administrator (5%).

Office Management Specialist

Under the general supervision of the Administrator of the Wisconsin Ethics Commission, this position provides a wide variety of support for Commission operations. This position manages the day-to-day administrative support operations of the Commission's campaign finance, lobbying, and ethics reporting programs; assists the Administrator with budget development and management; provides forms and records management; serves as the Commission's purchasing and printing agent; conducts liaison activities for the Commission on personnel management matters; provides fiscal accounting support; and prepares special reports and analyses for the Administrator.

The position reports the success of the program's policies and procedures to the Administrator and the Commissioners on a regular basis, and directs staff to develop and implement more effective, efficient ways to achieve the program's goals. This position receives and responds to requests for information and requires the judgment necessary to discern what information may or may not be released to the public. Due to the nature of the responsibilities of the Ethics Commission, this position works with and is privy to statutorily confidential information. Therefore, this position requires an increased level of professionalism and the maintenance of confidentiality in order to preserve the public trust in the efforts of the Commission. Wisconsin Ethics Commission staff members are required to be non-partisan, in accordance with WIS. STAT. § 19.47(10).

Major duties and responsibilities of the Office Management Specialist and the approximate allocation of effort include the following:

- A. Operational and Administrative Management of Commission Programs (35%);
- B. Budget, Financial, and Purchasing Activities (25%);
- C. Records Management (20%);
- D. Personnel Management Support (10%); and,
- E. Perform all other duties as assigned by the Administrator (10%).

Ethics Specialists

Five positions under the Ethics Commission are classified as Ethics Specialists. Ethics Specialists' responsibilities are related to all program areas: campaign finance, the lobbying law, and the Code of Ethics. Entry and senior level Ethics Specialists share similar position descriptions, with slightly different allocations of effort, duties and responsibilities.

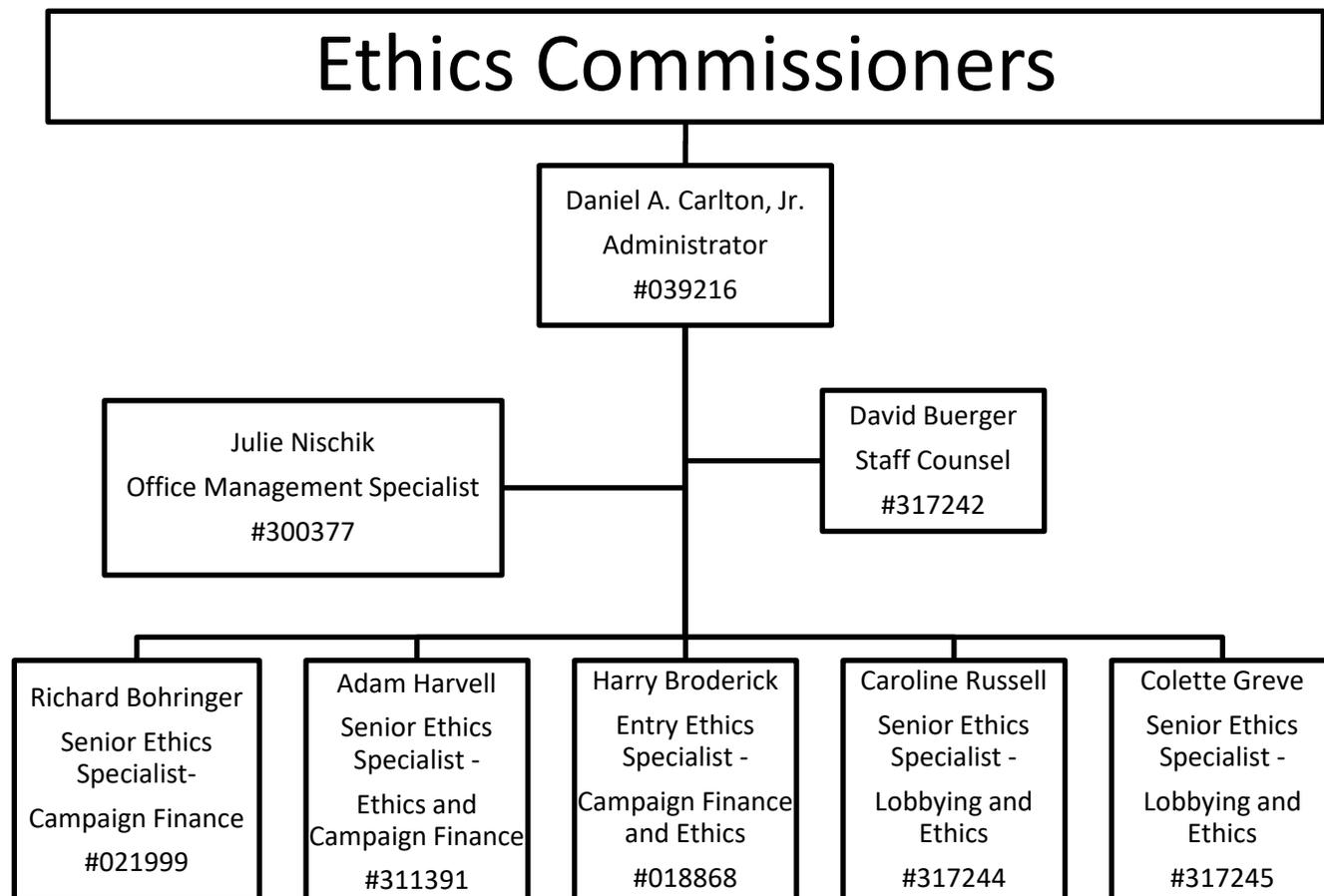
Under the general supervision of the Administrator of the Wisconsin Ethics Commission, these positions provide operational execution of the Wisconsin Ethics Commission's statutory responsibilities, and ensuring compliance with Wisconsin's campaign finance, lobbying, financial disclosure, and ethics laws. The individuals in these positions must be able to respond to questions involving complex application of statutes and administrative code, and assist individuals and organizations to comply with registration, licensing, and reporting requirements. The individuals in these positions conduct policy and legal analysis related to the administration of Wisconsin's campaign finance, lobbying and ethics laws, and review applicable court decisions for potential impact on the Commission's responsibilities. These positions report to the Administrator and the Commissioners on a regular basis the success of programs, policies, and procedures, and develop and implement more effective, efficient ways to achieve program goals.

These positions receive and respond to requests for information and require the judgment necessary to discern what information may or may not be released to the public. Due to the nature of the responsibilities of the Ethics Commission, these positions work with and are privy to statutorily confidential information. Therefore, these positions require an increased level of professionalism and the maintenance of confidentiality in order to preserve the public trust in the efforts of the Commission. Wisconsin Ethics Commission staff members are required to be non-partisan, in accordance with WIS. STAT. § 19.47(10).

Major duties and responsibilities of Ethics Specialists include the following:

- A. Campaign Finance;
- B. Lobbying;
- C. State of Wisconsin Code of Ethics;
- D. Policy and Legal Analysis; and,
- E. Perform all other duties as assigned by the Administrator.

Organizational Chart



Recommendations for Potential Legislation

These recommendations have been collected from staff experiences through administering the laws; comments from legislators, committees, lobbyists, principals, and state officials; and from public testimony at agency and legislative hearings. The Ethics Commission asks that the Legislature consider addressing the issues outlined below through legislation. The Ethics Commission approved these recommendations at its meeting on August 20, 2019. Commission staff is available to assist Legislators and their staff regarding any of the potential changes addressed in this memorandum, as well as any other potential changes to the statutes that the Commission administers.

2016 & 2017 Recommendations for Potential Legislation

In 2016, the Ethics Commission adopted 23 recommendations for potential legislation. In 2017, the Commission adopted 7 more recommendations. The full text of those recommendations is available in both of the Ethics Commission's Annual Agency Reports for 2017 and 2018 which are available on the Commission's website.

2018 Recommendations for Potential Legislation

In its 2018 Annual Report, the Commission included one additional legislative recommendation, which is summarized below.

Campaign Finance (Chapter 11, Wisconsin Statutes)

In response to RA-2018-001, regarding the use of cryptocurrencies for campaign contributions and disbursements, the Ethics Commission decided to exercise the option granted by WIS. STAT. § 19.46(2)(c)(4) to refer the matter to the standing legislative oversight committees. On May 4, 2018, the Commission sent letters to the Senate Committee on Elections and Local Government and the Assembly Committee on Constitution and Ethics detailing the Commission's concerns on this matter. Appendix L contains this letter.

2019 Recommendations for Potential Legislation

At its meeting on December 11, 2018, the Commission directed staff to work with the Legislative Reference Bureau to exercise the agency's drafting privileges regarding the legislative recommendations to date. In calendar year 2019 to date, the Commission has added two additional legislative recommendations.

Lobbying (Subchapter III, Chapter 13, Wisconsin Statutes)

The Commission inherited Guideline 1235 from its predecessors. This Guideline addresses recommendations concerning the disposition of items that a covered official may receive but is not allowed by law to accept. The Guideline provides that the official may take one of the following actions:

- Turn the item over to the agency, if the item is one the agency can use or sell;
- Turn the item over to another state agency or to a public institution, such as a local school, library, or museum that can use the item;
- Donate the item to a charitable organization (other than one with which the official or a family member is an officer, director, or agent);
- Return the item to the donor; or
- If the donor is neither a lobbyist nor an organization that employs a lobbyist, purchase the item (by paying the donor the full retail value), and retain it.

2018 Act 369 requires guidance documents that the Commission issues or maintains to have a certification attesting that the document does not have any standard, requirement, or threshold that is not explicitly required or explicitly permitted by a statute or rule. While WIS. STAT. § 19.56(4) contains a statutory provision that is similar in nature to Guideline 1235, that Guideline has historically been more broadly applied by the Commission and its predecessors than contemplated by WIS. STAT. § 19.56(4). The Commission has recommended that this longstanding practice be codified.

The other new legislative recommendation in the area of lobbying concerns receipt of food, drink and other items from lobbyists or principals. WIS. STAT. § 13.625 contains a broad prohibition on a lobbyist or principal giving, and state public officials accepting, anything of value. There is a statutory exception that allows a state public official to accept from a principal "transportation, lodging, food, meals, beverages, or any other thing of pecuniary value which is also made available to the general public."

The Commission inherited Guideline 1211, which addresses what state public officials may accept and retain. This Guideline advises that a state public official may accept from anyone, even a lobbyist or principal, food and drink at an event conducive to the discussion of state governmental processes, proposals, and issues if he or she pays the highest of the price charged others, the food or drink’s true value, or the sponsor’s cost. The source of this policy statement is a direction to staff that is reflected in minutes of the Ethics Board meeting on March 8, 1995, advising staff not to interpret and apply the lobbying law to prohibit receipt of these items from a lobbyist or principal. However, there is limited basis in statute to support this interpretation. As with the previous legislative recommendation, there is insufficient statutory basis for the Commission to certify a revision of this Guideline, as required by 2018 Act 369, that includes reference to this practice. Since this practice has been in effect since at least 1995, the Commission has recommended that a narrow statutory exception be created to expressly allow the acceptance of food and beverage from a lobbyist or principal at events that are conducive to the discussion of state governmental processes, proposals, and issues. The state public official could accept the food or beverage if he or she pays the highest of either the actual cost incurred by the lobbyist or principal or the cost of admission to the event. The Commission also recommended that a state public official be allowed to attend such an event at no cost if he or she does not eat or drink and there is no discreet cost of admission.

Determinations and Advisory Opinions Issued Under WIS. STAT. § 19.46(2)

The table below provides a summary of requests for advisory opinions the Commission has received during fiscal year 2019, between July 1, 2018, and June 30, 2019. Below each request is a summary of the Commission’s determinations and any advisory opinion issued related to that request, where applicable.

Request #	Description	Type
2019-ETH-01	Service on a Board of Directors	Formal Opinion
<p>It is the opinion of the Commission that a state public official may serve on a board of directors. The official is advised that the official is “associated” with the board and, therefore, must avoid specific conflicts of interest by not participating in discussion, deliberations, or votes regarding the entity. The official is specifically advised to refrain from acceptance of anything of value if the entity has a matter pending before the official’s agency and is cautioned against using confidential information learned as a public official to the benefit of the entity and others. Finally, the official is advised that the official cannot use, or attempt to use, the official’s position to secure unlawful benefits, advantages, or privileges personally or for others.</p>		

Request #	Description	Type
RA-2018-014	Acceptance of Travel Expenses from a Lobbying Principal	Informal Opinion
<p>It is the opinion of the Commission that:</p> <ol style="list-style-type: none"> 1. The lobbying law would allow a state public official that serves as a volunteer committee leader to accept reimbursement for certain travel expenses and tokens of appreciation from a lobbying principal if offered to all other volunteer committee leaders and the state public official did not receive any preferential notice or other advantage. 2. The code of ethics for state public officials would allow the state public official to accept travel expenses and tokens of appreciation because they appear to have been given due to the official's service on a committee and are, therefore, given for reasons unrelated to holding a state public office. However, the state public official was advised that, if there were matters relating to the lobbying principal pending before the official in his/her capacity, the official may be prohibited from accepting the travel expenses and tokens of appreciation. 		
RA-2018-015	Application of 50 Piece Rule to Certain Agency Materials	Informal Opinion
<p>It is the opinion of the Commission that the 50 piece rule does not apply to a state agency as by its terms the rule only applies to persons elected to state or local office who become a candidate for national, state, or local office. To the extent that the publication is controlled by a council whose members are subject to the rule, it is the opinion of the Commission that the agency may produce and distribute more than 50 copies of the publication during the campaign period because there is a specific statutory exception for materials that are produced and distributed pursuant to a specific law, ordinance, or resolution authorizing or directing the production and distribution of those materials, and the agency is so authorized or directed by state statute to produce the materials in question.</p>		
RA-2018-016	Internet Activity as Expenditures	Informal Opinion
<p>It is the opinion of the Commission that compensation paid to a communication director who spends approximately 5% of her time posting about the organization's political endorsements and other express advocacy constitutes a disbursement for purposes of campaign finance law.</p>		
RA-2018-017	Use of Campaign Funds for Legal Expenses	Informal Opinion
<p>It is the opinion of the Commission that a candidate is permitted to use campaign funds for legal expenses where the legal expenses were incurred only as a direct result of campaign activity or official activity and would not exist otherwise. The committee must report the disbursement and should include a comment detailing the activity that led to the candidate incurring the legal expense.</p>		
RA-2018-018	Membership on a Nonprofit Board	Informal Opinion
<p>It is the opinion of the Commission that a state public official may serve on a nonprofit board. The official is advised that the official is "associated" with the board and, therefore, must avoid specific conflicts of interest by not participating in discussion, deliberations, or votes regarding the nonprofit. The official is specifically advised to refrain from acceptance of anything of value if the nonprofit has a matter pending before the official's agency and is cautioned against using confidential information learned as a public official to the benefit of the nonprofit and others. Finally, the official is advised that the official cannot use, or attempt to use, the official's position to secure unlawful benefits, advantages, or privileges personally or for others.</p>		
RA-2018-019	Inaugural Events Hosted by a Charitable Organization	Informal Opinion
<p>It is the opinion of the Commission that a candidate-elect may allow a nonprofit organization to host events surrounding the candidate-elect's inauguration. Campaign finance law allows a candidate to solicit a donation for use by a nonprofit, even if the candidate is associated with the nonprofit. Further, since the candidate-elect will pay for the candidate and/or the candidate's spouse to attend the events (which includes the cost of food and drink at the events), the candidate will not have accepted anything of value.</p>		

Request #	Description	Type
RA-2018-020	Membership on a Cooperative Board	Informal Opinion
<p>It is the opinion of the Commission that a state public official may serve on the board of directors of a cooperative. The official is advised that the official is “associated” with the board and, therefore, must avoid specific conflicts of interest by not participating in discussion, deliberations, or votes regarding the nonprofit. The official is specifically advised to refrain from acceptance of anything of value if the nonprofit has a matter pending before the official’s agency and is cautioned against using confidential information learned as a public official to the benefit of the nonprofit and others. Finally, the official is advised that the official cannot use, or attempt to use, the official’s position to secure unlawful benefits, advantages, or privileges personally or for others.</p>		
RA-2018-021	Use of Campaign Funds to Attend Conferences	Informal Opinion
<p>It is the opinion of the Commission that a candidate may use campaign funds to attend and pay expenses for conferences to the extent that those disbursements would be incurred only as a direct result of campaign or official activity and would not otherwise exist. If the candidate’s committee is on exempt status, the payment of those costs could result in loss of eligibility for exempt status if those costs exceed the \$2,000 threshold.</p>		
RA-2018-022	Payment of Certain Benefits to a Former Employee of a Lobbying Principal Assuming a State Office	Informal Opinion
<p>It is the opinion of the Wisconsin Ethics Commission that a state public official can accept and retain payment of certain employee benefits from his former employer, even though the former employer is a lobbying principal. The entitlement to those benefits accrued before the state public official left his employment and prior to becoming a state public official.</p>		
RA-2019-01	Local Public Officials Participation in Determination of a Health Insurance Carrier When Associated with a Health System	Informal Opinion
<p>It is the opinion of the Commission that neither local public official described in the request is prohibited from participation in the governing body’s discussion and ultimate decision because it is not clear that the governing body’s action would create a substantial benefit for or substantially affect the associated health system.</p>		
RA-2019-02	Applicability of Corporate Contribution Prohibition to a Conduit	Informal Opinion
<p>It is the opinion of the Commission that a conduit is not required to reimburse a corporate member’s expenditure of funds made soliciting contributions to the conduit. The corporate member could be a sponsor if it is associated with the conduit and it is listed on the conduit’s registration pursuant to WIS. STAT. § 11.0703(1)(d). Even if the corporation is not a sponsor, the statutory prohibition on corporate contributions applies only to contributions to a committee. Since there is no contribution to a committee, the prohibition does not apply, and reimbursement is not required.</p>		
RA-2019-03	Permissibility of Hosting a Legal Fellow Paid by a 501(c)(3)	Informal Opinion
<p>It is the opinion of the Commission that there is no violation of the code of ethics for state public officials in the activity described in the request. While the requesting official, or his designee, would be using his or her public position to select and use the services of the legal fellow, there is no indication that there would be any personal benefit to the requesting official or any other state public official. Further, there is no indication that any immediate family member of the requesting official or other state public official within the agency would benefit. Finally, there is no indication that the requesting official or any other state public official within the state agency is associated with the 501(c)3 partner organization, as that term is defined in WIS. STAT. § 19.42(2). Without any of these nexuses, there can be no violation of the code of ethics for state public officials.</p>		

Request #	Description	Type
RA-2019-04	Use of Public Funds/Position for a Movie Screening	Informal Opinion
<p>It is the opinion of the Commission that the requesting official's receipt of reimbursement for the DVD and screening rights for a movie, and the screenings to be hosted, are allowed by the code of ethics for state public officials. From the facts provided, it does not appear that there is any substantial benefit being received by the requesting official, his or her immediate family, or an organization with which the official is associated. Even if there is some benefit, there is an exception provided where the benefit is primarily to the state. To the extent that the requesting official has received reimbursement for the DVD and the rights to screen the movie from a legislative committee, reimbursement of those costs has been determined by that committee to be permissible as an expenditure made for the benefit of the state. It follows, then, that the official's receipt of those costs from the committee would be permissible under WIS. STAT. § 19.56(3)(c). Likewise, to the extent that the official is being provided access to venues at some discount from their usual cost, the provision of a discount to use those venues would also be permissible under that exception. Finally, to the extent that one of the events will also have cookies and light refreshment, those items are also permissible under WIS. STAT. § 19.56(3)(c).</p>		
RA-2019-05	Donation of Bibles to Legislative Districts	Informal Opinion
<p>It is the opinion of the Commission that there are no provisions in the lobbying law or code of ethics that prohibits the requesting organization and persons they are coordinating with from donating bibles to legislative districts through legislators at their Capitol offices. The lobbying law and the code of ethics only prohibit an official from accepting items for his or her personal benefit, the benefit of the official's immediate family, or the benefit of an organization with which the official is associated.</p>		
RA-2019-06	Acceptance of Tickets to a Sporting Event	Informal Opinion
<p>It is the opinion of the Commission that the Code of Ethics does not prohibit a state public official from accepting an offer to attend a sporting event where the offer is extended for reasons unrelated to the official holding or having held public office.</p>		
RA-2019-07	Circumstances Requiring Recusal	Informal Opinion
<p>It is the opinion of the Commission that an official is not generally prohibited from participating in matters before the official's board due to the positions or actions taken by a lobbying principal with which the official is associated unless the official's actions as a member of the board would have a substantial effect on a matter where the lobbying principal has a substantial financial interest or would produce a substantial benefit to the lobbying principal.</p>		
RA-2019-08	Use of Position to Provide Information Relating to Fundraising Efforts	Informal Opinion
<p>It is the opinion of the Commission that a legislator may advocate for legislation to commemorate a portion of a state highway and the official may provide information about how those who are interested can make contributions to the fundraising efforts. If allowed by legislative rules, a legislator may send information out concerning these fundraisers via his or her legislative email address. However, a legislator should not solicit contributions to the fundraising efforts from a lobbyist, principal, or a person with matters pending before you in your capacity as a legislator.</p>		
RA-2019-09	Application Approvals When Privately Interested	Informal Opinion
<p>It is the opinion of the Commission that a local public official with a child who is applying for a program administered by the official's board should not participate in the discussion or vote on his or her child's application. However, it is our understanding that there is no law that would prohibit the board from dividing the question in such a way that would permit individual board members to recuse from action regarding their immediate family. If the board wished to protect the identity of the applicants who were separated out from the larger group, the board may wish to further examine whether the board may consider these applications in closed session, pursuant to WIS. STAT. § 19.85(1).</p>		

Request #	Description	Type
RA-2019-10	Application of Lobbying Law to State Council Members	Informal Opinion
No opinion offered. The Commission advised the requestor to contact the Department of Justice for an advisory opinion addressing certain matters before the Commission could provide advice.		
RA-2019-11	Provision of Food, Beverage, and Other Items at Reception Honoring Retiring Official	Informal Opinion
It is the opinion of the Commission that a lobbying principal may provide food, beverage, programs, and other items at a reception to honor a retiring state official if the items are made available to the public.		
RA-2019-12	Applicability of Ethics Code, Lobbying Law, and SEI Requirements During Litigation Affecting Right to Office	Informal Opinion
It is the opinion of the Commission that a state public official can create a consulting business or accept employment if the position is not with a lobbyist or a principal while his/her status as an officeholder is the subject of litigation. The official is advised concerning the applicability of the lobbying laws and ethics laws and is encouraged to contact the Commission for guidance under specific circumstances as they might arise.		
RA-2019-13	Trip End Points Under WIS. STAT. § 11.1206	Informal Opinion
It is the opinion of the Commission that a state public official may begin and end a trip in different municipalities where the trip begins at the official's residence in on municipality, consists of both campaign and official business, and stops at the official's other residence another municipality for an overnight stay before returning to the first municipality for state business the next day. Until such time as the term "trip" is defined by statute or rule, the Commission will examine the totality of the circumstances surrounding the trip to determine where the beginning and ending points are located.		
RA-2019-15	Starting a Consulting Business	Informal Opinion
It is the opinion of the Commission that a state public official can create a consulting business if the official does not use his/her position or public resources to create the consulting business. The official is advised concerning the applicability of the lobbying laws and ethics laws and is encouraged to contact the Commission for guidance under specific circumstances as they might arise.		
RA-2019-16	Recall Committee Donation to Municipality	Informal Opinion
It is the opinion of the Commission that a recall committee may use its funds to make a donation to a municipality to help pay for recall election related expenses, because such a disbursement would not be a strictly personal use and would be directly related to recall activity.		
RA-2019-17	Acceptance of Offer of Private Employment	Informal Opinion
It is the opinion of the Commission that a state public official may accept an offer of employment from a private sector employer that is not a lobbying principal and where the official has not used his/her position in order to obtain the offer of employment. The official is advised that he/she should be mindful not to take official action on matters benefitting the employer and that he/she cannot represent that employer before a department while he/she is in office.		
RA-2019-18	Acceptance of Meals and Lodging	Informal Opinion
It is the opinion of the Commission that a state public official is not prohibited from accepting an unsolicited invitation to an event that includes free meals, lodging, resort facilities, and other amenities. The offeror was a high school classmate that the official has known for more than 30 years and the offeror hosted similar events for high school friends during the long-standing friendship. As such, it appears that the offer was not related to the state public official's position.		

Summary of Investigations Conducted

The Ethics Commission is required by WIS. STAT. § 19.47(5) to specify in its annual report the total number of investigations conducted by the Commission since its last annual report and include a description of the nature of each investigation, including whether the investigation

related to campaign finance, ethics, or lobbying. The required information is provided in the table below.

Case #	Nature of the Investigation	Campaign Finance?	Lobbying?	Ethics?
2018-ETH-015	Failure to report in-kind contributions and disbursements	Yes	No	No

Policies and Procedures of the Commission

Current policies and procedures adopted by the Commission are provided as appendices to this report. If the Commission makes changes to current policies or adopts new policies, those actions will be promptly reported as required under WIS. STAT. § 19.47(9)(a). All of the policies and procedures listed in the appendices to this report were approved or reapproved by the Commission at its meeting on August 20, 2019.

Appendix A: Statutory Duties and Compliance

Statute	Language	Summary
11.0102(2)(a)	Except as provided in pars. (c) and (d), each committee that is required to register under this chapter shall annually pay a filing fee of \$100 to the Commission. The Commission may accept payment under this subsection by credit card, debit card, or other electronic payment mechanism, and may charge a surcharge to that committee to recover the actual costs associated with the acceptance of that electronic payment.	The Commission collects filing fees from all committees required to register with the Commission except candidate committees, and committees that do not expend more than \$2,500 annually.
11.0103(3)(d)	The Commission shall prescribe a simplified, short form for compliance with this section by a committee treasurer who has not engaged in any financial transaction since the last date included on the treasurer's preceding report.	https://ethics.wi.gov/Pages/CampaignFinance/Forms.aspx
11.1304(1)	Prescribe forms for making the reports, statements, and notices required by this chapter. The Commission shall make the forms available free of charge on the Commission's Internet site and shall distribute or arrange for the distribution of all forms for use by other filing officers.	https://ethics.wi.gov/Pages/CampaignFinance/Forms.aspx
11.1304(2)	Upon request, transmit a form described under sub. (1), free of charge, by facsimile or by 1st class mail.	All forms are available online.
11.1304(3)(a)	Prepare and publish for the use of persons required to file reports and statements under this chapter a manual setting forth simply and concisely recommended uniform methods of bookkeeping and reporting.	https://ethics.wi.gov/Pages/CampaignFinance/CampaignFinance.aspx
11.1304(3)(b)	Prepare, publish, and revise as necessary a manual simply and concisely describing the filing and registration requirements established in this chapter in detail, as well as other major provisions of this chapter and ch. 12.	https://ethics.wi.gov/Pages/CampaignFinance/CampaignFinance.aspx
11.1304(4)	Develop a filing, coding, and cross-indexing system consonant with the purposes of this chapter.	https://cfis.wi.gov
11.1304(5)	Assign an identification number to each committee for whom the Commission acts as a filing officer under s. 11.0102 (1) and to each conduit.	CFIS assigns committee ID numbers automatically.
11.1304(6)(a)	Except as provided in par. (b), require each committee for whom the Commission serves as filing officer under s. 11.0102 (1) to file each campaign finance report that is required to be filed under this chapter in an electronic format. The Commission shall permit an authorized individual to provide at the time of filing an electronic signature, as defined ins. 137.11 (8), that is subject to a security procedure, as defined in s. 137.11 (13). The Commission shall provide complete instructions to any committee that files a report under this subsection.	Every committee that is required to file with the Commission files electronically. To sign electronically a person provides their name, ID number, password, and PIN. Committees still have the option of providing a written signature.
11.1304(6)(b)	Permit a committee that accepts contributions in a total amount or value of \$1,000 or less during a campaign period to opt out of the requirement to file a campaign finance report in an electronic format as specified in par. (a). In this paragraph, the campaign period of a candidate committee begins and ends as provided under s. 11.1103, and the campaign period of any other committee begins on January 1 of each odd-numbered year and ends on December 31 of the following year.	The Commission audits committees during each campaign period to determine if they meet the eligibility to be exempt from electronic filing of reports.

Statute	Language	Summary
11.1304(7)	Compile and maintain on an electronic system a current list of all reports and statements received by or required of and pertaining to each committee registered under this chapter.	https://campaignfinance.wi.gov
11.1304(8)	Maintain a duplicate record of any statement submitted by a political action committee under s. 11.0505 or by an independent expenditure committee under s. 11.0605 or by a person under subch. X together with the record of each candidate to whom it relates.	Information filed in CFIS and a duplicate copy is maintained electronically.
11.1304(9)	Determine whether each report or statement required to be filed under this chapter has been filed in the form and by the time prescribed by law, and whether it conforms on its face to the requirements of this chapter.	Staff conducts audits of all reports filed for compliance with Wisconsin Statutes.
11.1304(10)	Immediately send to any committee or conduit which is delinquent in filing, or which has filed otherwise than in the proper form, a notice that the committee or conduit has failed to comply with this chapter. Whenever a candidate committee has appointed an individual other than the candidate as campaign treasurer, the Commission shall send the notice to both the candidate and the treasurer of the candidate committee.	Notices are sent electronically through CFIS by staff, as required.
11.1304(11)	Receive and maintain in an orderly manner all reports and statements required to be filed with the state under the federal election campaign act. The Commission shall: (a) Preserve such reports and statements for a period of 6 years from date of receipt. (b) Compile and maintain a current list of all reports and statements pertaining to each candidate who is required to file a report or statement under the federal election campaign act. (c) Promptly compile and release for public inspection a list of all reports received from candidates for national office and from committees supporting or opposing such candidates which are required to be filed with the state under the federal election campaign act, as soon as possible after each deadline for receipt of such reports as provided by federal law.	This information is available on the Federal Elections Commission website. No reports are filed with the Ethics Commission.
11.1304(12)	Make the reports and statements filed under this chapter, including those reports and statements filed under sub. (11), available on the Commission's Internet site for public inspection and copying, commencing as soon as practicable but not later than the end of the 2nd day following the day during which they are received. No information copied from such reports and statements may be sold or utilized by any person for any commercial purpose.	Information is immediately available on https://campaignfinance.wi.gov upon being filed, with a disclaimer stating the restricted use specified in statute.
11.1304(13)	Upon the request of any person, permit copying of any report or statement described under sub. (12) by hand or by duplicating machine at cost.	The public can access reports online for free through CFIS in a PDF format.
11.1304(14)	Include in its annual report under s. 19.47 (5) compilations of any of the following in its discretion: (a) Total reported contributions, disbursements, and incurred obligations for all committees registered and reporting under this chapter during the biennium. (b) Total amounts contributed during the biennium, reported by contribution amounts as determined by the Commission, to each type of committee registered and reporting under this chapter. (c) Total amounts expended during the biennium, reported by disbursement amounts as determined by the Commission, by each type of committee registered and reporting under this chapter. (d) Total amounts expended for influencing nominations and elections whenever separate information is reported. (e) Aggregate amounts contributed by any contributors shown to have contributed more than \$100.	At the discretion of the Commission.

Statute	Language	Summary
11.1304(15)	Prepare and publish from time to time special reports comparing the various totals and categories of contributions and disbursements made with respect to preceding elections.	At the discretion of the Commission.
11.1304(16)	Make available a list of delinquents for public inspection.	The Commission publishes a list of late filers on its website after each campaign finance report filing deadline. The Commission has not yet determined a policy for how to complete this requirement for all other campaign finance reporting requirements.
11.1304(17)	Promulgate rules to administer this chapter.	http://docs.legis.wisconsin.gov/code/admin_code/eth
11.1400(6)	Any elector may file a verified petition with the Commission requesting that civil action under this chapter be brought against any person or committee. The petition shall allege such facts as are within the knowledge of the petitioner to show probable cause that a violation of this chapter has occurred.	The Commission accepts verified petitions under its complaints procedures.
11.1401(2)	Except as otherwise provided in ss. 19.49 (2) (b) 13. and 14. and (h) and 19.554, and only after the Commission has determined probable cause, all prosecutions under this section shall be conducted by the district attorney for the county where the defendant resides or, if the defendant is a nonresident, by the district attorney for the county where the violation is alleged to have occurred. For purposes of this subsection, a person other than an individual resides within a county if the person's principal place of operation is located within that county.	The Commission determines whether there is probable cause to refer criminal prosecutions to district attorneys through its complaints procedures.
13.62(4m)	"Budget bill subject" means a subject specified by the Commission that is included in the executive budget bill or bills introduced under s. 16.47.	The Commission uses the budget bill subjects specified by the Legislative Fiscal Bureau for the purpose of lobbying reporting.
13.685(1)	The Commission shall prescribe forms and instructions for preparing and filing license applications under s. 13.63 (1), registration applications under s. 13.64 and the statements required under ss. 13.68 and 13.695.	All forms and instructions are provided on the Eye on Lobbying website: https://lobbying.wi.gov
13.685(2)	The Commission shall prepare and publish a manual setting forth recommended uniform methods of accounting and reporting for use by persons who are required to provide information under s. 13.68 (4) or to file statements under s. 13.68 or 13.695	Lobbying manuals and training materials are available on the agency and Eye on Lobbying websites.
13.685(3)	The Commission shall examine each statement filed under s. 13.68.	Staff must review statements through the website before they are accepted and made public.
13.685(4)	The Commission shall, by rule, define what constitutes a "topic" for purposes of ss. 13.67 and 13.68 (1) (bn).	Ethics Administrative Rule 16.03

Statute	Language	Summary
13.685(7)	Beginning with the 3rd Tuesday following the beginning of any regular or special session of the legislature and on every Tuesday thereafter for the duration of such session, the Commission shall, from its records, submit to the chief clerk of each house of the legislature, for distribution to the legislature under s. 13.172 (2), a report of the names of lobbyists licensed under s. 13.63 and the names of officers and employees of agencies filed under s. 13.695 who were not previously reported, the names of the principals or agencies whom they represent and the general areas of legislative and administrative action which are the object of their lobbying activity. Such reports shall be incorporated into the journal of the senate and a copy filed in the office of the chief clerk of the assembly. The Commission shall also notify the chief clerk of each house that a copy of each statement which is required to be filed under ss. 13.68 and 13.695 is available upon request. Such copy shall be open to public inspection but shall not be incorporated in the journal unless the chief clerk so orders. The Commission shall include in its report under s. 15.04 (1) (d), a summary of the statements it has received under ss. 13.68 and 13.695.	The Commission automated this process within the Eye on Lobbying website by automatically generating a report with the required information and emailing it to the Chief Clerks in each house of the State Legislature.
13.695	(1) Each agency shall file with the Commission on or before January 31 and July 31 a statement which identifies the officers and employees of the agency who are paid a salary and whose regular duties include attempting to influence legislative action. The statement shall be attested by the agency head or such person's designee. Each statement shall contain the following information, which shall be current to within 30 days of the filing deadline, and cover the period since the last date covered in the previous statement: (a) The name of the agency filing the statement; (b) The name, title and salary, which is paid by the state, of each officer or employee engaged in such legislative activity, the proportionate amount of time spent on legislative activity and the general area of legislative action which the officer or employee has attempted to influence.	Agencies complete their reporting through a customized application within the Eye On Lobbying website: https://lobbying.wi.gov
13.74	(1) The Commission shall cause to have made an examination of all statements which are required to be filed with it under this subchapter and may examine any of the documents used to develop such statements. The Commission shall make official note in the file of a principal of any error or other discrepancy which the Commission discovers. The Commission shall inform the person submitting the report of the error. (2) In the discharge of its duties under this subchapter and upon notice to the party or parties being investigated, the Commission may subpoena and bring before it any person in the state and require the production of any papers, books or other records relevant to an investigation. A circuit court may by order permit the inspection and copying of the accounts and the depositor's and loan records at any financial institution as defined in s. 705.01 (3) doing business in the state to obtain evidence of any violation of this subchapter upon showing of probable cause to believe there is a violation and that such accounts and records may have a substantial relation to such violation. In the discharge of its duties, the Commission may cause the deposition of witnesses to be taken in the manner prescribed for taking depositions in civil actions in circuit court.	The Commission conducts audits of all lobbying reports consistent with its lobbying program auditing schedule: https://ethics.wi.gov/Pages/Enforcement/Audits.aspx .

Statute	Language	Summary
13.75	<p>(1g) The Commission shall charge and collect for the following purposes the following amounts: (a) Obtaining a license under s. 13.63 (1) to act on behalf of one principal, \$250, except that no fee is required for an individual who is eligible for the veterans fee waiver program under s. 45.44. (am) Obtaining a license under s. 13.63 (1) to act on behalf of 2 or more principals, \$400, except that no fee is required for an individual who is eligible for the veterans fee waiver program under s. 45.44. (b) Filing the principal registration form under s. 13.64, \$375. (c) Filing a verified statement under s. 13.621 (5), \$10. (d) Filing an authorization statement under s. 13.65, \$125. (e) Registering an interest in a legislative proposal, proposed administrative rule, budget bill subject or other topic under s. 13.67 (2), \$10, except that no fee is required for an individual who is eligible for the veterans fee waiver program under s. 45.44.</p> <p>(1r) The board [Commission] may accept payment under this section by credit card, debit card, or other electronic payment mechanism, and may charge a surcharge to recover the actual cost associated with the acceptance of that electronic payment.</p>	<p>The Commission collects lobbying fees either by paper check or through the Eye on Lobbying website. Fees may be paid on the Commission’s website by ACH, credit card or debit card. There is a 2% surcharge to recover the actual cost associated with payments made via credit card or debit card.</p>
15.04(1)(d)	<p>Biennial report. On or before October 15 of each odd-numbered year, submit to the governor and the chief clerk of each house of the legislature, for distribution to the legislature under s. 13.172 (2), a report on the performance and operations of the department or independent agency during the preceding biennium, and projecting the goals and objectives of the department or independent agency as developed for the program budget report. The secretary of administration may prescribe the format of the report and may require such other information deemed appropriate. Each department or independent agency shall provide a copy of its biennial report to legislators upon request. Any department or independent agency may issue such additional reports on its findings and recommendations as its operations require. A department or independent agency may, on or before October 15, submit an annual report prepared by it, in place of the biennial report required under this paragraph, if the submission of the annual reports is approved by the secretary of administration or is otherwise required by law.</p>	<p>19.47(5) requires the Commission to report annually the information required under 15.04(1)(d).</p>
15.06(5)	<p>FREQUENCY OF MEETINGS; PLACE. Every commission shall meet on the call of the chairperson or a majority of its members. Every commission shall maintain its offices in Madison, but may meet or hold hearings at such other locations as will best serve the citizens of this state. The elections commission and the ethics commission shall meet in person at least 4 times each year and shall conduct meetings in accordance with accepted parliamentary procedure.</p>	<p>The Commission maintains its Madison office at 101 East Wilson Street, Suite 127; the Commission holds at least four in-person meetings per year.</p>
19.43	<p>Collect Statements of Economic Interests from appointees, nominees, candidates, and continuing officials, and quarterly reports of economic transactions from Investment Board members and employees.</p>	<p>The Commission collects paper reports from Investment Board members and new candidates. All other public officials renew yearly statements of economic interests via https://sei.wi.gov</p>

Statute	Language	Summary
19.43(7)	If an official required to file fails to make a timely filing, the Commission shall promptly provide notice of the delinquency to the secretary of administration, and to the chief executive of the department of which the official's office or position is a part, or, in the case of a district attorney, to the chief executive of that department and to the county clerk of each county served by the district attorney or in the case of a municipal judge to the clerk of the municipality of which the official's office is a part, or in the case of a justice, court of appeals judge, or circuit judge, to the director of state courts. Upon such notification both the secretary of administration and the department, municipality, or director shall withhold all payments for compensation, reimbursement of expenses, and other obligations to the official until the Commission notifies the officers to whom notice of the delinquency was provided that the official has complied with this section.	This requirement is addressed within the Commission's settlement schedule for late SEI filings: https://ethics.wi.gov/Pages/Enforcement/SettlementSchedules.aspx .
19.46(2)(a)	These provisions allow the Commission to issue formal or informal opinions on propriety of actions under Chapters 11, subchapter III of Chapter 13, subchapter III of Chapter 19. The opinions must site supported by specific legal authority under a statute or other law, or by specific case or common law authority, and shall include a citation to each statute or other law and each case or common law authority upon which the opinion is based, and shall specifically articulate or explain which parts of the cited authority are relevant to the Commission's conclusion and why they are relevant.	The Commission complies with these requirements regarding any requested or issued any formal or informal advisory opinions. Additional information about requests for advice is available in a separate section of this report.
19.46(2)(b)	<p>1. The Commission may authorize the Commission administrator or his or her designee to issue an informal written advisory opinion or transmit an informal advisory opinion electronically on behalf of the Commission, subject to such limitations as the Commission deems appropriate. Every informal advisory opinion shall be consistent with applicable formal advisory opinions issued by the Commission, statute or other law, and case law.</p> <p>2. Any individual may request in writing, electronically, or by telephone an informal advisory opinion from the Commission under this paragraph. The Commission's designee shall provide a written response, a written reference to an applicable statute or law, or a written reference to a formal advisory opinion of the Commission to the individual, or shall refer the request to the Commission for review and the issuance of a formal advisory opinion.</p> <p>3. Any person receiving an informal advisory opinion under this paragraph may, at any time, request a formal advisory opinion from the Commission on the same matter.</p> <p>19.46(2)(a)4 requires the administrator to review informal advisory opinions requested of and issued by the administrator at each regular meeting of the Commission.</p>	The Commission authorized the Administrator to issue informal advisory opinions on its behalf at its meeting on March 7, 2017. Since that authority was delegated, the Administrator has reported informal advisory opinions issued at the next regularly scheduled meeting of the Commission in accordance with this section of the statutes.
19.47(1)	OFFICE. The office of the Commission shall be in Madison, but the Commission may, after proper public notice and in compliance with subch. V, meet or exercise any of its powers at any other place in the state.	The Ethics Commission office is currently located in Madison. The staff has also researched the cost of meeting or exercising any of its powers at any other place in the state.

Statute	Language	Summary
19.47(2)	ADMINISTRATOR. The Commission shall appoint an administrator in the manner provided under s. 15.62 (1) (b). The administrator shall be outside the classified service. The administrator shall appoint such other personnel as he or she requires to carry out the duties of the Commission and may designate an employee of the Commission to serve as legal counsel of the Commission. The administrator shall perform such duties as the Commission assigns to him or her in the administration of ch. 11, subch. III of ch. 13, and this subchapter.	The Ethics Commission appointed Daniel A. Carlton, Jr., to serve as the Commission Administrator. David Buerger is serving as the legal counsel for the Commission.
19.47(3)	Statements of economic interests. All members and employees of the Commission shall file statements of economic interests with the Commission.	All members and employees of the Commission have a current SEI on file.
19.47(4)	ACTION. Any action by the Commission, except an action relating to procedure of the Commission, requires the affirmative vote of at least two-thirds of its members.	The Commission complies with this requirement at each meeting.
19.47(5)	Annual report. The Commission shall submit an annual report under s. 15.04 (1) (d) and shall include in its annual report the names and duties of all individuals employed by the Commission and a summary of its determinations and advisory opinions issued under s. 19.46 (2). Except as authorized or required under s. 19.55 (4) (b), the Commission shall make sufficient alterations in the summaries to prevent disclosing the identities of individuals or organizations involved in the decisions or opinions. The Commission shall identify in its report the statutory duties of the administrator of the Commission, together with a description of the manner in which those duties are being fulfilled. Notwithstanding ss. 19.50 and 19.55 (3), the Commission shall also specify in its report the total number of investigations conducted by the Commission since the last annual report and a description of the nature of each investigation, including whether the investigation related to campaign finance, ethics, or lobbying. The Commission may also include in its annual report any information compiled under s. 11.1304 (14). The Commission shall make such further reports on the matters within its jurisdiction and such recommendations for legislation as it deems appropriate.	Reports are due annually no later than October 15 of each year, per 15.04(1)(d). The Commission will submit reports annually that cover each fiscal year.
19.47(6)	OPERATION. The joint committee on legislative organization shall be advisory to the Commission on all matters relating to operation of the Commission.	No action required.
19.47(7)	GUIDANCE FOLLOWING BINDING COURT DECISIONS. Within 2 months following the publication of a decision of a state or federal court that is binding on the Commission and this state, the Commission shall issue updated guidance or formal advisory opinions, commence the rule-making procedure to revise administrative rules promulgated by the Commission, or request an opinion from the attorney general on the applicability of the court decision.	The Commission will comply with this requirement when it becomes applicable.
19.47(8)	STANDING. The Commission has standing to commence or intervene in any civil action or proceeding for the purpose of enforcing the laws regulating campaign finance, ethics, or lobbying or ensuring their proper administration.	No action required.
19.47(9)(a)	Annually, the Commission shall adopt written policies and procedures in order to govern its internal operations and management and shall annually report such policies and procedures to the appropriate standing committees of the legislature under s. 13.172 (3).	Policies and procedures adopted by the Commission are included in the annual report and are annually adopted with the approval of this report.

Statute	Language	Summary
19.47(9)(b)	Notwithstanding par. (a), the Commission may reconsider at any time any policy or procedure adopted as provided under par. (a). If, upon reconsideration, the Commission revises a previously reported policy or procedure, the Commission shall report the revision to the appropriate standing committees of the legislature under s. 13.172 (3).	13.172(3) directs the Commission to submit reports to the chief clerks in each Legislative house. The Commission complies where this is applicable.
19.47(9)(c)	The Commission may reconsider at any time any written directives or written guidance provided to the general public or to any person subject to the provisions of ch. 11, subch. III of ch. 13, and this subchapter with regard to the enforcement and administration of those provisions.	The Commission is aware of this and will exercise its discretion to do so where appropriate.
19.47(10)	EMPLOYEES. All employees of the Commission shall be nonpartisan.	The Commission adopted a nonpartisan staff policy, which is included with this annual report.
19.47(11)	PAYMENTS. The Commission may accept payment by credit card, debit card, or other electronic payment mechanism for any amounts owed pursuant to the administration of ch. 11, subch. III of ch. 13, or this subchapter, and may charge a surcharge to the payer to recover charges associated with the acceptance of that electronic payment.	The Commission directed staff to implement offering electronic payment for all transactions, to charge a convenience fee for the lobbying program, but absorb the surcharge for all other transactions.
19.48(1)	Promulgate rules necessary to carry out ch. 11, subch. III of ch. 13, and this subchapter. The Commission shall give prompt notice of the contents of its rules to state public officials who will be affected thereby.	https://docs.legis.wisconsin.gov/code/ad_min_code/eth
19.48(2)	Prescribe and make available forms for use under ch. 11, subch. III of ch. 13, and this subchapter, including the forms specified in s. 13.685 (1).	All required forms are available electronically on the Commission's websites.
19.48(3)	Accept and file any information related to the purposes of ch. 11, subch. III of ch. 13, and this subchapter which is voluntarily supplied by any person in addition to the information required by this subchapter.	The Commission complies with this requirement.

Statute	Language	Summary
19.48(4)	Preserve the statements of economic interests filed with it for a period of 6 years from the date of receipt in such form, including microfilming, optical imaging or electronic formatting, as will facilitate document retention, except that: (a) Upon the expiration of 3 years after an individual ceases to be a state public official the Commission shall, unless the former state public official otherwise requests, destroy any statement of economic interests filed by him or her and any copies thereof in its possession. (b) Upon the expiration of 3 years after any election at which a candidate for state public office was not elected, the Commission shall destroy any statements of economic interests filed by him or her as a candidate for state public office and any copies thereof in the Commission's possession, unless the individual continues to hold another position for which he or she is required to file a statement, or unless the individual otherwise requests. (c) Upon the expiration of 3 years from the action of the senate upon a nomination for state public office at which the senate refused to consent to the appointment of the nominee, the Commission shall destroy any statements of economic interests filed by him or her as a nominee and any copies thereof in the Commission's possession, unless the individual continues to hold another position for which he or she is required to file a statement, or unless the nominee otherwise requests. This paragraph does not apply to any individual who is appointed to state public office under s. 17.20 (2).	The Commission complies with this requirement and applicable records disposition authorizations.
19.48(5)	Except as provided in s. 19.55 (2) (c), make statements of economic interests filed with the Commission available for public inspection and copying during regular office hours and make copying facilities available at a charge not to exceed actual cost.	SEIs are available for public inspection in accordance with this provision, and copies available, consistent with the agency's public records request policy.
19.48(6)	Compile and maintain an index to all the statements of economic interests currently on file with the Commission to facilitate public access to such statements of economic interests.	The Commission maintains an indexed archive of paper records filed, as well as an electronic database for maintaining reported information and preparing pre-populated forms for filers' upcoming reports.
19.48(7)	Prepare and publish special reports and technical studies to further the purposes of ch. 11, subch. III of ch. 13, and this subchapter.	At the discretion of the Commission.
19.48(8)	Report the full name and address of any individual and the full name and address of any person represented by an individual seeking to copy or obtain information from a statement of economic interests in writing to the individual who filed it, as soon as possible.	The Commission complies with this requirement as applicable.
19.48(9)	Administer programs to explain and interpret ch. 11, subch. III of ch. 13, and this subchapter for state public officials, and for elective state officials, candidates for state public office, legislative officials, agency officials, lobbyists, as defined in s. 13.62, local public officials, corporation counsels and attorneys for local governmental units. The programs shall provide advice regarding appropriate ethical and lobbying practices, with special emphasis on public interest lobbying. The Commission may delegate creation and implementation of any such program to a group representing the public interest. The Commission may charge a fee to participants in any such program.	Staff creates and maintains training manuals, FAQ documents, presentations, seminars, training sessions, webinar events, and other instructional programs that help explain and interpret the statutes the Commission administers and provide advice on compliance.

Statute	Language	Summary
19.48(10)	Compile and make available information filed with the Commission in ways designed to facilitate access to the information. The Commission may charge a fee to a person requesting information for compiling, disseminating or making available such information, except that the Commission shall not charge a fee for inspection at the Commission's office of any record otherwise open to public inspection under s. 19.35 (1).	Information regarding the programs the Commission administers is readily available and accessible free of charge on the Commission's websites and can customize the compilation and dissemination of information through IT support available through a contractor.
19.48(11)	Maintain an Internet site on which the information required to be posted by agencies under s. 16.753 (4) can be posted and accessed. The information on the site shall be accessible directly or by linkage from a single page on the Internet.	https://ethics.wi.gov/Pages/Ethics/ContractSunshine.aspx
19.49	Follow statutory procedures for complaints outlined within this provision of statutes.	The Commission has established complaint procedures that comply with all statutory requirements.
19.49(2)(b)10	The Commission shall, by rule, prescribe categories of civil offenses which the Commission will agree to compromise and settle without formal investigation upon payment of specified amounts by the alleged offender.	The Commission's standard settlement schedules are set forth in WIS. ADMIN. CODE CH. ETH 26.
19.49(2)(c)1)	No individual who serves as the administrator may have been a lobbyist, as defined in s. 13.62 (11). No such individual may have served in a partisan state or local office.	The Commission Administrator has never been a lobbyist or ever served in a partisan state or local office.
19.49(2)(c)2)	No employee of the Commission, while so employed, may become a candidate, as defined in s. 11.0101 (1), for a state or partisan local office. No individual who is retained by the Commission to serve as a special investigator or as special counsel may, while so retained, become a candidate, as defined in s. 11.0101 (1), for any state or local office. A filing officer shall decline to accept nomination papers or a declaration of candidacy from any individual who does not qualify to become a candidate under this paragraph.	Employees of the Commission are aware of this prohibition. One employee is a candidate, as defined by statute, for a non-partisan local office, as a Village Board Trustee.
19.49(2)(d)	No individual who serves as an employee of the Commission and no individual who is retained by the Commission to serve as a special investigator or a special counsel may, while so employed or retained, make a contribution, as defined in s. 11.0101 (8), to a candidate for state or local office. No individual who serves as an employee of the Commission and no individual who is retained by the Commission to serve as a special investigator or as special counsel, for 12 months prior to becoming so employed or retained, may have made a contribution, as defined in s. 11.0101 (8), to a candidate for a partisan state or local office.	Employees of the Commission are aware of the prohibition against making contributions to candidates for state or local office while employed by the Commission, and for making contributions to candidates for partisan state and local offices during the 12 months prior to employment with the Commission. However, the prohibition on employees making contributions to their own campaign for non-partisan local office may be unconstitutional.

Statute	Language	Summary
19.49(2g)	In addition to the facial examination of reports and statements required under s. 11.1304 (9), the Commission shall conduct an audit of reports and statements which are required to be filed with it to determine whether violations of ch. 11 have occurred.	Staff conducts regular audits each calendar year and the Commission annually approves the audit schedule.
19.50	Except as specifically authorized by law and except as provided in sub. (2), no investigator, prosecutor, employee of an investigator or prosecutor, or member or employee of the Commission may disclose information related to an investigation or prosecution under ch. 11, subch. III of ch. 13, or this subchapter or any other law specified in s. 978.05 (1) or (2) or provide access to any record of the investigator, prosecutor, or the Commission that is not subject to access under s. 19.55 (3) to any person other than an employee or agent of the prosecutor or investigator or a member, employee, or agent of the Commission prior to presenting the information or record in a court of law.	Commissioners and staff maintain confidentiality of all applicable information.
19.55(1)	The Commission shall require an individual wishing to examine a statement of economic interests or the list of persons who inspect any statements which are in the Commission's possession to provide his or her full name and address, and if the individual is representing another person, the full name, and address of the person which he or she represents. Such Commission shall record and retain for at least 3 years information obtained by it pursuant to this subsection. No individual may use a fictitious name or address or fail to identify a principal in making any request for inspection.	The Commission complies with this requirement as applicable.
19.55(2)(c)	Statements of economic interests and reports of economic transactions which are filed with the Commission by members or employees of the investment board, except that the Commission shall refer statements and reports filed by such individuals to the legislative audit bureau for its review, and except that a statement of economic interests filed by a member or employee of the investment board who is also an official required to file shall be open to public inspection.	Staff refers statements from SWIB employees and members to the Legislative Audit Bureau when they are filed.
19.57	Conferences, visits, and economic development activities. The Wisconsin Economic Development Corporation shall file a report with the Commission no later than April 30 annually, specifying the source and amount of anything of value received by the Wisconsin Economic Development Corporation during the preceding calendar year for a purpose specified in s. 19.56 (3) (e), and the program or activity in connection with which the thing is received, together with the location and date of that program or activity.	WEDC provides these reports to the Commission, which are retained according to the standard records disposition authorizations.
19.575	Tourism Activities. The department of tourism shall file a report with the Commission no later than April 30 annually, specifying the source and amount of anything of value received by the department of tourism during the preceding calendar year for a purpose specified in s. 19.56 (3) (em) and the program or activity in connection with which the thing is received, together with the location and date of that program or activity.	The Department of Tourism provides these reports to the Commission, which are retained according to the standard records disposition authorizations.

Statute	Language	Summary
19.851	<p>(1) Prior to convening under this section or under s. 19.85 (1), the ethics Commission and the elections Commission shall vote to convene in closed session in the manner provided in s. 19.85 (1). The ethics Commission shall identify the specific reason or reasons under sub. (2) and s. 19.85 (1) (a) to (h) for convening in closed session. The elections Commission shall identify the specific reason or reasons under s. 19.85 (1) (a) to (h) for convening in closed session. No business may be conducted by the ethics Commission or the elections Commission at any closed session under this section except that which relates to the purposes of the session as authorized in this section or as authorized in s. 19.85 (1).</p> <p>(2) The Commission shall hold each meeting of the Commission for the purpose of deliberating concerning an investigation of any violation of the law under the jurisdiction of the Commission in closed session under this section.</p>	The Commission complies with this requirement as applicable.
20.9305(2)(e)	<p>The governor shall post on the Internet site maintained by the ethics Commission under s. 16.753 all of the following:</p> <p>20.9305(2)(e)1. A copy of any contingency fee contract entered into under this subsection and of the corresponding determination under par. (a) during the period beginning 5 days after the contract is entered into and ending when the contract and all of its extensions expire or are terminated.</p> <p>2. Notice of the amount of any contingency fees paid under a contract entered into under this subsection during the period beginning 15 days after payment is made and ending 365 days after the payment is made.</p>	The Commission complies with this requirement related to contract sunshine.
49.857(2)	<p>(a) The department shall establish a system, in accordance with federal law, under which a licensing authority is requested, and a licensing agency or credentialing board is required, to restrict, limit, suspend, withhold, deny, refuse to grant or issue, or refuse to renew or revalidate a license in a timely manner upon certification by and in cooperation with the department, if the individual holding or applying for the license is delinquent in making court-ordered payments of support or fails to comply, after appropriate notice, with a subpoena or warrant.</p> <p>(b) Under the system, the department shall enter into a memorandum of understanding with a licensing authority, if the licensing authority agrees, and with a licensing agency.</p>	MOU in place with DCF for lobbyist license checks; checks are being conducted.
73.0301(2)	<p>Each licensing department and the supreme court, if the supreme court agrees, shall enter into a memorandum of understanding with the department of revenue under sub. (4) (a) that requires the licensing department or supreme court to do all of the following:</p> <p>73.0301(2)(a)1.</p> <p>1. Request the department of revenue to certify whether an applicant for a license or license renewal or continuation is liable for delinquent taxes. With respect to an applicant for a license granted by a credentialing board, the department of safety and professional services shall make a request under this subdivision. This subdivision does not apply to the department of transportation with respect to licenses described in sub. (1) (d) 7.</p> <p>2. Request the department of revenue to certify whether a license holder is liable for delinquent taxes. With respect to a holder of a license granted by a credentialing board, the department of safety and professional services shall make a request under this subdivision.</p>	MOU in place with DOR for lobbyist license checks; checks are being conducted.

Statute	Language	Summary
108.227(2)	<p>(a) Each licensing department and the supreme court, if the supreme court agrees, shall enter into a memorandum of understanding with the department of workforce development under sub. (4) (a) that requires the licensing department or supreme court to do all of the following:</p> <ol style="list-style-type: none"> 1. Request the department of workforce development to certify whether an applicant for a license or license renewal or continuation is liable for delinquent contributions. With respect to an applicant for a license granted by a credentialing board, the department of safety and professional services shall make a request under this subdivision. This subdivision does not apply to the department of transportation with respect to licenses described in sub. (1) (e) 7. 2. Request the department of workforce development to certify whether a license holder is liable for delinquent contributions. With respect to a holder of a license granted by a credentialing board, the department of safety and professional services shall make a request under this subdivision. 	MOU in place with DWD for lobbyist license checks; checks are being conducted.
778.135	Campaign finance, lobbying, and ethics forfeitures; how recovered. Notwithstanding s. 778.13, whenever any action or proposed action by the elections Commission under s. 5.05 (1) (c) or the ethics Commission under s. 19.49 (1) (b) is settled as a result of agreement between the parties without approval of the court, the moneys accruing to the state on account of such settlement shall be paid to the Commission and deposited with the secretary of administration.	Forfeitures received are transferred through the Department of Administration and the Bureau of Public Lands to the Common School Fund.

Appendix B: Nonpartisan Staff Policy

The staff of the Ethics Commission shall be nonpartisan pursuant to WIS. STAT § 19.47(10). Political neutrality is imperative so staff can maintain the confidence of the Commission, the individuals and organizations that the Ethics Commission regulates, and the public. Therefore, all staff members are prohibited from participating in any political activity that compromises the ability of that person to discharge with neutrality, efficiency, and integrity his or her duties and obligations to the Commission.

Employees who wish to participate in any political activities shall disclose their intentions to the Administrator. If the Administrator decides an employee's involvement may reasonably compromise the employee or the Commission, the Administrator will review the situation and make a determination as to whether the involvement in the political activity is appropriate. The Administrator may also authorize employees to participate in certain activities that have a business purpose consistent with the agency's mission, that have historical significance, or are merely collateral to a prohibited political activity.

Employees are strongly encouraged to consult with the Administrator prior to any activity that may be perceived as compromising the employee's ability to objectively perform their official responsibilities.

In addition to the provisions of WIS. STAT. § 230.40, prohibited activities include, but are not limited to the following:

1. Being a candidate for any partisan office (national, state, or local).
2. Being a member of any national, state, or local political party.
3. Directly or indirectly soliciting, receiving, or making contributions to any political party or partisan candidate for public office.
4. Soliciting votes in support of or in opposition to any party or partisan candidate for public office.
5. Circulating or signing nomination papers or petitions, including recall petitions, for partisan political office.
6. Serving as an agent of any political party or partisan candidate in any capacity (e.g., polling place observer, delegate, partisan poll worker, or get out the vote activities).
7. Publicly supporting or opposing a partisan candidate for public office or political party office in a political advertisement, broadcast, campaign literature, or similar material.

Seeking Elective Office

Any employee who wishes to run for partisan elective office must take an unpaid leave of absence effective from the time nomination papers can first be circulated and must resign (or be terminated) if and when such nomination papers are filed.

Any employee who files a campaign registration statement to register as a candidate for partisan elective office prior to the time that nomination papers can first be circulated shall report that filing to the Administrator, who shall place the employee on unpaid leave until the nomination papers are filed or until the employee is no longer a candidate for partisan office.

In addition to avoiding partisan activities, staff should also avoid running for nonpartisan office if the Commission is the filing officer for that contest. This would put the staff member in the position of enforcing campaign finance regulations upon her or his own committee, or against potential opponents. Any employee seeking a nonpartisan office where the Commission is the filing officer is required to take an unpaid leave of absence from the time the employee files a campaign registration statement until the employee is no longer a candidate. If the employee is elected, the employee shall resign or be terminated.

Appendix C: Delegation of Authority for Informal Advisory Opinions Policy

The Ethics Commission is required by WIS. STAT. § 19.47(9)(a) to report adopted policies to the appropriate standing committees of the Legislature under WIS. STAT. § 13.172(3). At its meeting on March 7, 2017, the Ethics Commission adopted a policy to authorize the Commission Administrator or his or her designee to issue an informal written advisory opinion, consistent with WIS. STAT. § 19.46(2)(b). That section of the statutes states the following:

(b)

- 1. The commission may authorize the commission administrator or his or her designee to issue an informal written advisory opinion or transmit an informal advisory opinion electronically on behalf of the commission, subject to such limitations as the commission deems appropriate. Every informal advisory opinion shall be consistent with applicable formal advisory opinions issued by the commission, statute or other law, and case law.*
- 2. Any individual may request in writing, electronically, or by telephone an informal advisory opinion from the commission under this paragraph. The commission's designee shall provide a written response, a written reference to an applicable statute or law, or a written reference to a formal advisory opinion of the commission to the individual, or shall refer the request to the commission for review and the issuance of a formal advisory opinion.*
- 3. Any person receiving an informal advisory opinion under this paragraph may, at any time, request a formal advisory opinion from the commission on the same matter.*

Additionally, WIS. STAT. § 19.46(2)(a)4 requires the Administrator to report the issuance of informal opinions to the Commission and the options the Commission may exercise upon receiving such a report:

- 4. At each regular meeting of the commission, the commission administrator shall review informal advisory opinions requested of and issued by the administrator and that relate to recurring issues or issues of first impression for which no formal advisory opinion has been issued. The commission may determine to issue a formal advisory opinion adopting or modifying the informal advisory opinion. If the commission disagrees with a formal or informal advisory opinion that has been issued by or on behalf of the commission, the commission may withdraw the opinion, issue a revised formal or informal advisory opinion, or request an opinion from the attorney general. No person acting after the date of the withdrawal or issuance of the revised advisory opinion is exempted from prosecution under this subsection if the opinion upon which the person's action is based has been withdrawn or revised in relevant degree.*

Adopted Policy Delegating Authority to Issue Informal Opinions

1. The request for an informal opinion must be received in writing (e.g., email, or a typed or written letter).
2. The issuance of an informal opinion must be provided in writing (e.g., email, or a typed or written letter).
3. Every informal opinion issued shall be consistent with all applicable formal advisory opinions issued by the Commission, statute or other law, and case law as required by WIS. STAT. § 19.46(2)(b)1; as well as United States and Wisconsin constitutional law.
4. The Commission Administrator, or the Staff Counsel upon delegation by the Administrator, may issue an informal opinion consistent with the policy adopted by the Commission

How to Request an Informal Advisory Opinion

We recommend that requests for informal advisory opinions explicitly state that an informal opinion is requested. Requesters should also provide as much detail as possible regarding the facts and circumstances related to the request to ensure that the opinion provided sufficiently addresses the matter. Requests can be directed to the Administrator or Staff Counsel, directly, or to the agency in general. Contact information for the Administrator, Staff Counsel, and the agency is available on our website here: <https://ethics.wi.gov/Pages/AboutUs/ContactUs.aspx>.

Appendix D: Campaign Finance Standard Settlement Schedule

This document sets out authorized settlement offers for campaign finance violations, in lieu of pursuing court action. It includes recommended settlement amounts for specific situations. The Commission’s authority to make settlement offers is set out in WIS. STAT. § 19.49(1)(b). The Commission may specify settlement amounts for certain violations and may compromise and settle those matters without formal investigation. If an individual or committee chooses not to accept a settlement offer, the Commission may bring a civil action and seek the maximum forfeitures provided by law, including costs and attorneys’ fees. The Commission’s primary interest is providing timely and accurate campaign finance information to the public, and collection of settlements is secondary. The Commission adopted this schedule at its October 10, 2016, meeting. This schedule has since been codified in WIS. ADMIN. CODE CH. ETH 26. At its meeting on June 18, 2019, the Commission began the process of revising the standard settlement schedule and making appropriate changes to WIS. ADMIN. CODE CH. ETH 26.

Late Filing of Continuing Campaign Finance Reports-WIS. ADMIN. CODE § ETH 26.02(1)

(Calendar) Days Late:	First Violation:	Second or Greater Violation:
0-30	Warning	Warning
31-60	\$100	\$200
61-90	\$200	\$300
91-120	\$300	\$400
Over 120	\$500	\$500

Filing deadlines are set by WIS. STAT. §§ 11.0204, 11.0304, 11.0404, 11.0504, 11.0604, 11.0704, 11.0804, and 11.0904. Penalties are set by WIS. STAT. § 11.1400. Maximum penalty is \$500 plus the greater of \$50 or one percent of the annual salary of the office sought for each day of delinquency.

Late Filing of Pre-Primary, Pre-Election, and Special Post-Election Reports-WIS. ADMIN. CODE § ETH 26.02(2)

(Business) Days Late:	Settlement Amount:
1	\$100
2	\$150
3	\$200
4	\$250
5	\$300
6	\$350
7	\$400
8	\$450
9	\$500

Filing deadlines are set by WIS. STAT. §§ 11.0204, 11.0304, 11.0404, 11.0504, 11.0604, 11.0704, 11.0804, and 11.0904. Penalties are set by WIS. STAT. § 11.1400. Maximum penalty is \$500 plus the greater of \$50 or one percent of the annual salary of the office sought for each day of delinquency.

Late Payment of Annual Filing Fees-WIS. ADMIN. CODE § ETH 26.02(3)

(Calendar) Days Late:	Settlement Amount:
1-15	Warning
16-45	\$300
46-90	\$500
91 or more	\$800

Fees are set by WIS. STAT. § 11.0102(2). Penalties are set by WIS. STAT. § 11.1400(4). Maximum penalty is \$800.

Late/Incomplete Filing of 72-Hour Reports-WIS. ADMIN. CODE § ETH 26.02 (4) and (5)

Late/Incomplete Reporting	Settlement Amount:
	5% of the total amount of unreported contribution

Filing requirements for 72-hour reporting are set by WIS. STAT. §§ 11.0204(7), 11.0304(7), 11.0505, 11.0605, and 11.1001. Penalties are set by WIS. STAT. § 11.1400. Maximum penalty is \$500 for each reporting violation.

Incomplete Contribution Information-WIS. ADMIN. CODE § ETH 26.02 (6)

Calendar Days Late:	Settlement Amount:
Up to 30 days from staff contact	Warning
31+ days from staff contact	\$100 plus 10 percent of contributions with incomplete information

Reporting requirements are set by WIS. STAT. §§ 11.0204, 11.0304, 11.0404, 11.0504, 11.0604, 11.0704, 11.0804, and 11.0904. Penalties are set by WIS. STAT. § 11.1400. Maximum penalty is \$500 per reporting violation.

Cash Balance Discrepancies-WIS. ADMIN. CODE § ETH 26.02 (8)

Calendar Days Late:	Settlement Amount:
Up to 30 days from staff contact	Warning
31+ days from staff contact	\$100 plus 10% of discrepancy

Reporting requirements are set by WIS. STAT. §§ 11.0204, 11.0304, 11.0404, 11.0504, 11.0604, 11.0704, 11.0804, and 11.0904. Penalties are set by WIS. STAT. § 11.1400. Maximum penalty is \$500 per unreported transaction that led to the discrepancy.

Exceeding Contributions Limits-WIS. ADMIN. CODE § ETH 26.02 (9)

Violation Type:	Settlement Amount:
Receiving Excess Contribution	Amount of excess contribution
Furnishing Excess Contribution	If receiving committee forfeits full amount of excess contribution, \$0; else, case-by-case basis

Contribution limits are set by WIS. STAT. § 11.1101. Penalties are set by WIS. STAT. § 11.1400. Maximum penalties for the receiving committee are \$500, plus surrendering the amount of the excess contribution. Maximum penalties for the contributor are \$500 plus treble the amount of the portion of the contribution that exceeds the maximum. There shall be no violation if excess or improper contributions are returned within 15 days after the filing date for the reporting period in which the contribution is received as provided by WIS. STAT. § 11.1110(2)(b).

Prohibited Corporate Contributions-WIS. ADMIN. CODE § ETH 26.02 (10)

Violation Type:	Settlement Amount:
Receiving Committee	1.5 times amount of contribution
Corporate Contributor	1.5 times amount of contribution

Corporate contributions are limited by WIS. STAT. § 11.1112. Penalties are set by WIS. STAT. § 11.1400(1) and (3). Maximum penalty for the receiving committee is \$500 plus surrendering the amount of the unlawful contribution. Maximum penalty for the corporate contributor is three times the amount of the contribution. There shall be no violation if excess or improper contributions are returned within 15 days after the filing date for the reporting period in which the contribution is received as provided by WIS. STAT. § 11.1110(2)(b).

Prohibited Lobbyist Contributions-WIS. ADMIN. CODE § ETH 26.02 (11)

Violation Type:	Settlement Amount:
Receiving Committee	Return of the contribution to the lobbyist
Lobbyist Contributor	1.5 times amount of contribution, up to \$1,000

Lobbyist contributions are limited by WIS. STAT. § 13.625. Penalties are set by WIS. STAT. § 13.69(2). Maximum penalty for the receiving committee is \$1,000, plus surrendering the amount of the unlawful contribution. Maximum penalty for the lobbyist is \$1,000. Limitation on lobbyist contributions are set out in Chapter 13 but the settlement offer schedule is set out here. There shall be no violation if excess or improper contributions are returned within 15 days after the filing date for the reporting period in which the contribution is received as provided by WIS. STAT. § 11.1110(2)(b).

Appendix E: Lobbying Standard Settlement Schedule

This document sets out authorized settlement offers for lobbying law violations, in lieu of pursuing court action. It includes recommended settlement amounts for specific situations. The Commission’s authority to make settlement offers is set out in WIS. STAT. § 19.49(1)(b). The Commission may specify penalties for certain offenses and may compromise and settle those matters without formal investigation per WIS. STAT. § 19.49(2)(b)10. If a lobbying principal or lobbyist chooses not to accept a settlement offer, the Commission may bring a civil action and seek the maximum forfeitures provided by law, including costs and attorneys’ fees. If there appears to be an intentional violation of law, the matter may be brought to the Commission for further action. The Commission’s primary interest is providing timely and accurate lobbying information to the public, and collection of civil penalties is secondary. The Commission adopted schedules for late filing of semi-annual reports and late reporting of first communication on a lobbying matter at its meeting on October 10, 2016. The Commission adopted schedules for unauthorized lobbying and late payment of lobbying fees at its meeting on February 27, 2018. At its meeting on June 18, 2019, the Commission amended the standard settlement schedule for late payment of lobbying fees and unauthorized lobbying.

Late filing of semi-annual lobbying report (WIS. STAT. §13.68)– WIS. ADMIN. CODE § ETH 26.03 (1) (Maximum penalty \$5,000)

Days Late	First Offense	Second or Greater Offense
2 business days	No penalty	Warning
3-5 days	Warning	\$50
6-15 days	Warning	\$100
16-29 days	\$50	\$250
30+ days	\$100	\$500

Late reporting of the first communication on a lobbying matter-WIS. ADMIN. CODE § ETH 26.03 (2)

Late Reports	Percent of Total Effort	Forfeiture
1st Occurrence of Late Reported Interest	< 10 percent	Warning
	>/= 10 percent	\$25 Per Interest
2 nd Occurrence of Late Reported Interest	< 10 percent	\$50 Per Interest
	>/= 10 percent	\$100 Per Interest
3 rd or Greater Occurrence of Late Reported Interest	Any	\$100 Per Interest

Lobbying principals are required by WIS. STAT. §13.67(1) to report each legislative proposal, budget bill subject, or lobbying topic through the Eye On Lobbying website within 15 days of the first communication on that matter. WIS. STAT. §13.69(2m) outlines the penalties for late reporting of lobbying activity. The maximum penalty is up to \$25 for the first offense within a three-year

period and up to \$100 for a second and subsequent offense within three years from the first violation.

Late Payment of Lobbying Fees

Calendar Days Late	Lobbyist	Principal
1-30	Warning	Warning
31-45	\$100	\$200
46-60	\$200	\$400
61+	\$300	\$600

The lobbyist is responsible for the payment of their lobbyist license fee and the principal for the fees associated with the principal registration and lobbyist authorization. (WIS. STAT. §§ 13.63, 13.75.)

Unauthorized Lobbying (WIS. STAT. § 13.65)

Violator	First Instance of Unauthorized Lobbying	Second Instance of Unauthorized Lobbying	Aggregate Total Maximum
Lobbyist	\$100 per excess communication	\$200 per excess communication	\$1,000
Principal	\$200 per excess communication	\$400 per excess communication	\$2,000

Before engaging in lobbying on behalf of a principal, a lobbyist or the principal must obtain authorization for the lobbyist to represent the principal.

Appendix F: Statements of Economic Interests Standard Settlement Schedule and Waiver Policy

This document sets out clear written procedures for enforcing the requirement for state public officials to file Statement of Economic Interests by the statutory deadlines set out in WIS. STAT. § 19.43. The Commission's authority for initiating settlement offers is set out in WIS. STAT. § 19.49(1)(b). The primary interest of the Commission is providing timely and accurate economic information to the public, and collection of penalties is secondary to that goal. In assessing penalties and offering settlements for violations, the Commission may consider mitigating or aggravating circumstances, such as the number of previous offenses and the nature of the official's position, and may modify procedures and penalties accordingly. The Commission adopted this schedule at its meeting on October 10, 2016. This has since been codified at WIS. ADMIN. CODE CH. ETH 26.

Filing of Statements of Economic Interests, WIS. STAT. § 19.43.

Requests for Extensions of time under WIS. STAT. § 19.43(8)

By statute, officials may request an extension of the deadline to file a Statement of Economic Interests. When an official requests an extension, staff will ask for the request in writing. For reasons of administrative efficiency, staff will grant requests for extensions for 15 days or less. If the official's request is for more than a 15-day extension, staff will grant an extension of 15 days and inform the official that their request for further extension will be presented at the next Commission meeting, along with information on when the official's Statement was filed. If the Commission grants the request for further extension, no penalty will be assessed. If the Commission denies the request for further extension, and the official filed a Statement more than 15 days after the original deadline, the official will be assessed a penalty for late filing under section (d). Staff will not grant extensions to candidates for office required to file a Statement under WIS. STAT. § 19.43(4).

Requests for Waivers under WIS. STAT. § 19.43(8)

When an official requests a waiver from filing all or part of their Statement, staff will ask for the request in writing. Staff will inform the official that their request for waiver will be presented at the next Commission meeting, along with information on whether part or all of the official's Statement has been filed. If the Commission grants the request for waiver, the official will not be required to file the portion of the Statement that was waived. If the Commission denies the request for waiver, the official will be notified of that denial. If the official fails to file all required information within 15 days of that notification, penalties will be assessed under section (d).

Failure to Timely File by Candidates for State Public Office under WIS. STAT. § 19.43(4)

A candidate required to file a Statement that fails to meet the deadline set out in WIS. STAT. § 19.43(4) will be denied ballot placement, and no financial penalty will be assessed.

Failure to Timely File by Officials and Nominees under WIS. STAT. § 19.43(1), (2) and (3)

If an official or nominee is required to file a Statement by WIS. STAT. § 19.43(1), (2), or (3) and fails to file a Statement within 15 days after written notice from staff, the recommended settlement amount will be \$100. This penalty will increase by \$100 every two weeks, up to a maximum of \$500. If any filer disputes the recommended settlement amount, the issue will be brought to the commission for a decision. In addition, if an official or nominee fails to file a statement within 30 days, staff will notify the officials identified in WIS. STAT. § 19.43(7), and instruct the employer to withhold compensation to the individual until the Statement has been filed.

Type of Official	Days Late	Result
Candidate	0+	N/A – Candidate denied ballot placement
Other Official	0-15	Warning
Other Official	16+	\$100 plus \$100 every 15 days
Other Official	30	Compensation temporarily withheld per § 19.43(7)

Standards for waiver of financial disclosure requirements

Introduction

Wisconsin’s Code of Ethics for State Public Officials requires approximately 2,500 state officials to file a Statement of Economic Interests on an annual basis. WIS. STAT. §§ 19.43 and 19.44. In general, the requirement applies to all state elected officials, top agency management, legislative service agency employees, and all gubernatorial appointments requiring Senate confirmation, as well as to candidates for state elective office.

The purpose of financial disclosure is twofold: (1) To give the public confidence that a state official is not acting in matters in which the official has a personal financial interest; and (2) To annually make an official think about the official’s economic ties so that the individual may avoid conflicts.

Nonetheless, WIS. STAT. § 19.43(8) provides that the Ethics Commission may waive any financial disclosure requirement:

WIS. STAT. § 19.43(8) On its own motion or at the request of any individual who is required to file a statement of economic interests, the commission may extend the time for filing or waive any filing requirement if the commission determines that the literal application of the filing requirements of this subchapter would work an unreasonable hardship on that individual or that the extension of the time for filing or waiver is in the public interest. The commission shall set forth in writing as a matter of public record its reason for the extension or waiver.

The Commission adopts and will apply the following considerations on a case-by-case basis in determining whether to grant a waiver of any disclosure requirement.

The position held by the official requesting a waiver.

Elected officials – Because such individuals generally exercise broad powers and in choosing whether to run for office an individual can take financial disclosure requirements into consideration, the Commission will closely scrutinize whether it will grant a waiver.

Full-time appointed officials – Because top management officials also exercise broad powers, albeit in narrower areas than elected officials, the Commission will closely scrutinize whether it will grant a waiver.

Part-time appointed officials – Part-time officials do not exercise the broad powers that elected and full-time officials do. They generally oversee commissions with limited jurisdiction and are more likely than full-time officials to have other jobs and active business interests. Such individuals' service on state commissions is a public service for which they receive little remuneration and, if disclosure would interfere with an individual's perceived ability to carry on the individual's private economic endeavors, it could lead to an unwillingness to serve.

Employees with limited decision-making power – Some agencies, such as the Ethics Commission, The Elections Commission, the Wisconsin Economic Development Corporation, the Legislative Audit Bureau, and the Wisconsin Housing and Economic Development Authority, require all employees, or all non-clerical employees, to file a statement. These employees may have relatively little control over regulatory and financial matters, and waiver may present less of a threat to the public interest.

For any official, the Commission will weigh heavily the relationship between the official's governmental duties and the nature of the economic interests that the official does not want to disclose.

The importance of confidentiality with respect to the economic interest sought to be protected.

While the Code of Professional Conduct does not prohibit an attorney from disclosing clients on a Statement of Economic Interests lawyers are justifiably sensitive to this, especially with respect to clients where the official's representation is not generally known. The Commission will give great weight to this concern. Countervailing considerations to granting a waiver are: (1) whether a client engages in activity related to the official's regulatory responsibilities; and (2) the extent to which the official's representation is known to others.

For a start-up business or in a competitive business situation, the disclosure of customers may be detrimental. The Commission will give weight to this consideration, but the harm claimed should not be simply speculative.

It is unlikely that a relationship with non-Wisconsin entities could present a conflict of interest situation for an official. This appears to be recognized by WIS. STAT. §19.44 (1) (b) which provides

that an ownership interest in a company not doing business in Wisconsin is not required to be disclosed. The Commission will give great weight to this factor.

The Commission will give great weight to confidentiality requirements imposed by other sources of law.

The number of interests an official has.

If an official has a great many interests to report, reporting may create a heavy administrative burden on the official. Moreover, it may be that no particular customer, client, or business interest is important if an official has very many such interests. The Commission will consider this as a factor in determining whether to grant a waiver.

Conclusion

The Commission believes that waivers should be granted cautiously and rarely. No one is compelled to be a state public official – it is always voluntary, and the reporting requirements should be known up front. On the other hand, it would be unfortunate if the reporting requirements discouraged an individual from entering public service or had a detrimental effect on an official’s economic standing. The Commission views the above considerations as part of a sliding scale of factors. An applicant for waiver should be able to show that undue hardship is not simply speculative. And a requester should establish a showing of hardship by clear and convincing evidence. When the Commission grants a waiver, it will condition it on the requirement that an official recuse himself or herself from any matter that involves or impacts the entity that has not been disclosed whether a statutory conflict would otherwise exist.

Appendix G: Campaign Finance Auditing Schedule

Introduction

Following the implementation of the Campaign Finance Information System (CFIS) database in the fall of 2008, and Eye on Lobbying Database in 2012, Government Accountability Board staff developed procedures for regular audits of common campaign finance violations and lobbying activity. Those procedures were updated on a regular basis based on court decisions and legislative changes. Staff seeks to update and clarify these procedures for future audit activity. Staff is seeking comments, clarifications, and recommendations on the future handling of audits under the Commission's jurisdiction.

Overview of Statutory Requirements

Audit Procedures

The Commission is required to audit campaign finance reports to check for violations under WIS. STAT. § 19.49(2g). The statute requires making note of the possible violation, and informing the committee of the issue, but does not detail procedures for resolving the possible violations.

(2g) AUDITING. In addition to the facial examination of reports and statements required under s. 11.1304(9), the commission shall conduct an audit of reports and statements which are required to be filed with it to determine whether violations of ch. 11 have occurred. The commission may examine records relating to matters required to be treated in such reports and statements. The commission shall make official note in the file of a committee, as defined in s. 11.0101(6), of any error or other discrepancy which the commission discovers and shall inform the person submitting the report or statement. The board [commission] may not audit reports, statements, or records beyond the 3-year period for which a committee must retain records under ch. 11.

Restrictions on Release of Records

The Commission is prohibited under WIS. STAT. § 19.50(1) from releasing or allowing inspection of certain records including, information related to an investigation or prosecution under Ch. 11, subch. III of Ch. 13, or subch. III of Ch. 19 or any law specified in WIS. STAT. § 978.05(1) or (2). Under WIS. STAT. § 19.55(3), records not subject to inspection include anything obtained or prepared by the Commission in connection with an investigation, including the full text of any complaint received by the Commission. While audits are separated from the confidentiality provisions that specifically apply to complaints, they still may result in an investigation or prosecution, so past practice of the staff has been to release only very general information, such as the number of possible violations identified in an audit. Information identifying a committee, individual, violation, or settlement amount was released only if contained within a signed settlement agreement.

Overview of Audit Procedures

1. Staff will initiate an audit based on the schedule listed below. Some audits, like timely filing of campaign finance reports or payment of filing fees, will occur shortly after a report or payment is due. Others require more data analysis and will occur as time permits.
2. When conducting an audit, staff will perform a global analysis of all committees or individuals subject to a particular law – for example, all committees required to report cash balances will be audited for cash balance discrepancies, and all candidates on the ballot during the previous election cycle will be audited for contribution limits violations.
3. Most data will be pulled from the CFIS database. For lobbying audits, data is also pulled from the Eye on Lobbying website, and for audits of contribution limit violations, staff will pull a list of candidates on the ballot in a specific election from WisVote.
4. Audit data and documents for each committee or person contacted will be saved on the Ethics Commission’s internal SharePoint site.
5. When potential violations are identified, staff will send out an initial communication to the committee or individual with a request to respond or resolve possible violations and may be given up to 30 days to resolve the potential violation. All notices of possible violations will be sent via email to the email addresses included in the committee’s registration statement. The initial communication will identify the issue and request that it be fixed, or that the committee or person admit that the violation occurred. The initial communication may reference the Ethic’s Commission standard settlement schedules and settlement amounts but will not include settlement agreements.
6. During the 30-day window, staff will work with committees to correct erroneous reports. If a mistake is corrected, staff will close the audit for that committee or person.
7. The audit findings will be added to the agenda for the next Commission meeting. Requests to appear before the Commission by phone or in person will be communicated to the Chair and Vice Chair for approval.
8. Once 30 days have passed since the initial communication:
 - a. If the committee or person has not responded, staff will send a second communication with a reminder of the issue.
 - b. Staff will add the audit item to the audit database for tracking.
 - c. Staff will add the item to the agenda of the next regularly scheduled Commission meeting for the Commission to review and determine whether to issue a settlement agreement for the amount specified in the standard settlement schedule.
9. The Commission, at its next meeting, may direct staff to issue a settlement agreement or close the audit as appropriate for each committee or person. If the Commission has not already considered their case, the committee or person may request to appear before the Commission. Once a settlement offer is issued, the committee or person shall have 30 days

to pay the settlement offer and sign the settlement agreement. Once executed, a settlement is no longer confidential.

10. If the registrant or individual refuses to accept the Commission's settlement offer or does not respond, the Commission may direct staff counsel to commence a civil action to collect a forfeiture of at least the amount of the settlement offer.
11. The Commission may place some registrants on administrative suspension rather than pursue further action. This will generally apply to registrants with little activity that cannot be contacted. When staff believes a registrant should be placed on administrative suspension, staff will present the situation for the Commission's approval. If a registrant on administrative suspension wishes to become active again, staff will seek all incurred penalties and all reports.
12. Commission staff will inform the Commission of all late reports, settlement offers, paid settlements and administrative suspensions, and will compile an annual summary for each calendar year.

Audit Planning for Fiscal Year 2020 (July 1, 2019 – June 30, 2020)

Termination Audits

Period: Up to three years from the date of the most recent election in which the committee participated through Termination

Start Date: Ongoing

Termination audits cover a number of issues, such as whether the committee has \$0 cash on hand, whether the committee has \$0 in outstanding debts and loans, whether there are cash balance discrepancies, whether there is an outstanding filing fee, whether there are outstanding settlements, and other issues. These audits are conducted on an ongoing basis as committees request to terminate. If time and other work priorities permit, staff will contact unsuccessful candidates and advise them of their options regarding continued reporting, exemption, and termination. Committees identified through this audit could be subject to any of the applicable sections of the Campaign Finance Settlement Schedule.

Campaign Finance Filing Fees

Period: Annually

Start Date: January 15

Annual filing fees are due the same date that the January Continuing campaign finance report is due, between the 15th and 17th of January. Notices are sent by email approximately one month before the fee is due, and reminder emails are sent one week and one day before the deadline. Committees that have not paid are contacted within a few days of the deadline. Committees identified through this audit could be subject to the standard settlement provided for in WIS. ADMIN. CODE ETH 26.02(3).

Timely Filing of Campaign Finance Reports

Period: Each Required Campaign Finance Report

Start Date: Day After Each Filing Deadline

Notices to file campaign finance reports are sent by email approximately one month before the report is due, and reminder emails are sent one week and one day before the deadline. Committees that have not filed are contacted the day after the deadline (for election related reports) or within a few days of the deadline (for continuing reports). Committees identified through this audit could be subject the standard settlement as provided for in WIS. ADMIN. CODE ETH 26.02(1) or (2).

Pending Transactions Review (Courtesy Review Prior to Audits)

Period: Semi-Annually

Start Date: Following Each Continuing Report

Committees have the ability to save transactions in the CFIS website, and file them all together when a continuing report or election related report is due. If a committee saves a transaction but does not file it, it is visible to staff, but not visible on the official report available to the general public. Staff will use a query to identify all unfiled transactions semi-annually, before the cash balance audit. This information will be gathered merely to assist committees in ensuring that all transactions that were meant to be reported are filed. Committees will be provided with notice of pending transactions and staff will recommend that committees review the transactions and file amended reports if transactions were meant to be filed or delete the transactions if they are duplicates. This action is recommended as unfiled transactions may impact all other audit results.

Cash Balance Audit

Period: Semi-Annually

Start Date: Following Each Continuing Report

If a committee has a discrepancy of \$100 or more within a report, or between the ending balance and beginning balance of subsequent reports, staff will contact the committee and ask for a resolution within 30 days. Committees identified through this audit could be subject to the standard settlement provided for in WIS. ADMIN. CODE ETH 26.02(8).

Corporate Contribution Audit

Period: Annually

Start Date: Following July Continuing Report

Once a year, staff audits CFIS for contributions to candidates, party committees, legislative campaign committees, or PACs from businesses to check for unlawful corporate contributions. We also audit for contributions labeled as coming from individuals containing business identifiers like “Corp,” “Inc,” or “LLC.” Committees that appear to have received unlawful contributions are contacted and asked to respond within 30 days. Committees identified through this audit could be subject to the standard settlement provided for in WIS. ADMIN. CODE ETH 26.02(10).

Lobbyist Contribution Audit

Period: Annually

Start Date: Following July Continuing Report

Once a year, staff compares a list of campaign contributions to partisan candidates with a list of registered lobbyists. If any matches are found, staff checks to see if the contribution was given before the lobbyist registered or after they surrendered their license. Staff also checks for returned contributions and attempts to eliminate false matches based on people with the same name from different cities. Lobbyists who appear to have made unlawful contributions are contacted and asked to respond within 30 days. Committees identified through this audit could be subject to the standard settlement provided for in WIS. ADMIN. CODE ETH 26.02(11).

Anonymous and Unitemized Transactions

Period: Annually

Start Date: Following July Continuing Report

The new law effective January 1, 2016, requires committees collecting non-anonymous contributions of any amount report the name and address of the contributor. Committees that appear to have received unlawful contributions are contacted and asked to respond within 30 days. Committees identified through this audit could be subject to the standard settlement provided for in WIS. ADMIN. CODE ETH 26.02(6).

Contribution Limits Audit – Spring/Fall

Period: Semi-Annually

Start Date: Following April after April Election/Following August after November Election

The campaign period for spring candidates runs until July 31. Therefore, the final report of the campaign period is the January Continuing Report of the following year. The campaign period for fall candidates runs until the first Tuesday in January. Therefore, the final report of the campaign period is July Continuing Report of the following year.

After all reports from those periods are entered, and annual audits have been started, staff audit the campaign period for each office for violations of the contribution limits by individuals or committees. Staff conducts an annual audit of the \$12,000 annual contribution limit to parties and segregated funds at the same time as the audit of the spring election cycle from the previous year.

Committees identified through this audit could be subject to the standard settlement provided for in Wis. Admin. Code ETH 26.02(9).

Name/Address

Period: Annually

Start Date: TBD

The new law effective January 1, 2016, requires committees collecting non-anonymous contributions of any amount to report the name and address of the contributor. Staff is preparing a process for the Commission's approval.

Occupation Information Audit

Period: Annually

Start Date: TBD

The new law effective January 1, 2016, requires that committees must report the occupation of any contributor giving more than \$200 in a calendar year. Staff is preparing a process for the Commission's approval.

Independent Expenditure Reporting/72 Hour Reporting Audit

Period: TBD

Start Date: TBD

For spring elections, after the July report is filed, the 72-hour reporting by candidates and parties can be compared to the committees' regular reports. For fall elections, this would be possible after the January report is filed. Staff is still developing a process to complete this audit. It will not be conducted until a process that is satisfactory to the Commission is approved. Any violations would be subject to the standard settlement provided for in WIS. ADMIN. CODE ETH 26.02(4) or (5).

Appendix H: Lobbying Auditing Schedule

Following the implementation of the Eye on Lobbying Database in 2012, Government Accountability Board staff developed procedures for regular audits of common campaign finance violations and lobbying activity. Those procedures were updated on a regular basis based on court decisions and legislative changes. Staff seeks to update and clarify these procedures for future audit activity. Staff is seeking comments, clarifications, and recommendations on the future handling of audits under the Commission's jurisdiction. The following audits, if conducted, will be performed according to the same general audit procedures contained in the Overview of Audit Procedures in Appendix G.

Late Statements of Lobbying Activities and Expenditures (SLAEs) Audit

13.68 Principal's expense statement.

(1) STATEMENT. Every principal which is registered under s. 13.64 shall, on or before July 31 and January 31, file with the commission an expense statement covering the preceding reporting period. The statement shall be signed, under the penalty for making false statements provided in s. 13.69 (6m), by an individual identified under s. 13.64(1)(e) who is authorized to represent the principal. The statement shall contain the following information...

Staff conducts an audit to ascertain which principals do not meet the deadline.

Period: Each Required Statement of Lobbying Activities and Expenditures Report

Start Date: Each Filing Deadline

Late 15-Day Report of Lobbying Interest Audit

13.67 Identification of legislative and administrative proposals and topics.

(1) Except as authorized under s. 13.621, no person may engage in lobbying as a lobbyist on behalf of a principal and no principal may authorize a lobbyist to engage in lobbying on its behalf unless the principal reports to the commission, in such manner as the commission may prescribe, each legislative proposal, budget bill subject and proposed administrative rule number in connection with which the principal has made or intends to make a lobbying communication or, if the lobbying does not relate to a legislative proposal or proposed administrative rule that has been numbered or a budget bill subject, each topic of a lobbying communication made or intended to be made by the principal. A principal shall describe any topic of a lobbying communication with reasonable specificity, sufficient to identify the subject matter of the lobbying communication and whether the communication is an attempt to influence legislative or administrative action, or both. The principal shall file the report no later than the end of the 15th day after the date on which the principal makes a lobbying communication with respect to a legislative proposal, proposed administrative rule, budget bill subject or other topic not previously reported by the principal under this section during the biennial period for which the principal is registered. The report shall be made by a person who is identified by the principal under s.13.64 (1) (e).

The Commission does not have the available resources to conduct audits of each lobbying principal and lobbyist's internal records. Staff audits for 15-day reports submitted after an SLAE deadline, which can be determined with certainty as being late. The Commission would also investigate any formal complaints related to late reporting.

Period: Each Required Statement of Lobbying Activities and Expenditures Report

Start Date: Each Filing Deadline

Late Payment of Lobbying Fees Audit

The Commission adopted a standard settlement for the late payment of lobbying related fees at its meeting on February 27, 2018, in accordance with § 13.75. The Commission must receive lobbying related payments from principals and lobbyists promptly.

Period: Continuous

Start Date: February 28, 2018

Unauthorized Lobbying Audit

§ 13.65 Lobbyist Authorization

Before engaging in lobbying on behalf of a principal, a lobbyist or the principal who employs a lobbyist shall file with the commission a written authorization for the lobbyist to represent the principal, signed by or on behalf of the principal. A lobbyist or principal shall file a separate authorization for each principal represented by a lobbyist.

Staff conducts an audit to determine if lobbyists communicated more than the allowable four-day threshold before obtaining their authorization from the principal and paying the applicable fees.

Period: Each Statement of Lobbying Activities and Expenditures Report

Start Date: Each Filing Deadline

Appendix I: Complaints and Investigations Procedures

The procedures outlined below are intended to comply with and implement the statutes and administrative rules governing the processing and resolution of complaints filed with the Ethics Commission. Staff originally presented to the Commission an outline of proposed complaint procedures at its October 10, 2016, meeting. Following the advice and recommendations of the public and the Commission members, staff has revised the below procedures to better track the statutes and Commission recommendations. These procedures make use of the Complaint Tracking Database created in SharePoint, which contains separate tracking mechanisms for complaints and audits handled by Commission staff.

Complaint Intake

1. A complaint may be received by paper or electronically. When received on paper (mailed or in-person) Front Desk staff shall forward the complaint to the Commission Administrator (“Administrator”) and Staff Counsel (“Counsel”). Any other member of the staff that receives a complaint shall forward those to the Administrator and Counsel.

If the Administrator and Counsel are unavailable to receive a complaint filed in-person, a staff person receiving a complaint in-person should review the complaint to ensure it meets the applicable standards (see Step 2) and that all referenced exhibits are attached. If there appears to be any insufficiency, staff shall notify the person delivering the complaint of the insufficiency but keep possession of the original complaint.

2. Regardless of the form of the submission, the Administrator or Counsel shall determine whether it constitutes a sworn complaint. A valid complaint should:
 - a. List a named complainant with contact information;
 - b. List a named respondent with contact information;
 - c. Contain allegations of violations within the jurisdiction of the commission; and,
 - d. Be sworn under oath before a notary.
3. Complaints will be entered into the Complaint Tracking Database. The Ethics Commission portal of the Database is intended to track complaints under the Commission’s jurisdiction as well as submissions relating to matters outside of its jurisdiction.
4. If the submission constitutes a sworn complaint to be included in the Database, the Administrator or staff, at the direction of the Administrator, shall
 - a. Create a record in the Complaint tracking list entering all required fields;
 - i. Complaint ID shall be entered in the form: YYYY-ETH-[3 digit sequential number] (e.g., 2017-ETH-001 for the first complaint of 2017); and,
 - ii. Required fields include Complaint ID, complainant, respondent, date received, and short summary of the allegations.

- b. Create a folder to store documents related to the complaint in the Complaints section of SharePoint under the respective year;
 - i. The folder shall be labeled with to the complaint ID assigned and the parties involved (e.g., 2017-ETH-001 Smith v. Johnson);
 - ii. If the complaint involves allegations against a local public official, the suffix “Local” should be appended to the folder name (e.g., 2017-ETH-001 Smith v. Johnson (Local));
 - iii. All documents received related to the complaint should be saved in the folder. Paper documents should be scanned and uploaded to the folder before being forwarded to Staff Counsel for retention; and,
 - iv. A redacted copy of the complaint should also be prepared and saved to the complaint folder. Staff should redact the name and contact information of the complainant and redact any indication of the complainant’s identity from the allegations of the complaint.

5. If the complaint alleges a violation by a local public official or candidate for local office, the Administrator or staff, at the direction of the Administrator, shall notify the complainant that the Commission’s established policy is to defer to the local district attorney in such matters and advise the complainant that they may wish to file their complaint with the local district attorney. A copy of such a notification should be saved in the complainant’s SharePoint folder.

6. The Administrator or staff, at the direction of the Administrator, shall notify the respondent for each valid complaint within 5 days of the complaint being received. Staff should update the SharePoint Complaint list with the date this notification is sent. A copy of the notification should also be saved in the complainant’s SharePoint folder. The notification should include:
 - a. A statement that a complaint has been filed against them and that they have 15 days from receipt of this notice to file a response if they wish to respond; and
 - b. *An unredacted copy of the complaint.*

7. If a response is received, staff shall save a copy of the response to the complainant’s SharePoint folder and update the SharePoint Complaint list with the date the response was received. Any hardcopy response should be scanned and saved to the complainant’s folder before being forwarded to Counsel for retention.

Complaint Processing

1. Any person may file a complaint if he or she believes a violation of Ch. 11, Ch. 13 Subch. III., or Ch. 19 Subch. III of the Wisconsin Statutes has occurred or is occurring.³ Neither the Commission nor any member or employee of the Commission, including the Commission Administrator, may file a sworn complaint.⁴
 - a. A complaint must comply with certain requirements. It **must**:

³ WIS. STAT § 19.49(2)(b).

⁴ WIS. STAT § 19.49(2)(a).

- i. Provide the full name and address of the person filing the complaint (called the complainant); and
 - ii. Be signed and sworn.
 - b. In order for a complaint to be considered complete and proper, it **should**:
 - i. Clearly recite the facts that show specific violations under the Commission's jurisdiction (citations to the law and/or regulations are valuable);
 - ii. Clearly identify each person, committee or group that is alleged to have committed a violation (called the respondent[s]);
 - iii. Include any documentation supporting the allegations, if available; and
 - iv. Differentiate between statements based on the complainant's (the person who files the complaint) personal knowledge and those based on information and belief. Statements not based on personal knowledge should identify the source of the information.
2. The Administrator reviews each complaint to determine whether it states a violation within the jurisdiction of the Commission and satisfies the above criteria for a proper complaint. If the complaint does not meet these requirements, the Administrator notifies the complainant of the deficiencies.
- a. Non-jurisdictional & Local Complaints
 - i. Within five (5) days of receiving a complaint, the Administrator or Staff Counsel shall determine whether the complaint involves a matter outside of the agency's jurisdiction or pertains to a local matter. In either case, the Administrator will assign a staff member to generate an email or letter advising the complainant: (1) that the agency does not have jurisdiction regarding the matter, and informing the complainant of any other governmental agency that may be able to assist with the matter, if that information is known; or (2) that the matter should be addressed to a District Attorney. Standardized communications may be utilized to resolve matters outside of the Commission's jurisdiction. Staff assigned to the matter shall attach the complaint and may attach the closing correspondence to the complaint record in the database.
 - b. Jurisdictional Complaints
 - i. Within five (5) days of receipt of a complaint that is within the jurisdiction of the Ethics Commission, staff will verify the receipt of the sworn complaint to the complainant and respondent. Before voting on whether to take any action regarding the complaint, other than to dismiss, the commission shall give each person receiving a notice an opportunity to demonstrate to the commission, in writing and within 15 days after receiving the notice, that the commission should take no action against the person on the basis of the complaint.⁵
 - ii. A respondent who is or intends to be represented by legal counsel should inform the Commission by sending a statement regarding the designation of counsel, including the name and address of the individual(s).

⁵ WIS. STAT. § 19.49(2)(b).

3. Initial Vote to Proceed (Reasonable Suspicion Inquiry)

- a. Each complaint that is assigned to Counsel or other staff will be submitted to the Commission with recommendations on whether there is "reasonable suspicion" that the respondent has committed or is committing a violation of the law.⁶⁷⁸ The Commission makes the final decision by voting for or against a "reasonable suspicion" determination or otherwise terminating the complaint. (Four affirmative votes are required to go forward with any enforcement action). In making this determination, the Commissioners may consider the complaint, the respondent's reply, available information on the public record and the staff's analysis and recommendations.
- b. If the Commission fails to find "reasonable suspicion" that a violation has occurred or is occurring with respect to all of the allegations, or if the Commission dismisses the matter for other reasons, the case is closed, and the parties involved are notified.⁹ If, on the other hand, the Commission finds that there is "reasonable suspicion" that the respondent has violated or is violating the law, the Commission may either authorize an investigation via resolution or enter directly into settlement negotiations by the same.¹⁰
 - i. When a complaint is designated for settlement, the Administrator shall assign it to a staff member and/or Counsel for processing and resolution.
 - ii. If the complaint is designated for an investigation by resolution, the resolution shall specifically set forth any matter that is authorized to be investigated.¹¹
 - iii. To assist in the investigation, the Commission may elect to retain a special investigator. If the Commission elects to retain a special investigator, the Administrator shall submit to the Commission the names of three (3) qualified individuals to serve as a special

⁶ The assigned staff member or Staff Counsel shall analyze the facts and relevant law, and determine the proper outcome or resolution, consulting with the Administrator as necessary, and present those findings to the Commission.

⁷ "Reasonable suspicion" has been defined as "specific and articulable facts which, taken together with rational inferences from those facts, reasonably warrant that intrusion." *Terry v. Ohio*, 392 U.S. 1 at 21.

⁸ Reasonable suspicion findings indicate only that the Commission either found or failed to find sufficient legal justification to open an investigation to determine whether a violation of the law has occurred, and not a definitive determination that a respondent violated any provision of the law.

⁹ WIS. STAT. § 19.50(2)(c) specifically allows for the release of "communications made to the attorney of an investigator, prosecutor, employee, or member of the Commission or to a person or the attorney of a person who is investigated or prosecuted by the Commission."

¹⁰ WIS. STAT. § 19.49(1)(b) The Commission may compromise and settle any civil action or potential action brought or authorized to be brought by it which, in the opinion of the Commission, constitutes a minor violation, a violation caused by excusable neglect, or which for other good cause shown, should not in the public interest be prosecuted under such chapter.

¹¹ WIS. STAT. § 19.49(2)(b) 3.

- investigator.¹²
- iv. If the Commission retains a special investigator to investigate a complaint against a person who is a resident of this state, the Commission shall provide to the district attorney for the county in which the person resides a copy of the complaint and shall notify the district attorney that it has retained a special investigator to investigate the complaint.¹³

Formal Investigation Procedures

1. The goal of the formal investigation stage is to determine whether the Commission can make a finding that probable cause exists to believe that one or more violations under have occurred or are occurring, together with a recommended course of action.
2. Reports to Commission¹⁴
 - a. Special Investigators: Each special investigator who is retained by the Commission shall make periodic reports to the Commission, as directed by the Commission, but in no case may the interval for reporting exceed 30 days.
 - b. Administrator: If the Commission authorizes the Administrator to investigate any matter without retaining a special investigator, the Administrator shall make periodic reports to the Commission, as directed by the Commission, but in no case may the reporting interval exceed 30 days.
3. Investigation Review¹⁵
 - a. During the pendency of any investigation, the Commission shall meet for the purpose of reviewing the progress of the investigation at least once every 90 days. The special investigator or the Administrator shall report in person to the Commission at that meeting concerning the progress of the investigation. If, after receiving a report, the Commission does not vote to continue an investigation for an additional period not exceeding 90 days, the investigation is terminated at the end of the reporting interval.
 - b. The Commission shall not expend more than \$25,000 to finance the cost of an investigation before receiving a report on the progress of the investigation and a recommendation to commit additional resources.
 - c. The Commission may vote to terminate an investigation at any time. If an investigation is terminated, any complaint from which the investigation arose is deemed to be dismissed by the Commission.
 - d. The Commission may close any complaint, at any time, for other cause within its

¹² *Id.*

¹³ *Id.*

¹⁴ WIS. STAT. § 19.49(2)(b)4.

¹⁵ *Id.*

discretion.

4. Probable Cause Determination¹⁶

- a. Unless an investigation is terminated by the Commission, at the conclusion of each investigation, the Administrator shall present to the Commission one of the following:
 - i. A recommendation to make a finding that probable cause exists to believe that one or more violations have occurred or are occurring, together with a recommended course of action.
 - ii. A recommendation for further investigation of the matter together with facts supporting that course of action.
 - iii. A recommendation to terminate the investigation due to lack of sufficient evidence to indicate that a violation has occurred or is occurring.
- b. At the conclusion of its investigation, the Commission shall, in preliminary written findings of fact and conclusions based thereon, make a determination of whether or not probable cause exists to believe that a violation has occurred or is occurring. If the Commission determines that no probable cause exists, it shall dismiss the complaint.¹⁷
 - i. Whenever the Commission dismisses a complaint, or a complaint is deemed to be dismissed for other reasons, the Commission shall immediately send written notice of the dismissal to the accused and to the party who made the complaint.
 - ii. The Commission shall inform the accused or his or her counsel of exculpatory evidence in its possession.

5. Post-Probable Cause Finding

- a. If the Commission finds that there is probable cause to believe that a violation has occurred or is occurring, the Commission may authorize the Administrator to do one of the following:¹⁸
 - i. File a civil complaint against the alleged violator.
 - ii. Request the assistance of special counsel to file a civil complaint and prosecute the action brought by the Commission. If the Administrator requests the assistance of special counsel with respect to any matter, the Administrator shall submit to the commission the names of three (3) qualified individuals to serve as special counsel. The Commission may retain one of the individuals to act as special counsel.
 - iii. Refer the matter to an appropriate district attorney or Attorney General.¹⁹

¹⁶ *Id.*

¹⁷ WIS. STAT. §§ 19.49(2)(b)7 and 8.

¹⁸ WIS. STAT. §§ 19.49(2)(b)5 and 9.

¹⁹ WIS. STAT. § 19.49(2)(b)13 and 14 provide special procedures should a district attorney decline to prosecute a potential violation.

- b. If a special investigator or the Administrator, in the course of an investigation authorized by the Commission, discovers evidence outside the scope of the original investigation or jurisdiction of the Commission, the Commission may thereupon authorize the investigation of the additional conduct or if outside the jurisdiction of the Commission, refer the matter to an appropriate district attorney or the Attorney General.²⁰

Post Complaint Action

1. Throughout the processing of the complaint, the assigned staff member or Staff Counsel shall document the status and significant information regarding the complaint in the Complaint Tracking Database. This shall include completing the data fields indicating the status of the complaint, the source of the complaint, the subject category, and subcategory of the complaint, forfeiture and resolution information, and any additional comments. The dismissal letter, settlement agreement, or other communication resolving the matter may be attached to the complaint record in the Database. Assigned staff or Staff Counsel shall also be responsible for maintaining the electronic and paper files for said complaints.
2. The Administrator shall review the status of open complaints on at least a bi-weekly basis to monitor the progress of complaint resolution. The Administrator or designated staff member shall also prepare a summary report for each Commission meeting regarding the status of complaint files that are open or that have been closed since the previous Commission meeting.

²⁰ WIS. STAT. §§ 19.49(2)(b)11 and 12 provide the procedures for amending and authorizing the review of matters outside the original investigation and the referral of matters outside the Commissions jurisdiction respectively.

Appendix J: Commission Chair and Vice-Chair Terms and Vacancies

Officer Positions of the Ethics Commission

Wisconsin Statutes require the Commission to select a Chair. The process for selecting a Chair for the Ethics Commission is governed by WIS. STAT. § 15.06(2)(b)2. which reads:

The chairperson of the ethics commission shall be chosen from the members appointed under s. 15.62(1)(a)1. to 4. by affirmative vote of at least two-thirds of the commission members at the commission's first meeting every 2 years. The chairperson shall serve a 2-year term. The first chairperson shall be chosen from the commissioners affiliated with the same major political party. The major political party from which to select the first chairperson shall be determined by lot. The 2nd chairperson shall be chosen from the commissioners affiliated with the other major political party. Each subsequent chairperson shall be chosen from the commissioners affiliated with the 2 major political parties on a rotating basis.

The Chair of the Ethics Commission is responsible for leading each meeting of the Commission.

The Ethics Commission also established an officer position of Vice-Chair, to be selected from the opposite party of the Chair. The Vice-Chair is responsible for signing the minutes of each meeting of the Commission. The Vice-Chair may also lead a meeting of the Commission during a temporary absence of the Chair.

The Chair and Vice-Chair are jointly responsible for determining the agenda of each Commission meeting, in collaboration with the Administrator.

Terms of Commission Officers and Procedures for Addressing Vacancies

The Ethics Commission has established that each party will retain the position of Chair or Vice-Chair for a full two-year term. The Commission unanimously approved the following terms for the Commission Chair and Vice-Chair at the June 19, 2018, Commission Meeting. The Chair and Vice-Chair will serve a two-year term. Each term shall begin on July 1 of even numbered years, and end June 30 in the next even numbered year. After each term, the parties will switch retention of officer positions. Upon a vacancy in either the Chair or Vice-Chair positions, the Commission shall elect a successor to serve out the remainder of the term from the members appointed by the same party.

Appendix K: Administrative Suspension of Registrants

The Ethics Commission is required by WIS. STAT. § 19.47(9)(a) to report adopted policies to the appropriate standing committees of the Legislature under WIS. STAT. § 13.172(3). At its December 5, 2017, meeting, the Ethics Commission unanimously adopted the following to establish internal policies and procedures for placing registrants (e.g., campaign committees and lobbying principals) on an administrative suspension status in order to minimize the requirements of staff to continually attempt to contact non-responsive registrants. Nothing in this policy affects the registration effectiveness or rights of any registrant.

Administration Suspension Policy

It is the policy of the Ethics Commission to place on administrative suspension any registrant who violates any provision of Chapter 11 or subchapter III of Chapter 13, who fails to subsequently respond to Commission communications regarding that violation, and where further attempts to contact the registrant are reasonably expected to be futile. Commission staff shall make reasonable efforts to find new contact information by consulting available data sources before placing a registrant on administrative suspension.

If Commission staff has been unsuccessful in contacting a registrant over a period of at least six consecutive months, staff need not continue to send a notice to the registrant regarding any violations that may continue to occur while on administrative suspension. Commission staff shall document any such violations by a registrant but need not include such registrants in their regular audits and subsequent reports to the Commission. This policy does not relieve a registrant of the duty to file reports when due or other obligations under state law.

If a registrant who is placed on administrative suspension subsequently is located by Commission staff, or contacts Commission staff to return the registrant to active status, the registrant may be returned to active status if requested, but the Commission shall be notified at its next meeting so as to consider taking appropriate action on any violations that may have accrued by the registrant while on administrative suspension.

Commission staff shall maintain a list of methods of contact to utilize before placing a registrant on administrative suspension and document all attempts to contact a registrant regarding placing them on administrative suspension. Commission staff shall report to the Commission at the next regular meeting any registrants placed on administrative suspension since the last report.



Wisconsin Ethics Commission

Campaign Finance | Lobbying | Ethics
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(608) 266-8123 | ethics@wi.gov | <https://ethics.wi.gov>

DATE: For the Commission Meeting on August 20, 2019

TO: Members, Wisconsin Ethics Commission

FROM: Ethics Commission Staff

SUBJECT: IT Systems Update

Commission Servers

Commission staff purchased software to upgrade the servers at the beginning of the fiscal year (July 1, 2019). Staff have been assisting our IT Developer, Kavita Dornala, in the process of transitioning the server operating systems and updated software to a testing environment. Once the transition and testing are complete, we will move to production. Staff expect the entire project to be completed by the end of September 2019.

Campaign Finance

Staff are proceeding with replacement of CFIS. The Commission directed staff to begin exploring redeveloping the campaign finance system through custom development and utilization of existing software from the State of Massachusetts on August 21, 2018. The Commission also directed staff to work with the Department of Administration's Division of Enterprise Technology (DET) to do a preliminary review of the Massachusetts code, to verify the quality of the code, confirm that it provides the required security, and is adaptable to the needs and requirements of the Commission and state statutes on September 14, 2018.

Massachusetts went live with a code update in December 2018 and provided the documentation to us in April 2019. In addition to the code documentation, our contacts in Massachusetts have provided staff with testing credentials for their website, so staff is able to learn how the system works. Staff met with DET in May to discuss the code review and plan for the development of a new system based on the code we have received. DET is drafting a project plan for staff to review. The project plan will be submitted to the DOA IT Governance Steering Committee.

DET has started working directly with Albert Grimes from the State of Massachusetts to get the code to run in a test environment. There has been a delay for three weeks due to competing projects, but they plan to begin testing the files in the next week.

Lobbying

The Web and Mobile Solutions (WaMS) team through the Department of Information Technology (DoIT) at the University of Wisconsin-Madison has begun development on the new Wisconsin Lobbying website. Our kickoff meeting for the project was July 1, 2019, and our first deliverables were received on July 18, 2019. We met with the development team on July 26, 2019 to discuss our Systems Security Plan for the "go live" of the site once finished. We will continue to have regular meetings with

the development team as we enter the next phases of development. Wisconsin Lobbying is anticipated to be finished in early 2020, with ample time to assemble manuals and conduct trainings.

Statements of Economic Interests

Significant progress has been made to allow candidates who do not hold any other position required to file an SEI to electronically file the SEI required to get on the ballot. Staff is currently finalizing and testing aspects of this project. Electronic filing for candidates will be available in December 2019 for the Spring 2020 election period.

E-Payment for Filing Fees

Commission staff met in June to discuss a plan to implement e-payments for filing fees. Staff have developed a plan to build a page on the existing <https://ethics.wi.gov> website where committees can pay the annual filing fee using credit, debit, or bank transfer. After this Commission meeting, staff will discuss this plan with Wisconsin Interactive Network (WIN), who manages the Ethics Commission website. Staff will also work with DOA's State Controller's Office to implement the payment process. The payment process will be very similar to the Lobbying e-payment system. Staff are planning to have this feature live by December 1, 2019, so that committees can pay the 2019 fee online by the deadline on January 15, 2020.



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DATE: For the August 20, 2019 Meeting

TO: Members, Ethics Commission

FROM: Ethics Commission Staff

SUBJECT: Ethics Commission Staff Report

Attorney General Opinion Requests

The Commission has two pending requests for Attorney General Opinions. Staff of the Department of Justice appeared at the Commission meeting on March 5, 2019. At that appearance, the Department's staff advised that the Commission submit a more focused opinion request for the campaign finance exemption question. Staff has drafted changes that are included in the Commission's legislative package which should alleviate the need for the Department of Justice to issue an opinion.

The second opinion request submitted to the Department of Justice concerns whether the Commission can suspend a lobbying-related license. The Department of Justice now posts pending opinion requests to its website for public comment. This request is amongst those posted. Comment period will close on August 21, 2019.

Prosecution of Violations

At the meeting on April 9, 2019, the Commission requested staff to contact the Department of Justice to determine whether the Department would prosecute violations of the laws within the Commission's jurisdiction when the Commission had extended a settlement offer and no agreement had been reached to resolve the alleged violations. The Administrator and Legal Counsel met with staff of the Department to discuss these issues. Staff of the Department indicated that a more concrete plan needed to be developed which would include criteria for the types of referrals the Commission would make to the Department. Once this plan is developed, the Department's staff will seek to obtain approval to represent the Commission in these matters. The Commission's staff will be reviewing outstanding settlement offers and consulting with the Department's staff on criteria for referrals, address the process for referrals, and discuss other alternatives. Staff will present a memo concerning this matter at the meeting on December 3, 2019.

Commission Administration

2019-21 Biennial Budget

The Governor signed 2019 Wisconsin Act 9 on July 3, 2019. The bill includes the standard budget adjustments and all three decision items the Commission requested. Staff are preparing the fiscal year 2020 operating budget now.

Lobbying

2019-2020 Legislative Session

As of July 23, 2019, there are 728 lobbying principals registered, 608 lobbyists licensed, and 1,515 lobbyist authorizations.

Statutes require each lobbying principal to submit a Statement of Lobbying Activities and Expenditures (SLAE) twice a year. The next deadline is January 31, 2020, which will cover activity from July 1 – December 31, 2019. After principals and lobbyists file their reports, staff will conduct audits for late SLAEs, late 15-day reports, lobbying without authorization, and late payment of lobbying fees.

Legislative Liaison Reporting

The next legislative liaison report is due January 31, 2020.

Code of Ethics and Financial Disclosure

SEI System Enhancements

Kavita is adding functionality so candidates will be able to file SEIs online beginning with the 2020 Spring Election.

Statements of Economic Interests

The deadline for annual filing of SEIs is April 30, 2019. Departing officials that serve even one day in 2019 must file a 2019 SEI, and officials that start service, or begin a new term of office, must file within 21 days.

As of June 4th, there are 2,634 total filers required to file an SEI for 2019. There were 2,012 annual filers required to file an SEI by 4/30/2019. All SEIs were filed by 6/18/2019.

Staff continues to handle new nominees and appointees as they are reported.

State of Wisconsin Investment Board Quarterly Reports

Second quarter reports were due by July 31st. All were received on time and referred to the Legislative Audit Bureau. The next batch of quarterly reports will be due by October 31st, covering July 1st through September 30th.



Wisconsin Ethics Commission

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DATE: For the Commission Meeting on August 20, 2019

TO: Members, Wisconsin Ethics Commission

FROM: Deb Brauer, Legal Intern

SUBJECT: Lobbying Law and Due Process

FOR COMMISSION ACTION

No action is required. This memorandum is for information only.

I. Introduction

Wisconsin statutes allow the Ethics Commission to suspend the authorization of a lobbyist to represent a principal when the principal fails to timely file semi-annual expense reports. The Legislative Audit Bureau recommended compliance with the statute as a result of a 2014 audit of the Government Accountability Board (GAB). The GAB expressed concern that the statute may violate free speech and due process requirements, but this has not been tested in court because the statute has never been applied.

Lobbying principals are required to file an expense statement two times per year. If a principal fails to timely file an expense report, the Commission has the authority to suspend the privilege of any lobbyist to lobby on behalf of the principal. In practice, this follows staff attempts to gain voluntary compliance such as through reminder emails sent during the five-day grace period following the filing deadline. To date, the Commission has been successful in achieving 100% reporting by principals, with only occasional need to contact principals to seek compliance after the deadline. In 2018, there were two late filings that resulted in settlements issued per Wis. ADMIN. CODE [ETH 26.03\(1\)](#). Ninety-nine percent of registered principals completed their Statements of Lobbying Activities and Expenditures (“SLAE”) on or before the required date in both 2017 and 2018.

A [2014 Legislative Audit Bureau audit](#) of the Government Accountability Board (GAB) found that the GAB was not suspending privileges per this statute. In their recommendations regarding the oversight of lobbying laws, the audit recommended that GAB staff “comply with s. 13.68(6), Wis. Stats., by prohibiting principals that have not filed timely semiannual expense statements from allowing lobbyists to lobby on their behalf or request that the Legislature modify this

Wisconsin Ethics Commissioners

Mac Davis | David R. Halbrooks | Katie McCallum | Tamara Packard | Pat Strachota | Timothy Van Akkeren

Administrator

Daniel A. Carlton, Jr.

SUPPLEMENTAL MATERIAL PAGE 5

provision” (p. 64). The GAB questioned the constitutionality of the statute because of the free speech and due process clauses in the U.S. Constitution and requested an opinion from the Attorney General. That opinion has not been received to date. The Attorney General has [posted the request to solicit public comment](#) through August 21.

II. Analysis

[WIS. STAT. § 13.68\(1\)](#) requires every registered lobbying principal to file an expense report twice annually. [WIS. STAT. § 13.68\(6\)](#) states that “[i]f a principal fails to timely file a complete expense statement under this section, the [Ethics] commission may suspend the privilege of any lobbyist to lobby on behalf of the principal.” The statute further provides that upon failure to file, a written notice shall be mailed to the principal and any authorized lobbyist including information about both the suspension and the right of appeal. The statute authorizes the Ethics Commission to take this action with the word “may”; it does not require the action. This parallels the language discussing standard settlements in the administrative code but diverges from the administrative code in that no time frame to commence action is specified.

The Ethics Commission may compromise and settle any civil action or potential action brought or authorized to be brought by it which, in the opinion of the Commission, constitutes a minor violation, a violation caused by excusable neglect, or which for other good cause shown, should not in the public interest be prosecuted. [WIS. STAT. § 19.49\(1\)\(b\)](#). This, combined with the permissive rather than compulsory language in [WIS. STAT. § 13.68\(6\)](#), grants the Ethics Commission discretion whether to seek a settlement or pursue a violation in court.

Lobbying has been considered an activity covered under the right to petition the government in the First Amendment. Justice Blackmun in *Regan* wrote that “... lobbying is protected by the First Amendment...”. *Regan v. Taxation with Representation*, 461 U.S. 540 552 (1983). His source is an anti-trust case speaking generally of “two or more persons ... associating together in an attempt to persuade the legislature or the executive to take particular action”. *E. R. Presidents Conference v. Noerr Motor Freight, Inc.*, 365 U.S. 127, 136 (1961). This may describe lobbying, but it is not explicitly so labelled and is not limited to that. Blackmun offers no further expansion.

To what extent is lobbying a protected right?

Lobbying, in Wisconsin law, is “the practice of attempting to influence legislative or administrative action by oral or written communication with any elective state official, agency official or legislative employee, and includes time spent in preparation for such communication and appearances at public hearings or meetings or service on a committee in which such preparation or communication occurs.” [WIS. STAT. § 13.62\(10\)](#).

A person’s access to government officials is protected by the First Amendment, including the free speech and petition clauses. The term “person” includes associations, companies, corporations, partnerships, firms, and societies as well as individuals.” 1 U.S.C. § 1. Because of this, lobbying falls under the general umbrella of protected free speech. Further, the Fifth (US

Const. amend. V) and Fourteenth (US Const. amend. XIV sec. 1) Amendments guarantee due process for any federal or state governmental taking.

Questions of constitutionality are considered using the strict scrutiny standard when a fundamental constitutional right may be infringed. This standard, set forth in *US v. Carolene Products Co.*, requires that there be a compelling governmental interest, that the law is narrowly tailored to achieve that interest, and is the least restrictive alternative. 304 U.S. 144, 153 (1938).

A. Lobbying is not an unfettered right

The statutory language in [WIS. STAT. § 13.68\(6\)](#) refers to “the suspension of lobbying privileges.” In interpreting a statute, the plain language meaning of a word is preferred, unless otherwise defined. Subchapter III’s definitions do not include “privilege.” The courts are permitted to interpret statutes if there is sufficient ambiguity that the statutory language reasonably could be understood in multiple ways. *State ex rel. Kalal v. Circuit Court for Dane Cty. (In re Criminal Complaint)*, 681 N.W.2d 110 (2003). There does not appear to any ambiguity in this statute, so we are free to assume intention in the word choices. The wording of the statute signals that the legislature views lobbying as a privilege, in the plain meaning of the word. A privilege is less than a right and thus not protected as a right is.

The courts view lobbying as a right, but not an unfettered right. In *United States v. Harriss*, the Court was asked to review whether requiring lobbyists to file reports was unconstitutional because it infringes upon First Amendment freedoms to speak and to petition the government. 347 U.S. 612, 11 (1954). In *Harriss*, the district court held that the reporting requirements of the Federal Regulation of Lobbying Act (2 U.S.C. §§ 261-270) were unconstitutional. This appeal to the Supreme Court considered the definiteness of the Act. The Court declined to address the constitutional issues directly. *Harriss* found that the government has a legitimate interest in regulating lobbyists. Legislators must know whose interests they are being asked to promote. The Court held that the requirement to file quarterly reports was not unconstitutionally vague as it applied only to lobbyists as defined by the Federal Regulation of Lobbying Act and thus fulfilled the constitutional requirement of definiteness. 2 U.S.C. §§ 261-270. The government interest and narrow application meet the due process requirements.

1. Free speech

The ability to petition government for redress, i.e. through lobbying, is a form of speech protected by the First Amendment. Lobbying activities may take place in a public context or in a less public forum. Free speech in a non-public forum is subject to reasonableness. Imposing time, place, and manner restrictions on free speech in a non-public forum is permissible, provided the restrictions are without reference to the content, are narrowly tailored to serve a governmental interest, and leave open alternative channels for communication of the information. *Clark v. Cmty. for Creative Non-Violence*, 468 U.S. 288 (1984).

Wisconsin’s constitution speaks of free speech in broad, general terms. “Every person may freely speak, write and publish his sentiments on all subjects, being responsible for the abuse of that right, and no laws shall be passed to restrain or abridge the liberty of speech or of the press.” [WIS. CONST.](#)

[art. I, § 3](#). The state constitution treats the right to assemble and petition similarly, with a broad statement that has been more closely defined through judicial interpretation. Where the wording of the Wisconsin constitution differs from the US constitution, it does not offer greater liberties.

As a general holding, “[t]he 1st amendment does not require the state to maintain policies that allow certain associations to thrive. For the most part, the Bill of Rights enshrines negative liberties. It directs what government may not do to its citizens, rather than what it must do for them.” *Laborers Local 236, AFL-CIO v. Walker*, 749 F. 3d 628, 639 (2014).

Application of the standards set forth in *Clark* to the question of lobbyist authorization suspension indicates that the course of action is reasonable. The suspension may be applied to any lobbyist whose principal has not timely filed, and thus the statute is without reference to the content. As application is discretionary, the possibility exists that application might violate this requirement, but the statute does not do so. The suspension is narrowly tailored to serve a governmental interest, that legislators should know whose interests they are promoting. Finally, suspension of lobbying authorization leaves open alternative channels for communication with public officials; however, these channels are minimal and significantly limit the ability of a principal to influence legislative or administrative action.

Wisconsin has used the “narrowly tailored interests” standard in past decisions regarding the constitutionality of lobbying laws and restrictions. *Barker v. Wisconsin Ethics Board* (841 F. Supp. 255. 1993) established that the constitutionality of Wisconsin’s lobbying laws is to be evaluated by examining the state’s interest. Restrictions on speech and association are presumed to be unconstitutional without a compelling state interest and a narrowly tailored restriction. The holding in this case offered guidance that “[i]f the legislature continues to perceive a need to regulate the volunteer activities of lobbyists, it remains free to pass a lobby law that focuses more precisely on identified harms.” *Id.* at 259. Other Wisconsin cases challenging aspects of the lobbying statutes continue to use this standard (e.g. *Katzman v. State Ethics Bd.*, 228 Wis. 2d 282. 1999), lobbyist’s wife’s political contributions during the prohibited period were not subject to lobbyist restrictions). There are many instances of Wisconsin courts denying constitutional arguments when the state uses the least restrictive means in regulation (e.g. *State v. Ovadal*, 2000 WI App 94, law banning unauthorized sign along a highway applied to defendant’s handheld sign did not violate his first amendment rights).

To apply the *Barker* standard to the suspension of a lobbyist’s authorization, we consider whether there is a compelling state interest and a narrowly tailored restriction. The compelling interest is equally valid for state government as for federal: legislators should know whose interests they are being asked to support. The restriction is sufficiently narrowly tailored, as it only applies to registered principals who have failed to timely file SLAEs, and to registered lobbyists authorized to represent those principals. This is a clearly defined and circumscribed group. The suspension of lobbying authorization should stand up to a First Amendment test of state constitutionality as well as federal.

The state interest is the same as in *Harriss*, that legislators should know who is asking them to promote their interests. However, this statute does not appear to be narrowly tailored to achieve the government’s interest. Assuming that the government’s interest is to remove access from

principals who have not filed expense reports, the statute in its current form is not the least restrictive alternative available. The principal's registration could be suspended to achieve the desired end and not involve the lobbyist.

2. Due process

A second constitutional issue is that of due process. Due process requires that a person shall not be deprived "life, liberty, or property, without due process of law..." (U.S. Const. amend. V and U.S. Const. amend. XIV sec. 1). The Fifth Amendment provides for procedural due process in federal government actions. This affords protections including the right to notice of the action and the grounds, an opportunity for a hearing to contest the action, and a decision by a neutral party. *Goldberg v. Kelly*, 397 U.S. 254 (1970). This is often assessed using the balancing test put forth in *Mathews v. Eldridge*, balancing the private interest to be affected, the government's interest, and the chance of an erroneous taking. *Mathews v. Eldridge*, 424 U.S. 319 (1976). The Fourteenth Amendment is similar in protections and evaluation but applies to state actions. [WIS. STAT. § 13.68\(6\)](#) contains provisions for notice to both the principal and the lobbyist, and for a hearing regarding the planned action.

One component of due process is the opportunity to be heard. *Grannis v. Ordean*, 234 U.S. 385, 394. For this to be meaningful, it "must be granted at a meaningful time and in a meaningful manner" *Armstrong v. Manzo*, 380 U.S. 545, 552. A hearing after deprivation of a right is not a meaningful hearing. The lack of a timeline for a hearing to appeal means that the authorization could be suspended before a hearing is scheduled, which may give rise to timeliness concerns. [WIS. STAT. § 13.68\(6\)](#) allows 10 days following mailing of the notice to correct the omission. The applicable hearing procedures in [WIS. STAT. § 227.42](#) specify the response time once a hearing is requested, but do not specify the timing of the request for a hearing nor require a stay of the suspension if/when a hearing is requested. Authorization could be suspended before a hearing, or even before a hearing request is received. This is more a procedural issue, in the absence of statutory specificity. Because this has never been implemented, there is no way to assess whether the actual procedures would preserve due process rights.

B. Policy: Consideration of other states' practices

There remains a question whether the Legislature should consider modifications. An examination of how other states respond can offer perspective. The table below shows what is required in other states and the District of Columbia. It includes the number of states that have lobbyist and principal registering and reporting requirements. Many more states require lobbyist registration than principal registration. Similarly, there are more states that require lobbyist reports than reports from principals. The second section contains the number of states that impose some sort of penalty for non-filing or late filing.

Activity	Number (of 51, including D.C.)
Lobbyist registration	50
Principal registration	21
Lobbyist report	46
Only lobbyist submits a report	18
Principal report	32
Only principal submits a report	5
Penalty for non-reporting (lobbyist)	42
Penalty for non-reporting (principal)	26

Penalties vary widely, though nearly all are financial. Lobbyist fines range from \$5 a day to \$25,000. Most states increase the penalty incrementally. Two states may suspend or revoke a lobbyist for non-reporting, following a hearing. Principal fines range from \$10 a day to \$25,000. One state, North Carolina, may revoke a principal’s registration for failure to file an expense report, following a certified letter and 20 days from receipt to comply. Wisconsin is the only state that suspends the lobbyist’s authorization as a consequence of the principal’s failure to report.

On its face, the currently employed process appears to be a very effective means of achieving the government’s interest and is not divergent from the practice in other states. The statutory remedy has not been employed because it has not been necessary.

III. Conclusion

[Wis. STAT. § 13.68\(6\)](#) has not been applied in the history of the Ethics Commission or its predecessors. As the statute has not been used, it has escaped review for constitutionality. There are unresolved questions of constitutionality that a court might consider if this statute were to be challenged. The specific challenges might include the extent to which suspension of lobbyist authorization satisfies the government’s interests, and whether it is the least restrictive means to do so. Because full compliance is regularly achieved without needing to resort to this action, it does not appear to be necessary or useful in gaining compliance, which is the ultimate consideration.