STATE OF WISCONSIN
ETHICS COMMISSION

LOCAL GOVERNMENT ETHICS & CAMPAIGN FINANCE FOR MUNICIPAL CLERKS

Daniel Carlton
Administrator

Richard Bohringer
Ethics Specialist

David Buerger
Staff Counsel
ABOUT THE ETHICS COMMISSION

- Created by 2015 Wisconsin Act 118
- 6 members – Partisan Appointments
  - 2 former judges, 4 others
  - 5 year terms
- Headed by Commission Administrator
- All actions require four votes
- One Staff Counsel; Six Other Staff Positions
- Confidentiality: Advice & Investigations
COMMISSION RESPONSIBILITIES

• Administer Wisconsin Statutes
  – Chapter 11: Campaign Finance
  – Subchapter III, Chapter 13: Lobbying
  – Subchapter III, Chapter 19: Code of Ethics
• Prescribe forms, prepare and publish manuals
• Provide advisory opinions
• Present training programs
• Review complaints and enforce the law
CAMPAIGN FINANCE FOR LOCAL CLERKS
Clerk’s Duties

- Obtain and make available to local candidates and committees the appropriate forms and manuals.
- Compile and maintain on an electronic system a current list of all campaign finance registration and reports.
- Make all filed reports and statements available to the public no later than the 2nd day following receipt.
- Make available a list of delinquent filers for public inspection.
- Conduct a facial review of each report or statement filed to ensure compliance and notify committees of any errors or discrepancies.
- Notify the Commission of any violations, errors, or discrepancies in local campaign finance filings.
<table>
<thead>
<tr>
<th>Ethics Commission</th>
<th>County Clerk</th>
<th>Municipal Clerk</th>
<th>School Board Clerk</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Candidates for state office</td>
<td>• Candidates for county office</td>
<td>• Candidates for municipal office</td>
<td>• Candidates for school board office</td>
</tr>
<tr>
<td>• Conduits</td>
<td>• Candidates for multi-jurisdictional municipal judge</td>
<td>• Recall committees</td>
<td>• Recall committees</td>
</tr>
<tr>
<td>• Legislative campaign committees</td>
<td>• Recall committees</td>
<td>• Referendum committees</td>
<td>• Referendum committees</td>
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<tr>
<td>• Political action committees</td>
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<td>• Independent expenditure committees</td>
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<tr>
<td>• Political parties</td>
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<td>• Recall committees</td>
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<tr>
<td>• Referendum committees</td>
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</tbody>
</table>

State of Wisconsin
Ethics Commission
A candidate must register their campaign as soon as practicable after any of the following events:

- Candidate receives a nomination via caucus
- Candidate files nomination papers
- Candidate receives a contribution or makes a disbursement in order to bring about the individual’s nomination or election*

*except for opening a bank account, renting a post office box, or producing nomination papers
WHO IS REQUIRED TO REGISTER?

• A recall committee must register if it accepts contributions or makes disbursements in excess of $2,000 in a calendar year.
  – Cannot circulate to collect signatures or offer a completed recall petition prior to registration per WIS. STAT. § 9.10(2)(c).

• A referendum committee must register if it accepts contributions or makes disbursements in excess of $10,000 in a calendar year.
  – A referendum committee must either:
    • Have the major purpose of making expenditures to support or defeat a referendum, OR
    • Use more than 50% of its total spending in a 12-month period on such expenditures
CAMPAIGN REGISTRATION STATEMENT

- Form CF-1, available on the Ethics Commission website
- All committees must complete Sections A (General Information) & G (Certification).
- Depending on the type of committee, additional information may be requested:
  - Candidates must also complete Section B
  - Recall committees must also complete Section C
  - Referendum committees must also complete Section F
## Campaign Registration Statement

**STATE OF WISCONSIN**

### Section A: General Information

<table>
<thead>
<tr>
<th>A1. Candidate Committee/Committee Name</th>
<th>A2. Registration Type (if any):</th>
<th>A3. Email</th>
<th>A4. Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Candidate/Referendum</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Recall/Exception</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Political Action (PAC)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Independent Expenditure (IEC)</td>
<td></td>
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<tr>
<td></td>
<td>Political Party</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Legislative Campaign Committee</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Date:**

**City:**

**State:**

**Zip:**

### Section B: Candidate Committees

<table>
<thead>
<tr>
<th>B1. Office Sought (include District/Region)</th>
<th>B2. Political Party</th>
<th>B3. Election Date</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Candidate Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>B4. Name</td>
</tr>
<tr>
<td>B5. Email</td>
</tr>
<tr>
<td>B6. Phone</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B7. Mailing Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>B9. City</td>
</tr>
<tr>
<td>B10. State</td>
</tr>
<tr>
<td>B11. Zip</td>
</tr>
</tbody>
</table>

**Second Candidate Committee**

<table>
<thead>
<tr>
<th>Second Candidate Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>B12. Is this your only registered candidate committee in Wisconsin?</td>
</tr>
<tr>
<td>Yes, this is my only candidate committee in Wisconsin</td>
</tr>
<tr>
<td>No, this is my second candidate committee in Wisconsin</td>
</tr>
</tbody>
</table>

### Section C: Recall Committees

<table>
<thead>
<tr>
<th>C1. Name of Official Subject to Recall</th>
</tr>
</thead>
<tbody>
<tr>
<td>C2. Office of Official Subject to Recall</td>
</tr>
<tr>
<td>C3. Support</td>
</tr>
</tbody>
</table>

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State of Wisconsin  
Ethics Commission
At a minimum the registrant must provide:

- Name and mailing address of the committee
- Name and mailing address of the treasurer and any other custodian of the books and accounts, if any
- A list of members of the committee who are authorized to fill the vacancy if the candidate dies before election, if any
- Name and address of the bank or other institution where funds of the committee are kept
- Printed name, signature, and date of certification

Registrations must be amended within 10 days of any change!
Campaign Finance Reporting

- Types of reports:
  - Continuing Reports (due January 15th and July 15th)
  - Election Related Reports (due 8 days before the primary or election)

- A committee may request exemption from filing these reports in a calendar year if the committee:
  - Will not accept or spend more than $2,000 in a calendar year (including contributions from the candidate)
  - Is not a candidate on the ballot in that calendar year

- A committee must renew their exempt status each year.
  - Use Form ETHCF-14 Exemption Reverification
Committees at the local level can file reports either on paper using the CF-2L form or electronically using the CF-2LE, if the filing officer accepts electronic filings.

If there is no activity during a reporting period, a committee can file the CF-2NA postcard as a report.

A report should have following parts as necessary:

<table>
<thead>
<tr>
<th>Cover Page</th>
<th>Schedule 1 – Contributions</th>
<th>Schedule 2 – Expenditures</th>
<th>Schedule 3 – Additional Disclosures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summary Totals</td>
<td>1-A Receipts</td>
<td>2-A Gross Expenditures</td>
<td>3-A Incurred Obligations</td>
</tr>
<tr>
<td>Signature</td>
<td>1-B Contributions from Committees</td>
<td>2-B Contributions to Committees</td>
<td>3-B Individual Loans</td>
</tr>
<tr>
<td></td>
<td>1-C Other Income</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Contribution Limits

<table>
<thead>
<tr>
<th>Type</th>
<th>Individual</th>
<th>Candidate</th>
<th>PAC</th>
<th>Corporate/Union?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Candidate</td>
<td>Greater of $500 or $0.02 x population*</td>
<td>Greater of $500 or $0.02 x population*</td>
<td>Greater of $400 or $0.02 x population*</td>
<td>Cannot accept corporate or union money.</td>
</tr>
<tr>
<td></td>
<td>Not to exceed $6,000</td>
<td>Not to exceed $6,000</td>
<td>Not to exceed $5,000</td>
<td></td>
</tr>
<tr>
<td>Recall</td>
<td>No limit</td>
<td>No limit</td>
<td>No limit</td>
<td>Cannot accept corporate or union money.</td>
</tr>
<tr>
<td>Referendum</td>
<td>No limit</td>
<td>No limit</td>
<td>No limit</td>
<td>No limit</td>
</tr>
</tbody>
</table>

*As determined by the last federal census or census information on which the district is based.*
CONTRIBUTION LIMITS, cont.

- For a new candidate, contribution limits are calculated from the day the candidate is required to register to the day prior to the date the winning candidate would take office.
- For an incumbent candidate, contribution limits are calculated from the day the candidate assumes office until the day before the winning candidate would take office.
- Exceptions to limits:
  - Self-funding by candidate
  - Political parties or legislative campaign committees
  - Contributions to pay expenses incurred in connection with a recall or recount.
A “contribution” means any of the following:

- A gift, subscription, loan, advance, or transfer of money to a committee.
- With the committee's consent, a transfer of tangible personal property or services to a committee.
- A transfer of funds between committees.
- The purchase of a ticket for a fundraising event for a committee regardless of whether the ticket is used to attend the event.
A “contribution” does not include (non-exhaustive list):

- Volunteer services
- Interest
- Rebates or rewards from a debit/credit card
- Loans from a commercial lending institution
- The cost of invitations, food, and beverages in connection with an event held in a private residence on behalf of a candidate committee
- Internet activity by an individual acting in his or her own behalf or on behalf of another if not specifically compensated for those services
**IN-KIND CONTRIBUTIONS**

- An in-kind contribution is a contribution of goods, services, or property to a committee at less than the usual cost.
  - E.g., if an individual offers to provide food and beverages for a fundraiser at less than the market price.
- On a campaign finance report, an in-kind contribution should be reported as both a contribution and an expenditure so as to not increase or decrease the committee’s cash balance.
Contributions from Businesses

- Corporations may **NOT** contribute to candidates in the State of Wisconsin.
- Sole-proprietorships may contribute. The contribution is reported as being from the individual owner.
- Partnerships may contribute. The contribution is reported as being from the partners as per their share of the business or as otherwise agreed by the partnership.
- Limited liability corporations that are taxed as sole-proprietorships or partnerships may contribute. The contribution is reported as described above.
- A refund or return of a deposit from a company is **NOT** a contribution and should be reported as “other income.”
PROHIBITED CONTRIBUTIONS

• A committee may not accept:
  – Any anonymous contribution in excess of $10.
  – Cash contributions in excess of $100.
  – Contributions given in the name of someone other than the contributor.
  – Contributions from corporations, associations, labor organizations, or federally recognized American Indian Tribes.
  – Contributions in excess of contribution limits.
  – Contributions from foreign nationals.

• A lobbyist may contribute to a candidate for local office as long as that candidate is not currently holding a partisan state elective office.
RETURNED CONTRIBUTIONS

• A committee may return a contribution at any time before or after it has been deposited.
• Any contribution deposited by the committee must be reported.
• A committee that accepts an unlawful contribution (e.g., in excess of contribution limits or a corporate contribution) may accept the contribution, report it, and returns it no later than 15 days after the filing deadline for a report, does not violate the law.
If a committee is required to file campaign finance reports, it must report:

- The date the contribution is received
- The full name and address of the person who made the contribution
- The total amount of the contribution
- If the cumulative contributions from an individual exceed $200 in a calendar year, the contributor’s occupation.
- An itemized statement for each anonymous contribution.
  - If any anonymous contribution exceeds $10, the excess must be donated to the common school fund or a charitable organization
- A statement of the total contributions received and donated.
DISBURSEMENTS

• A “disbursement” means any of the following:
  – An expenditure by a committee from the committee’s depository account.
  – The transfer of tangible personal property or services by a committee.
  – A transfer of funds between committees.
  – The purchase of a ticket for fundraising event for a committee regardless of whether the ticket is used to attend the event.
Reporting Disbursements

• If a committee is required to file campaign finance reports, it must report:
  – 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.
  – 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.
  – A statement of totals during the reporting period of the disbursements made.
OBLIGATIONS AND LOANS

• An obligation is any express agreement to make a disbursement.

• If a committee is required to file campaign finance reports, it must report:
  – 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 specific purpose for which each such obligation was incurred.
  – A statement of the balance of obligations incurred as of the end of the reporting period.
If a committee is required to report, it must provide a statement of the cash on hand at the beginning and end of each reporting period.

If a committee’s cash balance at the beginning of the report does not match up with the cash balance reported from the end of the prior report there is likely an error due to a missing or duplicated transaction.
ATRIBUTION STATEMENTS

• No disbursement 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.

• Every communication containing express advocacy which is paid for by any contribution or disbursement shall clearly identify its source (“Paid for by [committee name].”)

• The attribution statement may also include the treasurer’s name, but it is not required.

• A communication paid for by another as an in-kind contribution should read (“Paid for by [contributor], authorized by [receiving committee].”)
TERMINATION REQUESTS

• A committee may terminate its registration if it meets the following requirements:
  – Determines that all financial activity will stop and the committee will not longer receive contributions, make disbursements, or incur obligations; and
  – Files a termination report showing all incurred obligations have been paid or satisfied, and the cash balance of the committee has been reduced to zero; and
  – Completes a request for termination, Form CF-13.

• A candidate may not terminate his or her committee before the primary or election in which he or she is a candidate.

• An incumbent may not terminate his or her committee prior to leaving public office, but may go on exempt status if otherwise eligible.
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:
  – Repaying outstanding loans. If loans are not repaid, they must be forgiven before the committee can request termination.
  – Returning money to contributors in amounts not more than the original contribution. (The candidate or treasurer may choose which contributors to refund. A pro-rata return to all contributors is not required.)
  – Donating to any charitable organization or the Common School Fund.
  – Transferring money to another registrant within contribution limits.
NOTIFICATION OF VIOLATION

• You are required to facially review the campaign finance statements and reports that are filed with your office.

• If you receive information regarding a potential violation of campaign finance law, you are required to report it to the Commission.

• Complete the CF-30 form to report a potential violation.
NOTIFICATION OF VIOLATION

Notice of Campaign Finance Violation, Error, or Discrepancy
State of Wisconsin

Note: Use of this form is required by the Ethics Commission for any referral of a campaign finance violation by a filing officer pursuant to Wis. Stat. § 11.0102(3)(e). Completion of this form is mandatory. It is not the Commission’s intention to use any personally identifiable information from this form for any other purpose.

Before completing and submitting this form to the Ethics Commission, follow the steps below:

1. Review the Settlement Schedule
   - Review the Campaign Finance Settlement Office Schedule posted at [link]. If the violation, error, or discrepancy matches one of the categories listed, determine whether it would result in a penalty under the criteria given for that category. If the issue is not included on the settlement schedule, contact Ethics Commission staff for guidance.

2. Notify the Committee of the Violation
   - For some issues, committees have up to 30 days to fix the reporting error before being penalized. If the committee has been notified and has not addressed the violation in a timely manner, refer the issue to the Ethics Commission.

3. Gather Materials
   - Attach the committee’s registration statement and any additional documents as necessary to provide evidence of the violation.

Once complete, submit this form to the Ethics Commission via email at CampaignFinance@wi.gov.

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SECTION A: FILING OFFICER CONTACT INFORMATION

- **A1. Filing Officer Name**
- **A2. Title**
- **A3. Phone**
- **A4. Email**
- **A5. District Name**
- **A6. District Type** (County, City)
- **A7. Mailing Address**
- **A8. City**
- **A9. State**
- **A10. Zip**

SECTION B: COMMITTEE INFORMATION

- **B1. Committee Name**
- **B2. Email**
- **B3. Phone**
- **B4. Mailing Address**
- **B5. City**
- **B6. State**
- **B7. Zip**

SECTION C: VIOLATION TYPE

- Late/Missing Report
- Incomplete Contributor Information
- Incomplete Contribution Form
- Funds Balance Discrepancy/Incomplete Report
- Exceeding Contribution Limits
- Prohibited Contributions
- Other:

- **Filing Period:**
- **Report Due Date:**

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- Check the Commission’s penalty schedule (some violations may not have a penalty until a certain number of days elapse)
- Notify the committee of the violation, error, or discrepancy and ask them to amend their statement or report by a date certain.
- Submit all necessary documentation with the completed CF-30 to campaignfinance@wi.gov
Ethics Rules for Local Officials

• 50 Piece Rule - Wis. Stat. § 11.1205
• Travel by Public Officers - Wis. Stat. § 11.1206
• Political Solicitations - Wis. Stat. § 11.1207
• Discounts at Certain Stadiums - Wis. Stat. § 19.451
• Code of Ethics for Local Officials – Wis. Stat. § 19.59
• May have additional ethics obligations under county/municipal code
50 Piece Rule

- **WIS. STAT. §11.1205**: Use of government materials by candidates
  - No person elected to state or local office
  - Who becomes a candidate for national, state, or local office
  - May use public funds for the cost of materials or distribution for 50 or more pieces of substantially identical materials distributed after the first day to begin circulating nomination papers

- Except...
50 Piece Rule - Exceptions

• Answers to communications of constituents
• Actions taken by a state or local administrative officer pursuant to a specific law, ordinance, or resolution which authorizes or directs action to be taken
• Passive vs. Active Messages (Application to Social Media)
  – The Commission has determined that for purposes of the 50 Piece Rule, it will only count instances of communication intended by the sender.
  – E.g., a post or tweet is one piece no matter how many people may see it. An email is one piece per recipient.
  – For more information see: 2018 ETH 03.
**Travel by Public Officers**

- No person may use any vehicle owned by any local governmental unit for any trip which is exclusively for the purposes of campaigning to support or oppose any candidate.

- No person may use any vehicle owned by any local governmental unit for purposes that include campaigning to support or oppose any candidate unless the person pays to the local governmental unit a fee which is comparable to the commercial market rate for use of a similar vehicle and for any services provided by the local governmental unit to operate the vehicle.
• If a trip is made in part for a public purpose and in part for the purpose of campaigning, the person shall pay for the portion of the trip attributable to campaigning, but in no case less than 50% of the cost of the trip.

• The portion of the trip attributable to campaigning is determined by dividing the number of appearance made for campaign purposes by the total number of appearances.
Political Solicitations

- No person may solicit or receive from any officer or employee of a local government unit any contribution during established hours of employment or while the officer or employee is engaged in his or her official duties.

- Every person who has control of a building, office, or room occupied by a local governmental unit, shall prohibit entry of any person into that building, office, or room for purpose of making or receiving a contribution.

- No person may enter or remain in a building, office, or room occupied by a local governmental unit or send or direct a communication for the purpose of requesting or collecting a contribution.
No person serving in a local office may accept any discount on the price of admission or parking charged to members of the public at a stadium exempt from general property taxes.
"Local public official" means:
- An elected official of a local government unit
- A county administrator, administrative coordinator, or city or village manager.
- An appointed official of a local government unit that serves for a specific term or at the pleasure of the governing body, except those positions that are merely clerical/ministerial or filled by an independent contractor.
- Members of the board of directors of a local exposition district not serving for specified term.
CODE OF ETHICS FOR LOCAL OFFICIALS

- **Wis. Stat. § 19.59(1)(a)**
  - No local public official may use his or her public position or office to obtain financial gain or anything of substantial value for the private benefit of himself or herself or his or her immediate family, or for an organization with which he or she is associated.

- “Immediate family” means:
  - A spouse or relative by marriage or descent that gives or receives more than 50% of their financial support from the individual.

- “Associated” means:
  - an officer, director, or trustee, or a person that owns or controls at least 10% of the outstanding equity, or a person who is an authorized representative or agent.
Influence and Reward

- **Wis. Stat. § 19.59(1)(b)**
  - No person may offer or give to a local public official, directly or indirectly, and no local public official may accept from any person, directly or indirectly, anything of value if it could reasonably be expected to influence the local public official’s vote, official actions, or judgment, or could reasonably be considered as a reward for any official action or inaction on the part of the local public official.

  - As a general rule officials should not accept anything of more than nominal value from organizations that have a special or specific interest in an item or matter likely to be before the official.
Accepting Gifts

• Do not accept items or services of more than trivial value that are offered to you because of your official position.

• You may accept something if it is not related to your public office.

• You may accept something if it is available to the general public and you received no special advantage in partaking of the opportunity (no use of public office)
Disposition of Gifts

- Treat the item as being given to the office.
- Turn the item over to another 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 of which the official or a family member is an officer, director, or agent).
- Return the item to the donor.
- Purchase the item (by paying the donor the full retail value) and retain it.
QUID PRO QUO / PAY TO PLAY

- Wis. Stat. § 19.59(1)(br)
  - No local public official or candidate for local public office may, directly or by means of an agent, give, or offer or promise to give, or withhold, or offer or promise to withhold, his or her vote or influence, or promise to take or refrain from taking official action with respect to any proposed or pending matter in consideration of, or upon the condition that, any other person make or refrain from making a political contribution, or provide or refrain from providing any service or other thing of value, to or for the benefit of a candidate, a political party, any committee registered under ch. 11, or any person making a communication that contains a reference to a clearly identified local public official holding an elective office or to a candidate for local public office.
CONFLICTS OF INTEREST

• **WIS. STAT. § 19.59(1)(c): No local public official may:**
  
  – Take any official action substantially affecting a matter in which the official, a member of his or her immediate family, or an organization with which the official is associated has a substantial financial interest.

  – Use his or her office or position in a way that produces or assists in the production of a substantial benefit, direct or indirect, for the official, one or more members of the official’s immediate family either separately or together, or an organization with which the official is associated.

  – Except...
OFFICIAL MAY ACT IF...

- The official action affects a whole class of similarly-situated interests; and,
- Neither the interests of the official, a member of the official’s immediate family, nor 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, of a member of their immediate family, or of an associated business or organization is neither significantly greater nor less than upon other members of the class.

Ethics Commission Guideline 1232
Local Ethics Boards

In addition to these requirements, a county or municipality may enact an ordinance to establish a code of ethics for public officials, employees, and candidates.

- Ordinance may also apply to immediate family.

The ordinance may require the officials, employees and candidates to file a statement of economic interests (SEI).

The power to enforce the ordinance may be vested in an ethics board appointed as specified in the ordinance.

- A local ethics board may issue subpoenas, administer oaths, and investigate any violation of the ordinance on its own motion or upon the complaint of any person.
- A local ethics board may also issue advisory opinions.
WHERE TO FIND MORE INFORMATION

• Wisconsin Statutes
  • https://docs.legis.wisconsin.gov

• Advisory Opinions
  • Prompt, Confidential, Authoritative

• Guidelines
  • https://ethics.wi.gov

Ethics@wi.gov
https://ethics.wi.gov
Phone: (608) 266-8123
Fax: (608) 264-9319