

Changes in the States

May 2006

Wisconsin Increases Reporting for Nonresident PACs

In March 2006, Wisconsin Governor Jim Doyle signed into law Assembly Bill 65, which increases the reporting obligations for all nonresident PACs (including most federal PACs) in Wisconsin.

Prior to April 6, 2006, the effective date of the bill, Wisconsin law only required nonresident PACs to disclose contributions from contributors in Wisconsin and disbursements made in connection with an election for state or local office in Wisconsin. The new law changes this and requires nonresident PACs to report *all* of the information that is required of resident PACs. Specifically, nonresident PACs are now required to report information on contributions and expenditures made outside of Wisconsin as well as those made inside the state. Moreover, all contributions and expenditures in excess of \$20 must be itemized. Officials with the Wisconsin State Elections Board have advised that the first report affected by the new law will be the fall pre-primary report, which is due on September 5, 2006. In order to comply with the new requirements, nonresident PACs making contributions or expenditures in Wisconsin must begin keeping the additional records beginning on July 1, 2006, the first date covered by this report.

The Board expects to issue a final decision on the acceptable filing methods for federal PACs in the next several weeks.

Washington State Imposes Reporting Requirements on Federal PACs

In March 2006, Washington Governor Christine Gregoire signed into law House Bill 1226, which makes several changes to the state's campaign finance laws. Effective June 7, 2006, federal PACs making contributions to Washington state and local candidates and committees will no longer be exempt from Washington state's

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reporting obligations. Rather, "out-of-state committees" (federal or otherwise) will be required to disclose the name, address and employer of each person or corporation residing outside of Washington that contributes more than \$2,500 in the aggregate in a calendar year to the out-of-state committees, as well as the identity of all in-state contributors who contributed more than \$25 to the committee.

The bill also applies the campaign contribution limits for legislative and statewide candidates to candidates for certain county offices, special purpose district offices and judicial offices. Specifically, contributions to a candidate for county office in a county that has more than 200,000 registered voters are limited to \$700 per election from an individual, union, business or PAC. These same entities may contribute up to \$1,400 per election to a candidate for judicial office or to a candidate running for office in a special purpose district in districts authorized to provide freight and passenger transfer and terminal facilities that have more than 200,000 registered voters.

A second bill, Senate Bill 6152, increases the penalties for failing to comply with the state's campaign finance laws. As of June 7, 2006, the maximum penalty for a single violation is \$1,700 and the maximum aggregate penalty imposed by the Commission may not exceed \$4,200.