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SENATE BILL NO. 516

Offered January 24, 2000

A BILL to amend the Code of Virginia by adding in Title 24.2 a chapter numbered 9.2, consisting of sections numbered 24.2-941 through 24.2-949, enacting the Campaign Finance Reform Act; contribution limits; penalties.

Patron—Puckett

Referred to Committee on Privileges and Elections

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 24.2 a chapter numbered 9.2, consisting of sections numbered 24.2-941 through 24.2-949, as follows:

CHAPTER 9.2.

CAMPAIGN FINANCE REFORM ACT.

§ 24.2-941. Title; application.

This chapter shall be known as the Campaign Finance Reform Act. The provisions of this chapter apply only to elections for Governor, Lieutenant Governor, Attorney General, and the General Assembly.

§ 24.2-942. State Board of Elections to administer chapter.

The State Board of Elections shall administer, and may establish rules to carry out, the provisions of this chapter.

§ 24.2-943. Limits on contributions to candidates for Governor, Lieutenant Governor, Attorney General, and the General Assembly.

A. No person, other than a political party committee or political action committee, as defined in subsections F and G of this section, shall make contributions to a candidate for Governor, Lieutenant Governor, Attorney General, or the General Assembly which, in the aggregate, exceed \$1,000 in value for any one candidate in any one election. No political action committee shall make contributions to a candidate for Governor, Lieutenant Governor, Attorney General, or General Assembly which, in the aggregate, exceed \$2,000 in value for any one candidate in any one election. No political party committee shall make contributions to a candidate for Governor, Lieutenant Governor, Attorney General, or the General Assembly which, in the aggregate, exceed \$5,000 in value for any one candidate in any one election.

B. No candidate shall solicit or accept any contribution in excess of the limits stated in this section.

C. The restrictions of this section shall not apply to contributions by the candidate to his own campaign.

D. The limits stated in this section for contributions by a political action committee shall apply to contributions by the campaign committee of a candidate to any other candidate.

E. For the purposes of this section, the term "candidate" means the candidate, the candidate's treasurer, and the candidate's campaign committee, and any contribution to the candidate's treasurer or campaign committee shall be deemed a contribution to the candidate.

F. For the purposes of this section, the term "political party committee" means the generally recognized organization that, according to the bylaws of the political party, is responsible for the daily operation of the party at the state, congressional district, county, city, or other district level, any generally recognized auxiliary group of a political party committee, and any legislative caucus committee. A "legislative caucus committee" means a committee controlled by the caucus of a political party of either or both houses of the General Assembly.

G. For the purposes of this section, the term "political action committee" means a political committee that receives contributions of twenty-five dollars or more from 100 or more individuals in the one-year period before the committee files an application with the State Board of Elections to qualify as a political action committee entitled to contribute the larger amounts stated in subsection A of this section. The Secretary of the State Board shall obtain information necessary to make the determination that a committee meets the requirements of this subsection and shall provide written certification of the fact to the committee. A political action committee certification is valid for two years. A candidate shall not accept a political action committee contribution unless it is accompanied by a copy of the certification. All political action committees that do not meet the requirements of this subsection are subject to the campaign contribution limits applicable to any person under subsection A of this section.

H. For the purposes of applying the limits stated in this section, each primary, general, or special election, and each method of political party nomination other than a primary, shall constitute a separate election without regard to whether the candidate is opposed or unopposed in the election or nomination

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60 process. For any independent candidate, the period ending on the regular primary date for the office he
61 is seeking shall be deemed to be one election, and the period following the primary date shall be
62 deemed to be a second election.

63 I. A contributor may designate all or a portion of a contribution made by him during the sixty days
64 following the primary date as a contribution for the primary or other nominating method. Contributions
65 made after the primary date shall be deemed contributions for the general or special election unless
66 otherwise designated as provided in this subsection.

67 J. A candidate who is defeated in the primary or nomination process and has a campaign deficit
68 may continue to accept contributions to retire the deficit subject to the limits applicable to the primary
69 or nomination process.

70 K. The candidate shall report separately (i) contributions received prior to the primary date or
71 designated for the primary or other nominating method pursuant to subsection I of this section and (ii)
72 contributions received after the primary date and not so designated. Candidates may otherwise maintain
73 records of receipts and expenditures for the campaign both before and after the primary date on a
74 continuing basis.

75 L. Any contribution or portion thereof returned within sixty days after receipt shall not be deemed to
76 be a contribution for purposes of applying the limits stated in this section.

77 § 24.2-944. Prohibition on indirect contributions.

78 For purposes of applying the contribution limits stated in § 24.2-943, all contributions made by a
79 person, either directly or indirectly, to benefit a particular candidate, including any contributions which
80 are in any way knowingly earmarked or otherwise directed through any other person, political
81 committee, political party committee, or political action committee, shall be treated as contributions
82 from such person to such candidate.

83 § 24.2-945. Aggregation of contributions.

84 For purposes of applying the contribution limits stated in § 24.2-943:

85 1. All contributions made by a person or political action committee whose contribution or
86 expenditure activity is financed, maintained, or controlled by the same corporation, labor organization,
87 association, or any other person, including a parent, subsidiary, branch, division, department, or local
88 unit of such corporation, labor organization, association, or any other person, or by any group of such
89 persons shall be considered to be made by the same person or political action committee; and

90 2. For entities not described in subdivision 1 of this section, two or more entities will be treated as a
91 single entity sharing the same contribution limit if the entities (i) share the majority of members on their
92 boards of directors and share two or more officers; (ii) are owned or controlled by the same majority
93 shareholder or shareholders; (iii) are in a parent-subsidiary relationship; or (iv) have by-laws stating
94 that one organization has the power to control the other.

95 § 24.2-946. Attribution and aggregation of family contributions.

96 For purposes of applying the contribution limits stated in § 24.2-943:

97 1. Contributions by a husband and wife are considered separate contributions and not aggregated;
98 and

99 2. Contributions by unemancipated children under eighteen years of age are considered contributions
100 by their parents and attributed proportionately to each parent. Fifty percent of the contributions are
101 attributed to each parent, or, in the case of a single custodial parent, the total amount is attributed to
102 the parent.

103 § 24.2-947. Restrictions on loans.

104 A loan is considered a contribution from the maker and the guarantor of the loan and is subject to
105 the contribution limits stated in § 24.2-943. A loan to a candidate or the candidate's campaign
106 committee must be by written agreement. The proceeds of a loan made to a candidate will not be
107 subject to the contribution limits stated in § 24.2-943 if the loan (i) is made by the candidate to his own
108 campaign committee or (ii) is made by a commercial lending institution in the regular course of
109 business and on the same terms ordinarily available to members of the public and is secured or
110 guaranteed only by the candidate.

111 § 24.2-948. Penalties.

112 A candidate whose campaign committee knowingly accepts contributions in excess of the limits
113 imposed in this chapter shall be subject to a civil penalty up to two times the amount by which the
114 contribution exceeds the limit. A contributor who knowingly makes a contribution in excess of the limits
115 imposed in this chapter shall be subject to a civil penalty up to two times the amount by which the
116 contribution exceeds the limit.

117 The attorney for the Commonwealth shall initiate civil proceedings to enforce the civil penalties
118 provided in this chapter. Any civil penalties collected shall be payable to the State Treasurer for deposit
119 to the general fund.

120 § 24.2-949. Severability clause.

121 If any section, subsection, sentence, part or application of this chapter is held unconstitutional by a

122 *court of last resort, such holding shall not affect any other section, subsection, sentence, part or*
123 *application which can be given effect without the part so held invalid.*
124 **2. That the provisions of this act shall be effective on and after July 1, 2000, and be applicable to**
125 **any contribution made on and after that date for any election to be held on or after July 1, 2000.**
126 **The provisions of this act shall not be applicable to contributions made prior to July 1, 2000, and**
127 **contributions made on and after July 1, 2000, shall not be aggregated with contributions made**
128 **before that date for the purposes of this act.**

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