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**HOUSE BILL NO. 1784**

Offered January 10, 2001

Prefiled December 29, 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 24.2-948, enacting the General Assembly Campaign Finance Reform Act; contribution limits; penalties.*

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 Patron—Deeds
 

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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 24.2-948, as follows:**

**CHAPTER 9.2.****GENERAL ASSEMBLY CAMPAIGN FINANCE REFORM ACT.**

§ 24.2-941. Title; application.

*This chapter shall be known as the General Assembly Campaign Finance Reform Act. The provisions of this chapter apply to elections for 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 the General Assembly.

*A. No person, other than a political party committee or political action committee, as defined in subsections F and G, shall make contributions to a candidate for the General Assembly that, in the aggregate, exceed \$1,000 in value for any one election. No political action committee shall make contributions to a candidate for General Assembly that, in the aggregate, exceed \$5,000 in value for any one election. No political party committee shall make contributions to a candidate for General Assembly that, in the aggregate, exceed \$10,000 in value for 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 person, other than a political party committee or political action committee, shall apply to contributions by the campaign committee of a candidate to any other candidate.*

*E. For the purposes of this chapter, 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 operation of the party at the state, county, city, congressional district, or General Assembly election district level 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 an entity 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 amount stated in subsection A. 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 shall be valid for two years. No candidate shall accept a political action committee contribution unless it is accompanied by a copy of the certification. Any political action committee that does not meet the requirements of this subsection is subject to the campaign contribution limits applicable to any person under subsection A.*

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

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

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

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

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

73 § 24.2-944. Prohibition on indirect contributions.

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

79 § 24.2-945. Aggregation of contributions.

80 For purposes of applying the contribution limits stated in § 24.2-943, two or more entities shall be  
81 treated as a single entity sharing the same contribution limit if the entities (i) share the majority of  
82 members on their boards of directors and share two or more officers; (ii) are owned or controlled by  
83 the same majority shareholder or shareholders; (iii) are in a parent-subsidiary relationship; or (iv) have  
84 bylaws stating that one organization has the power to control the other.

85 § 24.2-946. Attribution and aggregation of family contributions.

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

87 1. Contributions by a husband and wife shall be considered separate contributions and not  
88 aggregated; and

89 2. Contributions by unemancipated children under eighteen years of age shall be considered  
90 contributions by their parents and attributed proportionately to each parent. Fifty percent of the  
91 contributions shall be attributed to each parent, or, in the case of a single custodial parent, the total  
92 amount shall be attributed to the parent.

93 § 24.2-947. Restrictions on loans.

94 A loan shall be considered a contribution from the maker and the guarantor of the loan and is  
95 subject to the contribution limits stated in § 24.2-943. A loan to a candidate or the candidate's  
96 campaign committee shall be by written agreement. The proceeds of a loan made to a candidate shall  
97 not be subject to the contribution limits stated in § 24.2-943 if the loan (i) is made by the candidate to  
98 his own campaign committee or (ii) is made by a commercial lending institution in the regular course of  
99 business and on the same terms ordinarily available to members of the public and is secured or  
100 guaranteed only by the candidate.

101 § 24.2-948. Penalties.

102 A candidate who accepts contributions in excess of the limits imposed in this chapter shall be subject  
103 to a civil penalty not to exceed twice the amount by which the contribution exceeds the limit. A  
104 contributor who makes a contribution in excess of the limits imposed in this chapter shall be subject to  
105 a civil penalty not to exceed twice the amount by which the contribution exceeds the limit.

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

109 **2. That the provisions of this act shall be effective on and after January 1, 2002, and be applicable**  
110 **to any contribution made on and after that date for any election to be held on or after January 1,**  
111 **2002. The provisions of this act shall not be applicable to contributions made prior to January 1,**  
112 **2002, and contributions made before that date shall not be aggregated with contributions made on**  
113 **and after January 1, 2002, for the purposes of this act.**