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HOUSE BILL NO. 557

Offered January 9, 2002

Prefiled January 8, 2002

A BILL to amend and reenact §§ 24.2-903 and 24.2-904 of the Code of Virginia and to amend the Code of Virginia by adding in Article 4 of Chapter 9 of Title 24.2 a section numbered 24.2-928.1, relating to the Campaign Finance Disclosure Act, record retention requirements, and reviews of campaign finance disclosure reports.

Patrons—Jones, S.C., Bland, Pollard and Scott; Senator: Rerras

Referred to Committee on Privileges and Elections

Be it enacted by the General Assembly of Virginia:

1. That §§ 24.2-903 and 24.2-904 of the Code of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Article 4 of Chapter 9 of Title 24.2 a section numbered 24.2-928.1 as follows:

§ 24.2-903. Summary of election laws; forms.

The State Board shall summarize the provisions of the election laws relating to campaign contributions and expenditures and provide for distribution of this summary and prescribed forms to each candidate, person, or committee on request or upon their first filing with the State Board pursuant to this chapter, whichever occurs first. The Board shall designate the form of the report of contributions and expenditures which shall be the only such form used in complying with the provisions of this chapter. The Board shall also prescribe a separate form for the required reporting of certain large contributions and expenditures pursuant to § 24.2-919.

The State Board shall provide, with the summary required by this section, instructions for persons filing reports pursuant to this chapter to assist them in completing the reports. The instructions shall include directions for the reporting of candidate primary filing fees. *The instructions shall set out the requirements for retaining records and materials for implementing the review provisions of § 24.2-928.1.*

§ 24.2-904. Appointment of campaign treasurer; designation of campaign committee and depository; retention of records.

A. Upon accepting any contribution for his candidacy, each candidate for nomination or election shall appoint a single campaign treasurer and may designate not more than one campaign committee to receive all contributions and make all expenditures for him or on his behalf in connection with his nomination or election and to file the reports required by this chapter. The payment of a primary filing fee by the candidate constitutes the acceptance of a contribution for the purposes of this section. At the same time he shall designate a campaign depository in a financial institution within the Commonwealth. He shall provide, on a form prescribed by the State Board, the name and address of the campaign treasurer, the name of the financial institution and account number for his campaign depository, and, if one, the name of the campaign committee.

He shall file the form with the (i) electoral board of the county or city in which he resides if he is a candidate for local office, (ii) electoral board of the county or city in which he resides and the State Board if he is a candidate for the General Assembly, or (iii) State Board if he is a candidate for statewide office. Every treasurer so appointed shall accept the appointment, in writing on the form, prior to the filing thereof. No individual shall act as treasurer unless the required statement of appointment shall have been filed. No individual shall be appointed or act as treasurer in any election who is not a qualified voter of the Commonwealth. The same person may serve as campaign treasurer for more than one candidate.

B. In the event of the death, resignation, removal, or change of the treasurer, the candidate shall designate a successor and file the name and address of the successor within ten days of the change with the State Board, local electoral board, or both, as provided in subsection A.

C. Any candidate who fails to appoint and report the appointment of a treasurer or successor treasurer shall be deemed to have appointed himself treasurer and shall comply as such with the provisions of this chapter.

D. *In addition to the requirements of § 24.2-906, the treasurer of the campaign committee for a candidate for Governor, Lieutenant Governor, Attorney General or the General Assembly shall be responsible for retaining all bank statements for, and copies of checks issued on, the campaign depository and bills, invoices and receipts for any expenditure greater than \$500. The treasurer for a candidate for Governor, Lieutenant Governor, Attorney General, or a non-incumbent candidate for the General Assembly, shall retain these records and materials for a period starting from the date of the*

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59 designation of the campaign depository for the campaign through ninety days after the general election.
60 The treasurer for incumbent candidates for the General Assembly shall retain these records and
61 materials for a period starting from the date that the incumbent was sworn into office for the term being
62 served at the time of the election through ninety days after the general election. The treasurer of a
63 campaign committee for a candidate for Governor, Lieutenant Governor, Attorney General or the
64 General Assembly shall make such records and materials available to the State Board of Elections or its
65 designee upon request pursuant to the provisions of 24.2-928.1.

66 § 24.2-928.1. Reviews of campaign finance reports and records in campaigns for Governor,
67 Lieutenant Governor, Attorney General, and the General Assembly.

68 A. In addition to its duties under § 24.2-928, the State Board of Elections shall have the authority to
69 review the reports and records of the campaign committees for candidates for Governor, Lieutenant
70 Governor, Attorney General and the General Assembly. The purposes of the review shall be (i) to
71 reconcile the balance in the campaign depository with the amounts reported in the candidate's reports of
72 receipts and expenditures and (ii) to review the reports for mathematical accuracy and facial
73 completeness including the reporting of specific information required by law. In the performance of its
74 review, the State Board is authorized to request the production of monthly bank statements for, and
75 copies of checks issued on, campaign depositories and itemized bills, invoices, and receipts for any
76 expenditure of campaign funds in an amount greater than \$500.

77 B. The Board shall review the reports and records of the campaign committees of candidates for
78 Governor, Lieutenant Governor, and Attorney General within sixty days following the general election
79 and, in the case of a losing primary candidate, within sixty days following the primary. The Board shall
80 review the reports and records of a percentage of the campaign committees of candidates for the Senate
81 or House of Delegates, within sixty days following the general election for the Senate or House of
82 Delegates, respectively. The Board shall review ten percent of the campaign committees for candidates,
83 including losing primary candidates, for the Senate and House of Delegates, respectively. The Board
84 shall meet publicly to select the campaign committees to be reviewed by a drawing that ensures
85 selection on a random basis.

86 No review shall be conducted of a campaign committee for any office that has received less than
87 \$25,000 in contributions during the campaign, including the transfer of surplus funds from a prior
88 campaign. Campaign committees for General Assembly candidates that are exempt from review pursuant
89 to this paragraph shall not be included in the drawing provided for in this subsection or counted in
90 determining the number that equals ten percent of the committees to be reviewed.

91 C. In the performance of its duties under this section, the State Board may employ the services of
92 additional personnel to the extent that appropriated funds are available to the State Board for such
93 purpose.

94 D. The Board shall report the results of its reviews to the Governor and the General Assembly by
95 January 31 of each year following the election year for the office to which the review pertains.

96 **2. That the provisions of this act shall become effective on January 1, 2004.**