

## Department of Planning and Budget 2004 Fiscal Impact Statement

**1. Bill Number** SB268

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron** Potts

**3. Committee** Privileges and Elections

**4. Title** Campaign Finance Disclosure Act; in-kind contributions and penalties.

**5. Summary/Purpose:**

Campaign Finance Disclosure Act; in-kind contributions and penalties. Requires written authorization by a candidate for in-kind contributions to the candidate in support of his campaign. The bill also provides for the assessment of a civil penalty of \$50,000 for any failure to report the making or receipt of an in-kind contribution with a value of \$1,000 or more and for public notice of the failure and of the identity of the candidate, person, or committee involved.

**6. Fiscal Impact:** Unknown

**7. Budget amendment necessary:** No.

**8. Fiscal implications:** The bill, as written, only requires the candidates and the political committees to maintain in their records the prior authorization of the in-kind contribution. There is no requirement for the candidate or the political committees to attach the authorization to their contributions and expenditure reports or to inform SBE or the local electoral board that authorization has been granted. Therefore, the authority responsible for reviewing the completeness of the reports is not required to confirm whether or not a reported in-kind contribution was granted prior approval. The technical amendments attached would provide the State Board the authority to design the approval form and require the receiver of the in-kind contribution to file the form within 5 days after authorization is granted. The amendments also provide any persons or political committees not required to report pursuant to the provisions of Title 24.2 Chapter 9 to report that they made an in-kind contribution to a candidate.

The State Board would be required to inform the City of Richmond's Commonwealth's Attorney that a civil penalty has been assessed in order to enforce the collection of the civil penalty.

The civil penalty of \$50,000 would provide revenue for the General Fund, but if the State Board cannot accurately determine how often the civil penalty would be assessed and therefore cannot determine how much revenue for the General Fund would be generated.

**9. Specific agency or political subdivisions affected:** State Board of Elections, Local Electoral Boards

**10. Technical amendment necessary:** Yes.

## 11. Other comments:

**Date:** 1/19/04 / CP

**Document:** (DPB C:\WINDOWS\Desktop\FisTemplate.doc)

cc: Secretary of Administration

### **Amendments Prepared at the Patron's Request by the State Board of Elections**

SB 268: Campaign Finance Disclosure Act  
Senator Potts

1. Page 1, introduced, line 6 after **24.2-931**

insert

and by amending **§ 24.2-910**

2. Page 1, introduced, line 14 after **24.2-931**

insert

and by amending **§ 24.2-910**

3. Page 1, introduced, line 17 after without

strike

the written

insert

prior

4. Page 1, introduced, line 17 after candidate.

insert

The authorization shall be written on a form prescribed by the State Board of Elections and submitted to the candidate by the maker of the in-kind contribution prior to making the contribution.

5. Page 1, introduced, line 20 after contribution.

insert

An additional copy of the authorization form shall be filed with the State Board of Elections for statewide candidates, General Assembly candidates, political committees and persons, or with the electoral board of the locality where the candidate resides for candidates of all other offices. The authorization form shall

be filed by the candidate within 5 business days after the authorization of the in-kind contribution is granted.

6. Page 1, introduced, line 23 at the beginning of the line

insert

24.2-910. Persons and political committees required to file disclosure reports; filing deadline.

A. Any political committee required to file a statement of organization by § 24.2-908 shall be required to maintain records and file disclosure reports as provided in Article 4 (§ 24.2-914 et seq.) of this chapter. Any report required to be filed by a political committee with the State Board shall be deemed to be filed by the deadline for the report if it is mailed and postmarked not later than the deadline for filing the report.

B. Any person who is not a political committee and who makes independent expenditures, in the aggregate, in excess of \$500 for a statewide election or \$200 for any other election shall maintain records and report pursuant to Article 4 of this chapter all such independent expenditures including:

1. Any funds expended for the purpose of influencing the outcome of any election for public office; and

2. Any funds expended to publish or broadcast to the public any material referring to a candidate by name, description, or other reference and (i) advocating his election or defeat, (ii) setting forth his position on any public issue, voting record, or other official acts, or (iii) otherwise designed to influence individuals to cast their votes for or against him or to withhold their votes from him.

C. Any person who is not a political committee or a candidate for office in the Commonwealth and who makes in-kind contributions of more than \$1,000 to a candidate for any office in the Commonwealth shall maintain records and report pursuant to § 24.2-907.1 all such in-kind contributions including:

1. Any funds expended with the coordination of the candidate for the purpose of influencing the outcome of any election for public office; and

2. Any funds expended with the coordination of the candidate to publish or broadcast to the public any material referring to a candidate by name, description, or other reference and (i) advocating any candidate's election or defeat, (ii) setting forth any candidate's position on any public issue, voting record, or other official acts, or (iii) otherwise designed to influence individuals to cast their votes for or against any candidate or to withhold their votes from him.

5. Page 1, introduced, line 28 after § 24.2-907

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