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**HOUSE BILL NO. 1089**

Offered January 11, 2006

Prefiled January 11, 2006

*A BILL to amend and reenact §§ 24.2-903, 24.2-904, and 24.2-928 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—Scott, J.M., Amundson, Moran, Plum and Sickles; Senators: Cuccinelli and Howell

Referred to Committee on Privileges and Elections

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 24.2-903, 24.2-904, and 24.2-928 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.

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 statement of organization form prescribed by the State Board, the name and address of the campaign treasurer, the name of the financial institution for his campaign depository, and, if one, the name of the campaign committee. In the case of any candidate who seeks election for successive terms in the same office, the form filed by the candidate shall continue in effect for such successive elections, but the candidate shall file notice of any changes in the information provided on the form within 10 days of the change with the State Board, local electoral board, or both, as appropriate.

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 10 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*

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59 *depository and bills, invoices, and receipts for any expenditure greater than \$500. The treasurer for a*  
60 *candidate for Governor, Lieutenant Governor, Attorney General, or a nonincumbent candidate for the*  
61 *General Assembly shall retain these records and materials for a period starting from the date of the*  
62 *designation of the campaign depository for the campaign through 90 days after the general election. The*  
63 *treasurer for incumbent candidates for the General Assembly shall retain these records and materials*  
64 *for a period starting from the date that the incumbent was sworn into office for the term being served at*  
65 *the time of the election through 90 days after the general election. The treasurer of a campaign*  
66 *committee for a candidate for Governor, Lieutenant Governor, Attorney General, or the General*  
67 *Assembly shall make such records and materials available to the State Board of Elections or its*  
68 *designee upon request pursuant to the provisions of § 24.2-928.1.*

69 § 24.2-928. Reporting of certain violations; penalties.

70 A. It shall be the duty of the State Board to report any violation of the provisions of Article 4  
71 (§ 24.2-914 et seq.) of Chapter 9 of this title to the appropriate attorney for the Commonwealth. The  
72 State Board shall report to the attorney for the Commonwealth of the City of Richmond in the case of  
73 reporting requirements for statewide campaigns and for political committees and to the attorney for the  
74 Commonwealth of the county or city of the residence of a candidate for the General Assembly. If all the  
75 officers of a political committee are residents of one county or city as shown on the statement of  
76 organization filed by the committee pursuant to § 24.2-908, the State Board shall report violations for  
77 that political committee to the attorney for the Commonwealth of that county or city.

78 B. It shall be the duty of the electoral board of a county or city to report any violation of the  
79 provisions of Article 4 (§ 24.2-914 et seq.) of Chapter 9 of this title relating to the filing of reports with  
80 the electoral board to the attorney for the Commonwealth for the county or city in which the electoral  
81 board has jurisdiction.

82 C. In order to fulfill the duty to report violations pursuant to subsections A and B, the Board shall  
83 establish and implement a system for receiving, cataloging, and reviewing reports filed pursuant to the  
84 provisions of Article 4 (§ 24.2-914 et seq.) of Chapter 9 of this title and for verifying that reports are  
85 complete and submitted on time. As part of the system referred to in this subsection, the general  
86 registrar for each county and city, or the secretary of the electoral board in any county or city in which  
87 the electoral board chooses to perform the duties stated in this subsection, shall be required, in  
88 accordance with instructions provided by the Board, to receive, catalog, and review the reports filed with  
89 the local electoral board and to verify that the reports are complete and submitted on time. The State  
90 Board, or the general registrar or secretary of the electoral board, in accordance with the instructions of  
91 the State Board, shall notify, no later than 14 days after the report due date, any person submitting an  
92 incomplete report of the need for additional information. *The State Board shall be granted an additional*  
93 *60 days to review records and request additional information when conducting reviews of reports and*  
94 *records pursuant to the requirements of § 24.2-928.1.* The State Board, or the general registrar or  
95 secretary of the electoral board in accordance with the instructions of the State Board, may request  
96 additional information to correct obvious mathematical errors and to fulfill the requirements for  
97 information on the reports.

98 D. The State Board, and the general registrar or secretary of the electoral board in accordance with  
99 the instructions of the State Board, (i) shall assess and collect the civil penalties provided in § 24.2-929  
100 and (ii) if unable to collect the penalty, shall report the violation to the appropriate attorney for the  
101 Commonwealth for enforcement. Each locality shall advise the State Board of penalties assessed,  
102 collected and reported to the attorney for the Commonwealth.

103 E. In the case of any committee that is required to file a statement of organization pursuant to  
104 § 24.2-908 but excluding campaign committees, the State Board shall be authorized to waive a penalty  
105 that has been assessed if the filer demonstrates that there exists good cause to waive the penalty.

106 F. No local electoral board shall be required to retain any reports longer than one year from the date  
107 of filing the final report required by §§ 24.2-915 through 24.2-920 and 24.2-923, or any successor  
108 provision thereto, or the next general election for the office to which the report relates, whichever is  
109 later, unless a court of competent jurisdiction shall order their retention for a longer period.

110 § 24.2-928.1. *Reviews of campaign finance reports and records in campaigns for Governor,*  
111 *Lieutenant Governor, Attorney General, and the General Assembly.*

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

B. The Board shall review the reports and records of the campaign committees of candidates for Governor, Lieutenant Governor, and Attorney General within 60 days following the general election and, in the case of a losing primary candidate, within 60 days following the primary. The Board shall review the reports and records of a percentage of the campaign committees of candidates for the Senate or House of Delegates within 60 days following the general election for the Senate or House of Delegates, respectively. The Board shall review 10% of the campaign committees for candidates, including losing primary candidates, for the Senate and House of Delegates, respectively. The Board shall meet publicly to select the campaign committees to be reviewed by a drawing that ensures selection on a random basis.

No review shall be conducted of a campaign committee for any office that has received less than \$25,000 in contributions during the campaign, including the transfer of surplus funds from a prior campaign. Campaign committees for General Assembly candidates that are exempt from review pursuant to this paragraph shall not be included in the drawing provided for in this subsection or counted in determining the number that equals 10% of the committees to be reviewed.

C. Upon completing the review of the reports and records, the State Board shall have the authority to assess penalties for violations as provided in §§ 24.2-929 and 24.2-930 if any violations of this chapter are discovered.

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

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

F. The provisions of this section shall be effective to the extent that funds are appropriated for this purpose. The Board shall have the authority to reduce the number of districts reviewed or the scope of the reviews if funds are not sufficient. Any such planned reductions shall be announced before the drawing provided for in subsection B.

**2. That the provisions of this act shall become effective on January 1, 2007.**