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## HOUSE BILL NO. 1177

AMENDMENT IN THE NATURE OF A SUBSTITUTE (Proposed by the House Committee on Privileges and Elections on January 27, 2006)

(Patron Prior to Substitute—Delegate Rapp)

A BILL to amend and reenact §§ 24.2-943 and 24.2-944 of the Code of Virginia, relating to disclosure requirements for political campaign advertisements; penalties.

Be it enacted by the General Assembly of Virginia:

- 1. That §§ 24.2-943 and 24.2-944 of the Code of Virginia are amended and reenacted as follows: § 24.2-943. Basic requirements for political campaign advertisements; penalty.
- A. It shall be unlawful for any sponsor to sponsor an advertisement in the print media or on radio or television that constitutes an expenditure or contribution required to be disclosed under Chapter 9 (§ 24.2-900 et seq.) of this title unless all of the following conditions are met:
- 2. The name used in the labeling required in subdivision 1 for a political party committee contains the name of the political party and for a political action committee is the name that appears on the statement of organization as required in § 24.2-908.
- 3. In a print media advertisement supporting or opposing the nomination or election of one or more clearly identified candidates, the sponsor states whether it is authorized by a candidate. The visual legend in the advertisement shall state either "Authorized by [name of candidate], candidate for [name of office]" or "Not authorized by a candidate." This subdivision does not apply if the sponsor of the advertisement is the candidate the advertisement supports or that candidate's campaign committee.
- 4. In a print media advertisement that identifies a candidate the sponsor is opposing, the sponsor discloses in the advertisement the name of the candidate who is intended to benefit from the advertisement. This subdivision applies only when the sponsor coordinates or consults about the advertisement or the expenditure for it with the candidate who is intended to benefit or with that candidate's campaign committee.
- 5. If an advertisement described in this section is jointly sponsored, the disclosure statement shall name all the sponsors.
- B. In a print media advertisement covered by subsection A, any disclosure statement required by that subsection shall be displayed in a conspicuous manner. "Conspicuous" means so written, displayed, or presented that a reasonable person ought to have noticed it. If a single advertisement consists of multiple pages, folds, or faces, the disclosure requirement of this section applies only to one page, fold, or face. In a television advertisement covered by subsection A, the visual disclosure legend shall constitute 20 scan lines in size. In a radio advertisement covered by subsection A, the disclosure statement shall last at least two seconds and the statement shall be spoken so that its contents may be easily understood.
- C. Any candidate, candidate campaign committee, political party committee, political action committee, individual, or other sponsor violating any provision of this section shall be subject to (i) a civil penalty not to exceed \$100 \$1,000; and in or (ii) in the case of a violation occurring within the 14 days prior to or on the election day of the election to which the advertisement pertains, a civil penalty not to exceed \$2,500. In the case of a willful violation, he shall be guilty of a Class 1 misdemeanor. It shall not be deemed a violation of this section if the contents of the disclosure legend or statement convey the required information. Any civil penalties collected pursuant to an action under this section shall be payable to the State Treasurer for deposit to the general fund. The procedure to enforce the civil penalties provided in this section shall be as stated in § 24.2-929.
- D. The person accepting an advertisement for a radio or television outlet shall require, and for one year shall retain a copy of, proof of identity of the person who submits the advertisement for broadcast when the authorization statement on the advertisement is made by an individual or entity other than a candidate, candidate campaign committee, political party committee, or political action committee. Proof of identity shall be submitted either (i) in person and include a valid Virginia driver's license, or any other identification card issued by a government agency of the Commonwealth, one of its political

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subdivisions, or the United States; or (ii) other than in person, in which case, the person submitting the advertisement shall provide a telephone number and the person accepting the advertisement may phone the person to verify the validity of the person's identifying information before broadcasting the advertisement.

- E. Television or radio outlets shall not be liable under this section for carriage of political advertisements that fail to include the disclosure requirements provided for in this section. This provision supersedes any contrary provisions of the Code of Virginia.
  - § 24.2-944. Additional requirements for radio and television campaign advertisements.
- A. In addition to the basic identification requirements of § 24.2-943, it shall be unlawful for any sponsor to sponsor an advertisement on radio or television that constitutes an expenditure or contribution required to be disclosed under Chapter 9 (§ 24.2-900 et seq.) of this title unless the expanded disclosure requirements set out in this section are met.
  - B. This subsection shall apply to political campaign advertisements on television.
- 2. Television advertisements purchased by a political party committee supporting or opposing the nomination or election of one or more clearly identified candidates shall include a disclosure statement spoken by the chair, executive director, or treasurer of the political party committee containing at least the following words: "The [name of political party committee] sponsored this ad." The disclosed name of the political party committee shall include the name of the political party.
- 3. Television advertisements purchased by a political action committee supporting or opposing the nomination or election of one or more clearly identified candidates shall include a disclosure statement spoken by the chief executive officer or treasurer of the political action committee containing at least the following words: "The [name of political action committee] political action committee sponsored this ad." The name of the political action committee used in the advertisement shall be the name that appears on the statement of organization as required in § 24.2-908.
- 4. Television advertisements purchased by an individual supporting or opposing the nomination or election of one or more clearly identified candidates shall include a disclosure statement spoken by the individual containing at least the following words: "I am [individual's name], and I sponsored this ad."
- 5. Television advertisements purchased by a sponsor (other than a candidate, a candidate campaign committee, a political party committee, political action committee, or an individual) supporting or opposing the nomination or election of one or more clearly identified candidates shall include a disclosure statement spoken by the chief executive or principal decision-maker of the sponsor containing at least the following words: "[Name of sponsor] sponsored this ad."
- 6. In any television advertisement described in subdivisions 1 through 5, an unobscured, full-screen picture containing the disclosing individual, either in photographic form or through the actual appearance of the disclosing individual on camera, shall be featured throughout the disclosure statement.
- 7. In any television advertisement during which the advertiser does not have the option of controlling the audio, if any, heard during the advertisement, the disclosure requirements shall be the same as for print media.
  - C. This subsection shall apply to political campaign advertisements on radio.
- 2. Radio advertisements purchased by a political party committee supporting or opposing the nomination or election of one or more clearly identified candidates shall include a disclosure statement spoken by the chair, executive director, or treasurer of the political party committee containing at least the following words: "This ad was paid for (or 'sponsored by' or 'furnished by') [name of political party committee]." The disclosed name of the political party committee shall include the name of the political party.
  - 3. Radio advertisements purchased by a political action committee supporting or opposing the

- 4. Radio advertisements purchased by an individual supporting or opposing the nomination or election of one or more clearly identified candidates shall include a disclosure statement spoken by the individual containing at least the following words: "I am [individual's name], and I sponsored this ad."
- 5. Radio advertisements purchased by a sponsor (other than a candidate, a candidate campaign committee, a political party committee, political action committee, or an individual) supporting or opposing the nomination or election of one or more clearly identified candidates shall include a disclosure statement spoken by the chief executive or principal decision-maker of the sponsor containing at least the following words: "[Name of sponsor] paid for (or "sponsored" or "furnished") this ad."
- D. In advertisements on television, a sponsor may place the disclosure statement required by this section at any point during the advertisement, except if the duration of the advertisement is more than five minutes, the disclosure statement shall be made both at the beginning and end of the advertisement. The sponsor may provide the oral disclosure statement required by this section at the same time as the visual disclosure required under the Communications Act of 1934, 47 U.S.C. §§ 315 and 317, is shown. Any visual disclosure legend shall be at least 20 scan lines in size. For advertisements on radio, the placement of the oral disclosure statement shall comply with the requirements of the Communications Act of 1934, 47 U.S.C. §§ 315 and 317.
- E. In its oral disclosure statement, a sponsoring political party committee, political action committee, individual, or other noncandidate sponsor may choose to identify an advertisement as either supporting or opposing the nomination or election of one or more clearly identified candidates.
- F. If an advertisement described in this section is jointly sponsored, the disclosure statement shall name all the sponsors and the disclosing individual shall be one of those sponsors. If a candidate is one of the sponsors, that candidate shall be the disclosing individual, and if more than one candidate is the sponsor, at least one of the candidates shall be the disclosing individual.
- G. Any candidate, candidate campaign committee, political party committee, political action committee, individual, or other sponsor violating any provision of this section shall be subject to (i) a civil penalty not to exceed \$500 \$1,000 per occurrence; and in or (ii) in the case of a violation occurring within the 14 days prior to or on the election day of the election to which the advertisement pertains, a civil penalty not to exceed \$2,500 per occurrence. In the case of a willful violation, he shall be guilty of a Class 1 misdemeanor. It shall not be deemed a violation of this section if the contents of the disclosure legend or statement convey the required information. For the purposes of this section, an "occurrence" shall be defined as one broadcast of a radio or television political campaign advertisement in violation of this section. In no event shall the total civil penalties imposed for multiple broadcasts of one particular campaign advertisement exceed \$5,000 \$10,000. Any civil penalties collected pursuant to an action under this section shall be payable to the State Treasurer for deposit to the general fund. The procedure to enforce the civil penalties provided in this section shall be as stated in § 24.2-929.
- H. Television advertisements by a sponsor supporting or opposing the nomination or election of one or more clearly identified candidates shall comply with the oral disclosure requirements of this section. Those advertisements shall also comply with the disclosure requirements under the Communications Act of 1934, 47 U.S.C. §§ 315 and 317 by use of visual legends. The content of those visual legends is specified by the Communications Act of 1934, 47 U.S.C. §§ 315 and 317 and this section. The size of those visual legends is determined by subsection D, which satisfies requirements under the Communications Act of 1934, 47 U.S.C. §§ 315 and 317. In the case of radio advertisements, the oral disclosure requirements under this section incorporate the content requirements under the Communications Act of 1934, 47 U.S.C. §§ 315 and 317.
- I. Television or radio outlets shall not be liable under this section for carriage of political advertisements that fail to include the disclosure requirements provided for in this section. This provision supersedes any contrary provisions of the Code of Virginia.