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HOUSE BILL NO. 515

Offered January 11, 2012

Prefiled January 10, 2012

A BILL to amend and reenact § 24.2-947.2 of the Code of Virginia, relating to campaign finance; candidate committee funds and investments.

Patron—Purkey

Referred to Committee on Privileges and Elections

Be it enacted by the General Assembly of Virginia:**1. That § 24.2-947.2 of the Code of Virginia is amended and reenacted as follows:**

§ 24.2-947.2. Campaign depositories; reimbursements of expenses; petty cash fund.

A. Upon meeting any of the requirements of subsection A of § 24.2-947.1, the candidate shall designate a campaign depository, which shall be maintained in a financial institution within the Commonwealth, in an account properly identifying the name of and the existence of the political candidacy.

B. No candidate, campaign treasurer, or other individual shall pay any expense on behalf of a candidate, directly or indirectly, except by a check drawn on such designated depository identifying the name of the campaign committee and candidate. However, a candidate, treasurer, or other authorized member of the candidate's campaign staff may be reimbursed, by a check drawn on the designated depository, or according to the provisions of subsection C, for the payment of expenses (i) paid by him by check, cash, or credit or debit card, (ii) made on behalf of the campaign, and (iii) fully documented by complete records of the expenditure, maintained as required by this chapter, and including receipts identifying the nature of the expenses and the names and addresses of each person paid by the recipient of the reimbursement.

C. 1. A campaign committee (a) may establish a petty cash fund to be utilized for the purpose of making expenditures or reimbursing verified credit card expenditures of less than \$200 if complete records of such expenditures are maintained as required by this chapter and (b) may transfer funds from the designated campaign depository to an account or instrument to earn interest on the funds so long as the transferred funds and earned interest are returned to the designated depository account, complete records are maintained, and all expenditures are made through the designated depository account.

2. *The campaign committee treasurer may transfer funds from the designated campaign depository for investment solely in the interest of maintaining the funds in accordance with the purposes of the donors of the funds and with the care, skill, prudence, and diligence under the circumstances then prevailing for the investment of funds of the Virginia Retirement System as set forth in § 51.1-124.30. The proceeds of such investments shall be returned to the designated depository account and complete records shall be maintained. All expenditures shall be made through the designated depository account. No candidate, committee treasurer, or member of the immediate family of the candidate or committee treasurer shall have a personal interest in any entity in or with which such investments are made. The terms "immediate family" and "personal interest" shall be defined as stated in § 30-101.*

D. 1. Notwithstanding the provisions of this section pertaining to campaign committee depositories and accounts, the campaign committee's treasurer may establish a separate federal compliance account in the candidate's designated campaign depository for the purpose of complying with requirements of federal law including, without limitation, restrictions on sources and amounts of campaign contributions applicable to federal candidates and officeholders. The candidate and campaign treasurer shall report all contributions and expenditures for an account established pursuant to this subsection on a consolidated basis with the candidate's campaign account established pursuant to this section in disclosure reports filed pursuant to this article. In addition, the treasurer may transfer funds from a federal compliance account created pursuant to this subsection to an account or instrument to earn interest on the funds so long as the transferred funds and earned interest are returned to the designated depository account created pursuant to subsection A, complete records are maintained, and all expenditures are made through the designated depository account.

2. A committee registered with the Federal Election Commission which is not otherwise required by this chapter to file with the State Board, shall not be deemed to have triggered such filing requirements solely by virtue of one or more contributions to one or more federal compliance accounts created pursuant to this subsection.

INTRODUCED

HB515