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## SENATE BILL NO. 314

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Privileges and Elections  
on January 21, 2014)

(Patron Prior to Substitute—Senator Vogel)

A BILL to amend and reenact §§ 24.2-502, as it is currently effective and as it shall become effective, 24.2-509, 24.2-945.2, 24.2-946.1, 24.2-947.1, 24.2-947.4, 24.2-947.5, and 24.2-947.9 of the Code of Virginia, relating to filings by candidates, campaign committees, and political parties; efficiency reforms; electronic filing required.

Be it enacted by the General Assembly of Virginia:

1. That §§ 24.2-502, as it is currently effective and as it shall become effective, 24.2-509, 24.2-945.2, 24.2-946.1, 24.2-947.1, 24.2-947.4, 24.2-947.5, and 24.2-947.9 of the Code of Virginia are amended and reenacted as follows:

§ 24.2-502. (Effective until July 1, 2014) Statement of economic interests as requirement of candidacy.

It shall be a requirement of candidacy that a written statement of economic interests shall be filed by (i) a candidate for Governor, Lieutenant Governor, or Attorney General with the Secretary of the Commonwealth, (ii) a candidate for Senate or House of Delegates with the clerk of the appropriate house, (iii) a candidate for a constitutional office with the general registrar for the county or city, and (iv) a candidate for member of the governing body or elected school board of any county, city, or town with a population in excess of 3,500 persons with the general registrar for the county or city. The statement of economic interests shall be that specified in § 30-111 for candidates for the General Assembly and in § 2.2-3117 for all other candidates. The foregoing requirement shall not apply to a candidate for reelection to the same office who has met the requirement of annually filing a statement pursuant to § 2.2-3114, § 2.2-3115, or § 30-110.

The Secretary of the Commonwealth, and the clerks of the Senate and House of Delegates, the general registrar, and the clerk of the local governing body shall transmit to the State Board, immediately after the filing deadline, a list of the candidates who have filed initial or annual statements of economic interests. The Secretary of the State Board shall notify the appropriate local electoral boards of the filings general registrar, the clerk of the local governing body, and the clerk of the school board shall transmit to the local electoral board, immediately after the filing deadline, a list of the candidates who have filed initial or annual statements of economic interests.

§ 24.2-502. (Effective July 1, 2014) Statement of economic interests as requirement of candidacy.

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The Secretary of the Commonwealth, and the clerks of the Senate and House of Delegates, the general registrar, and the clerk of the local governing body shall transmit to the State Board, immediately after the filing deadline, a list of the candidates who have filed initial or annual statements of economic interests. The Commissioner of Elections shall notify the appropriate local electoral boards of the filings general registrar, the clerk of the local governing body, and the clerk of the school board shall transmit to the local electoral board, immediately after the filing deadline, a list of the candidates who have filed initial or annual statements of economic interests.

§ 24.2-509. Party to determine method of nominating its candidates for office; exceptions.

A. The duly constituted authorities of the state political party shall have the right to determine the method by which a party nomination for a member of the United States Senate or for any statewide office shall be made. When a nonfederal statewide office is to be nominated by any method other than primary, the chair of the state party shall notify the State Board of Elections of the names of the candidates seeking the nomination and the date, time, and method of nomination.

The duly constituted authorities of the political party for the district, county, city, or town in which any other office is to be filled shall have the right to determine the method by which a party nomination

for that office shall be made. *When a nonfederal district office or an office in a county, city, or town is to be nominated by any method other than primary, the chair of the political party for that district, county, city, or town shall notify the State Board of Elections of the names of the candidates seeking the nomination and the date, time, and method of nomination.*

B. Notwithstanding subsection A, the following provisions shall apply to the determination of the method of making party nominations. A party shall nominate its candidate for election for a General Assembly district where there is only one incumbent of that party for the district by the method designated by that incumbent, or absent any designation by him by the method of nomination determined by the party. A party shall nominate its candidates for election for a General Assembly district where there is more than one incumbent of that party for the district by a primary unless all the incumbents consent to a different method of nomination. A party, whose candidate at the immediately preceding election for a particular office other than the General Assembly (i) was nominated by a primary or filed for a primary but was not opposed and (ii) was elected at the general election, shall nominate a candidate for the next election for that office by a primary unless all incumbents of that party for that office consent to a different method.

When, under any of the foregoing provisions, no incumbents offer as candidates for reelection to the same office, the method of nomination shall be determined by the political party.

For the purposes of this subsection, any officeholder who offers for reelection to the same office shall be deemed an incumbent notwithstanding that the district which he represents differs in part from that for which he offers for election.

**§ 24.2-945.2. Persons required to file independent expenditure disclosure reports; filing deadline.**

A. Any person, candidate campaign committee, or political committee that makes independent expenditures, in the aggregate during an election cycle, of \$1,000 or more for a statewide election or \$200 or more for any other election shall maintain records and report pursuant to this chapter all such independent expenditures made for the purpose of expressly advocating the election or defeat of a clearly identified candidate.

B. Independent expenditure reports shall be due (i) within 24 hours of the time when the funds were expended or (ii) within 24 hours of the time when materials, as described in subsection A of this section, are published or broadcast to the public, whichever (i) or (ii) first occurs. The reports shall be filed with the State Board if the funds were expended to support or oppose a candidate for statewide office or the General Assembly or with the local electoral board of the county or city in which the candidate resides if the funds were expended to support or oppose a candidate for local office. The report filed by a political action committee or political party committee shall include the information required for a statement of organization as listed in subdivisions A 1 through A 8 of § 24.2-949.2 or clauses 1 through 6 of § 24.2-950.2, as appropriate, unless the committee has a current statement of organization on file with the State Board.

C. Independent expenditure reports required by this section may be filed electronically pursuant to § 24.2-946.1 or, prior to July 1, 2016, in writing on a form developed by the State Board. If the report is filed in writing, the report shall be (i) received by the State Board or the local electoral board, as appropriate, within 24 hours of the time when the funds were expended or (ii) transmitted to the State Board or the local electoral board, as appropriate, by telephonic transmission to a facsimile device within 24 hours of the time when the funds were expended with an original copy of the report mailed to the State Board or the local electoral board, as appropriate, and postmarked within 24 hours of the time when the funds were expended.

*On and after July 1, 2016, independent expenditure reports required by this section shall be filed electronically pursuant to § 24.2-946.1.*

**§ 24.2-946.1. Standards and requirements for electronic preparation and transmittal of campaign finance disclosure reports; database.**

A. The State Board shall review or cause to be developed and shall approve standards for the preparation, production, and transmittal by computer or electronic means of campaign finance reports required by this chapter. The State Board may prescribe the method of execution and certification of and the procedures for receiving electronically filed campaign finance reports required by this chapter in the office of the State Board or any local electoral board. The State Board may provide campaign finance report-creation software to filers without charge or at a reasonable cost.

B. The State Board shall accept any campaign finance report filed by candidates for the General Assembly and statewide office by computer or electronic means in accordance with the standards approved by the Board and using software meeting standards approved by it. This information shall be made available to the public promptly by the Board through the Internet.

C. By July 1, 2007, the State Board of Elections shall develop and implement a centralized system to accept reports from any candidate for local or constitutional office. Such reports shall be filed in accordance with, and using software that meets, standards approved by the State Board. The State Board

shall promptly notify the electoral board of the locality in which a candidate resides and make the information contained in the report available to the electoral board.

D. The State Board shall enter or cause to be entered into a campaign finance database, available to the public through the Internet, the information from required campaign finance reports filed by computer, electronic, or other means electronically by candidates for the General Assembly and statewide office.

E. ~~Prior to July 1, 2016,~~ ~~Other~~ other campaign finance reports required by this chapter to be filed by a committee with the State Board or a local electoral board, or both, may be filed electronically on terms agreed to by the committee and the Board. *On and after July 1, 2016, such other campaign finance reports shall be filed electronically with the State Board or a local electoral board, or both, on terms agreed to by the committee and the Board.*

**§ 24.2-947.1. Statement of organization.**

A. Any individual seeking or campaigning for an office of the Commonwealth or one of its governmental units in a party nomination process or general, primary, or special election, shall file electronically a statement of organization within 10 days of meeting any one of the following conditions:

1. Acceptance of a contribution;
2. Expenditure of any funds;
3. The payment of a filing fee for any party nomination method;
4. The filing of a candidate statement of qualification pursuant to § 24.2-501; or
5. The appointment of a campaign treasurer, designation of a campaign committee, or designation of a campaign depository.

B. Candidates for statewide office *and the General Assembly* shall file *electronically* the statement with the State Board. ~~Candidates for the General Assembly shall file the statement with the State Board and a copy of the statement with the local electoral board of the candidate's residence. Prior to July 1, 2016, candidates~~ candidates for local or constitutional office shall file the statement with the local electoral board and, if the statement indicates that the candidate committee will be filing electronically, a copy with the State Board. *On and after July 1, 2016, candidates for local or constitutional office shall file the statement electronically with the State Board.*

C. The statement of organization shall include the following information:

1. The full name and residence address of the candidate;
2. The full name and mailing address for the campaign committee;
3. The full name, residence address, and daytime phone number of the treasurer;
4. The office being sought and district, if any, for the office;
5. The recognized political party affiliation of the candidate for statewide office or the General Assembly. In the absence of any political party affiliation, independent shall be used;
6. The name of the financial institution for his campaign depository; and
7. Such other information as shall be required by the State Board except that the account number for a designated depository account shall not be required.

D. In the case of any candidate who seeks election for successive terms in the same office, the statement of organization 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.

**§ 24.2-947.4. Information to be included on campaign finance reports for campaign committees.**

A. The reports required by this article shall be filed on a form prescribed by the State Board and shall include all financial activity of the campaign committee. All completed forms shall be submitted ~~in~~ typed, printed, or legibly hand printed format or electronically as provided in § 24.2-946.1. Persons submitting the forms shall do so subject to felony penalties for making false statements pursuant to § 24.2-1016.

B. The report of receipts shall include:

1. The total number of contributors, each of whom has contributed an aggregate of \$100 or less, including cash and in-kind contributions, as of the date of the report, and the total amount of contributions from all such contributors;

2. For each contributor who has contributed an aggregate of more than \$100, including cash and in-kind contributions, as of the ending date of the report, the campaign committee shall itemize each contributor on the report and list the following information:

- a. ~~the~~ The name of the contributor, listed alphabetically,;
- b. ~~the~~ The mailing address of the contributor,;
- c. ~~the~~ The amount of the contribution,;
- d. ~~the~~ The aggregate amount of contributions from the contributor to date,;
- e. ~~the~~ The date of the contribution,;

- f. ~~the~~ The occupation of the contributor;  
g. ~~the~~ The name of his employer or principal business; and  
h. ~~the~~ The city and state where employed or where his business is located.

For each such contributor, other than an individual, the principal type of business and place of business of the contributor shall be substituted for subdivisions f and g, respectively. For each such contributor other than an individual, it shall be sufficient to list the address of the contributor one time on the report of receipts.

3. For each designated contribution received by the campaign committee from a political committee, out-of-state political committee, or federal political action committee, the campaign committee shall list the name of the person who designated the contribution and provide the information required by this subsection.

C. The report of disbursements shall include all expenditures and give:

1. The name and address of the person paid;
2. A brief description of the purpose of the expenditure;
3. The name of the person contracting for or arranging the expenditure;
4. The amount of the expenditure; and
5. The date of the expenditure.

The report of disbursements shall itemize any expenditure made by credit card payment.

D. Each report for a candidate shall list separately those receipts and expenditures reported to the candidate or his treasurer by any person, campaign committee, or political committee pursuant to subsection D of § 24.2-947.3, and in the case of in-kind contributions, shall set forth in each instance the source of the information reported.

E. The report shall list separately all loans and, for each loan, shall give:

1. The date the loan was made;
2. The name and address of the person making the loan and any person who is a co-borrower, guarantor, or endorser of the loan;
3. The amount of the loan;
4. The date and amount of any repayment of the loan; and
5. For any loan or part of a loan that is forgiven by the lender, the amount forgiven listed as both a contribution and loan repayment.

F. The State Board shall provide for a "no activity" report that may be filed for any reporting period in which the filer has no activity to report.

G. It is the joint responsibility of the candidate and his treasurer that the report of a candidate be filed, that the report be in full and accurate detail, and that the report be received by the State Board, local electoral board, or both, by the deadline for filing the report.

**§ 24.2-947.5. Reports filed electronically with State Board.**

A. Candidates for statewide office *and the General Assembly* shall file the reports required by this article ~~by computer or electronic means with the State Board electronically~~ in accordance with the standards approved by the State Board.

B. Candidates for the General Assembly may file reports required by this article with the State Board ~~by computer or electronic means in accordance with the standards approved by the State Board.~~ Nonelectronic reports for the General Assembly shall be filed with the State Board and with the electoral board of the locality where the candidate resides.

C. ~~Except as provided in § 24.2-948.1, candidates for any other office who file reports in nonelectronic format shall file with the electoral board of the locality in which the candidate resides. Beginning July 1, 2007, candidates Prior to July 1, 2016, candidates for local or constitutional office may file reports required by this article with the State Board by computer or other electronic means electronically in accordance with standards approved by the State Board. Candidates who file reports in nonelectronic format shall file with the electoral board of the locality in which the candidate resides.~~ Candidates who file ~~by electronic means~~ with the State Board *electronically* do not have to file reports with the electoral board of the locality in which the candidate resides. *On and after July 1, 2016, candidates for local or constitutional office shall file the reports required by this article with the State Board electronically. The provisions of this subsection shall not apply to those candidates for local office who are exempt from reporting requirements pursuant to § 24.2-948.1.*

D. Any report that may be filed with the State Board by mail shall be (i) received by the State Board by the deadline for filing the report or (ii) transmitted to the State Board by telephonic transmission to a facsimile device by the deadline for filing the report with an original copy of the report mailed to the State Board and postmarked by the deadline for filing the report.

**§ 24.2-947.9. Special report required of certain large pre-election contributions.**

A. Any contribution reported pursuant to this section shall also be reported on the first report required by this article after any election.

B. Except as provided in subsection C, any single contribution of \$5,000 or more for a statewide

office, \$1,000 or more for the General Assembly, or \$500 or more for any other office, knowingly received or reported by the candidate or his treasurer on behalf of his candidacy (i) on and after the twelfth day preceding a primary and before the primary date, (ii) on and after the twelfth day preceding a general election and before the general election date, or (iii) on and after the eleventh day preceding any other election in which the individual is a candidate and before the election day, shall be reported in writing as provided in §§ 24.2-947.4 and 24.2-947.5 or electronically pursuant to § 24.2-946.1, and the report shall be received by the State Board or local electoral board, as appropriate, by 5:00 p.m. on the following day or for a contribution received on a Saturday by 5:00 p.m. on the following Monday. However, any such contribution received within the 24 hours prior to the election day shall be reported and a report thereof received on the day prior to the election. *On and after July 1, 2016, the reports required by this subsection shall be reported electronically pursuant to § 24.2-946.1.*

C. The reports required by subsection B of this section shall also be required of any candidate for nomination by a political party to serve as the party's nominee in a general or special election if (i) the party nominates by convention or any method other than a primary and (ii) there are at least two candidates for nomination pursuant to the rules and procedures of the party. In such case, candidates for nomination shall be required to file the reports required by subsection B for the 12-day or 11-day period, as specified by subsection B, immediately preceding:

1. The caucus, mass meeting, convention, or other nominating event at which the party's nomination shall be finally determined pursuant to the rules and procedures of the party; and

2. Any caucus, mass meeting, convention, or other nominating event, other than that at which the party's nomination shall be finally determined, at which delegates are chosen who are pledged to support a specified candidate on at least one ballot at a subsequent district or state convention required as part of the nominating process.

D. No report shall be required pursuant to subsection C if the candidate is or has become, by virtue of the withdrawal of any opponent or the operation of the rules and procedures of the party, unopposed for nomination at the time such report otherwise would be required to be made.