

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: HB1459

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Cole

3. Committee: Privileges and Elections

4. Title: Campaign finance; prohibited personal use, penalty.

5. Summary: Prohibits the conversion of any contributed moneys, securities, or like intangible personal property by any person to the personal use of a candidate or a member of the candidate's immediate family, if such use is for a strictly personal purpose with no reasonable or foreseeable benefit to the candidate's campaign or public office. Complaints of alleged violations may be made by any person who contributes to the candidate or candidate's campaign committee to the State Board of Elections. The subject of the complaint has 30 days to provide to the State Board documentation or other evidence that the use of the campaign funds had a reasonable or foreseeable benefit to the campaign or the candidate's public office. The State Board shall call a hearing if it determines, after reviewing any response made by the subject of the complaint, that the use of campaign funds had no reasonable or foreseeable benefit to the campaign or the candidate's public office. If the complaining party declines to participate in the hearing, the complaint shall be dismissed. A person found by the State Board to have willfully and knowingly violated this section shall repay to the campaign committee the amount unlawfully converted to the personal use of the candidate or a member of the candidate's immediate family and shall return to the complaining party the full amount of the complaining party's contribution to the campaign. The State Board may also assess an additional civil penalty, in an amount not to exceed \$100.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate – see Item 8.

8. Fiscal Implications: The State Board of Elections (SBE) does not conduct investigations involving campaign finance violations as required in the proposed legislation. The impact of investigating campaign finance violations is indeterminate and will depend upon the number of complaints. Since it would be possible for a complaint to require additional staff to gather documentation and notify parties involved of the complaint, there is no existing data upon which estimated costs could be based. SBE and the Department of Elections currently have very limited capacity to absorb additional workload with the current staffing level. Therefore, investigating campaign finance violations may require additional staffing.

The proposed legislation authorizes SBE to assess and collect a civil penalty not to exceed \$100 from anyone who has converted any contributed moneys, securities, or like intangible personal property to the personal use of a candidate or a member of the candidate's immediate family. The civil penalty shall be payable to the State Treasurer and deposited into the general fund. The proposed legislation may have a revenue impact; however, the number of the civil penalties assessed and collected as a result of the proposed legislation cannot be determined.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Elections, State Board of Elections, Department of the Treasury, and localities.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is similar to Senate Bill 1547 (Vogel).