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HOUSE BILL NO. 895

Offered January 8, 2020

Prefiled January 7, 2020

A *BILL to amend the Code of Virginia by adding in Chapter 9.3 of Title 24.2 an article numbered 3.1, consisting of sections numbered 24.2-948.5 through 24.2-948.8, and by adding in Article 8 of Chapter 9.3 of Title 24.2 a section numbered 24.2-953.6, relating to campaign finance; campaign contribution limits for all offices; civil penalty.*

Patron—Levine

Referred to Committee on Privileges and Elections

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 9.3 of Title 24.2 an article numbered 3.1, consisting of sections numbered 24.2-948.5 through 24.2-948.8, and by adding in Article 8 of Chapter 9.3 of Title 24.2 a section numbered 24.2-953.6 as follows:

*Article 3.1.**Contribution Limits.***§ 24.2-948.5. Limits on contributions to candidates for statewide office and the General Assembly.**

A. No person or committee shall make any single contribution, or any combination of contributions, that exceeds \$5,600 to any one candidate campaign committee for any elected office in any one period beginning on January 1 of the year that the candidate first seeks election for the office through December 31 immediately following the election for such office, of which no more than \$2,800 may be contributed for the primary election or other nominating event for the office the candidate is seeking.

B. No candidate shall solicit or accept contributions to the candidate's campaign committee in excess of the limits set forth in this section.

C. Contributions made on or prior to the date of the primary election or nominating event shall be subject to the contribution limits for the primary election or other nominating event, unless designated in writing by the contributor as a contribution for the general election. Additionally, a contribution made during the 60 days immediately following the date of the primary election or nominating event may be designated in writing by the contributor as a contribution for the primary or other nominating event.

D. The limits set forth in this section shall not apply to contributions by the candidate or the candidate's spouse, child, parent, or sibling to the candidate's campaign committee.

E. The limits set forth in this section shall apply without regard to whether the candidate is opposed or unopposed in the election or nominating process.

F. A candidate who is defeated in the primary or nominating process and whose campaign committee has deficit may continue to accept contributions in order to retire the deficit, but such contributions shall be subject to the limits set forth in this section for general elections.

G. The candidate shall report separately (i) contributions received on or prior to the date of the primary election or other nominating event and contributions designated for the primary election or other nominating event pursuant to subsection C and (ii) contributions received after the primary date or not so designated. Candidates may otherwise maintain records of receipts and expenditures for the campaign both before and after the primary date on a continuing basis.

H. Any contribution or portion thereof that is returned to the contributor within 60 days after receipt shall not be deemed to have been accepted for the purposes of applying the limits set forth in this section.

§ 24.2-948.6. Prohibition on indirect contributions.

For purposes of applying the contribution limits set forth in § 24.2-948.5, all direct or indirect contributions made by a person or committee to benefit a candidate, including any designated contributions or contributions otherwise explicitly directed through any other person or committee for such purpose, shall be deemed to be contributions from such person or committee to such candidate.

§ 24.2-948.7. Aggregation of contributions.

For purposes of applying the contribution limits set forth in § 24.2-948.5:

1. All contributions made by a person or committee whose contribution or expenditure activity is financed, maintained, or controlled by the same corporation, labor organization, association, or any other person, including a parent, subsidiary, branch, division, department, or local unit of such corporation, labor organization, association, or any other person, or by any group of such persons, shall be deemed to be made by the same person or committee; and

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59 2. For entities not described in subdivision 1, two or more entities shall be deemed to be a single
60 entity sharing the same contribution limit if the entities (i) share the majority of members on their
61 boards of directors and share two or more officers, (ii) are owned or controlled by the same majority
62 shareholder or shareholders, (iii) are in a parent-subsidary relationship, or (iv) have bylaws stating
63 that one organization has the power to control the other.

64 **§ 24.2-948.8. Restrictions on loans.**

65 Any loan to a candidate campaign committee for Governor, Lieutenant Governor, Attorney General,
66 or the General Assembly shall be deemed to be a contribution from the maker and the guarantor of the
67 loan and is subject to the contribution limits set forth in § 24.2-948.5. A loan to a candidate campaign
68 committee must be by written agreement. The proceeds of a loan made to a candidate campaign
69 committee shall not be subject to the contribution limits stated in § 24.2-948.5 if the loan is made by
70 the candidate to his own campaign committee or is made by a commercial lending institution in the
71 regular course of business and on the same terms ordinarily available to members of the public and is
72 secured or guaranteed only by the candidate's campaign committee.

73 **§ 24.2-953.6. Violation of contribution limits; civil penalty.**

74 Any candidate whose campaign committee knowingly accepts, or any contributor who knowingly
75 makes to such candidate, contributions in excess of the limits imposed in Article 3.1 (§ 24.2-948.5 et
76 seq.) shall be subject to a civil penalty of up to two times the amount by which the contribution exceeds
77 the limit. The State Board shall assess and collect such civil penalties, which shall be payable to the
78 State Treasurer for deposit to the general fund.