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## HOUSE BILL NO. 1415

Offered January 12, 2011

Prefiled September 27, 2010

A *BILL to amend and reenact §§ 24.2-946 and 24.2-946.3 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 24.2-946.3:1, relating to campaign finance disclosure reports; reviews.*

Patron—Scott, J.M.

Referred to Committee on Privileges and Elections

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 24.2-946 and 24.2-946.3 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 24.2-946.3:1 as follows:**

§ 24.2-946. Summary of election laws; forms; instructions.

A. The State Board shall summarize the provisions of the election laws relating to the Campaign Finance Disclosure Act of 2006 and provide for distribution of this summary and prescribed forms to each candidate, person, or committee on request or upon their first filing with the State Board pursuant to this chapter, whichever occurs first.

B. The Board shall designate the forms required for complying with this chapter which shall be the only such forms used in complying with the provisions of this chapter.

C. The Board shall provide, with the summary required by this section, instructions for persons filing reports pursuant to this chapter to assist them in completing the reports. The instructions shall include (i) directions for the reporting of filing fees for any party nomination method and (ii) the requirements for retaining records and materials for implementing the review provisions of § 24.2-946.3:1.

D. The Board shall provide instructions for candidates who seek election for successive terms in the same office for the filing of reports within each appropriate election cycle for the office and for the aggregation of contributions within each election cycle.

E. The Board shall provide, with the summary required by this section, to each candidate, person, or committee on request or upon their first filing with the State Board pursuant to this chapter, whichever occurs first, a copy of a written explanation prepared by the Attorney General of the provisions of the Act that prohibit the personal use of campaign funds. The explanation shall cover the provisions that prohibit the personal use of campaign funds and shall delineate the differences between prohibited personal uses of campaign funds and permitted uses of the funds.

§ 24.2-946.3. Reporting of certain violations; penalties.

A. It shall be the duty of the State Board to report any violation of the provisions of this chapter to the appropriate attorney for the Commonwealth. *The State Board may also request assistance as provided in § 24.2-104.* The State Board shall report to the attorney for the Commonwealth of the City of Richmond in the case of reporting requirements for campaign committees for statewide office and to the attorney for the Commonwealth of the county or city of the residence of a candidate for the General Assembly. For political committees, the State Board shall report the violation to the attorney for the Commonwealth of the City of Richmond. If all the officers of a political committee are residents of one county or city as shown on the statement of organization required by this chapter, the State Board shall report violations for that political committee to the attorney for the Commonwealth of that county or city.

B. It shall be the duty of the electoral board of a county or city to report any violation of the provisions of this chapter relating to the filing of campaign finance reports required to be filed with the electoral board to the attorney for the Commonwealth for the county or city in which the electoral board has jurisdiction.

C. In order to fulfill the duty to report violations pursuant to subsections A and B, the Board shall establish and implement a system for receiving, cataloging, and reviewing reports filed pursuant to the provisions of this chapter and for verifying that reports are complete and submitted on time. As part of the system referred to in this subsection, the general registrar for each county and city, or the secretary of the electoral board in any county or city in which the electoral board chooses to perform the duties stated in this subsection, shall be required, in accordance with instructions provided by the Board, to receive, catalog, and review the reports filed with the local electoral board and to verify that the reports are complete and submitted on time.

D. The State Board, and the general registrar or secretary of the electoral board in accordance with the instructions of the State Board, (i) shall assess and collect the civil penalties provided in Article 8

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59 (§ 24.2-953 *et seq.*) of this chapter and (ii) if unable to collect the penalty, shall report the violation to  
60 the appropriate attorney for the Commonwealth for enforcement.

61 E. The State Board, or the general registrar or secretary of the electoral board in accordance with the  
62 instructions of the State Board, shall notify, no later than 21 days after the report due date, any person  
63 submitting an incomplete report of the need for additional information. The State Board, or the general  
64 registrar or secretary of the electoral board in accordance with the instructions of the State Board, may  
65 request additional information to correct obvious mathematical errors and to fulfill the requirements for  
66 information on the reports. *The State Board shall have 60 days following the general election to review*  
67 *records and request additional information when conducting reviews of reports and records pursuant to*  
68 *the provisions of § 24.2-946.3:1.*

69 F. Upon notice of a violation of this chapter, the State Board or the general registrar or local  
70 electoral board, as appropriate, shall within 90 days of the report deadline notify the appropriate attorney  
71 for the Commonwealth, who shall initiate civil proceedings to enforce the civil penalties assessed by the  
72 State Board or the local electoral board as provided herein. Any civil penalties collected pursuant to  
73 action by the State Board shall be payable to the State Treasurer for deposit to the general fund, and  
74 any civil penalties collected pursuant to action by a general registrar or local electoral board shall be  
75 payable to the treasurer of the locality for deposit to its general fund.

76 G. In the case of any political committee that is required to file a statement of organization pursuant  
77 to this chapter, the State Board shall be authorized to waive a penalty that has been assessed if the filer  
78 demonstrates that there exists good cause to waive the penalty.

79 H. The State Board shall notify the public through its official Internet website of any violation based  
80 on the failure to file a required report by a candidate for statewide office or the General Assembly and  
81 the identity of the violator.

82 I. The State Board shall determine the schedule of civil penalties required to be followed by its staff  
83 and local electoral boards in assessing penalties under this chapter. No election official or staff may  
84 waive or reduce such penalties, except as provided in § 24.2-946.4.

85 § 24.2-946.3:1. *Reviews of campaign finance reports and records in campaigns for Governor,*  
86 *Lieutenant Governor, Attorney General, and the General Assembly.*

87 A. *Campaign committees for candidates for Governor, Lieutenant Governor, Attorney General, or the*  
88 *General Assembly shall be responsible for retaining all bank statements for, and copies of checks issued*  
89 *on, the campaign depository and bills, invoices, and receipts for any expenditure. The treasurer of a*  
90 *campaign committee for a candidate for Governor, Lieutenant Governor, Attorney General, or the*  
91 *General Assembly shall make such records and materials available to the State Board or its designee*  
92 *upon its request for the purposes of this section.*

93 *Nothing in this section shall reduce the record retention responsibilities of any campaign committee*  
94 *treasurer under § 24.2-947.3.*

95 B. *In addition to its duties under § 24.2-946.3, the State Board shall have the authority to review the*  
96 *reports and records of the campaign committees for candidates for Governor, Lieutenant Governor,*  
97 *Attorney General, and the General Assembly. The purposes of the review shall be (i) to reconcile the*  
98 *balance in the campaign depository with the amounts reported in the candidate's campaign finance*  
99 *reports and (ii) to review the reports for mathematical accuracy and completeness, including the*  
100 *reporting of specific information required by law. In the performance of its review, the Board is*  
101 *authorized to request the production of monthly bank statements for, and copies of checks issued on,*  
102 *campaign depositories and itemized bills, invoices, and receipts for any expenditure of campaign funds.*

103 C. *The State Board shall review the reports and records of the campaign committees of all*  
104 *candidates for Governor, Lieutenant Governor, and Attorney General, including losing primary*  
105 *candidates, within 60 days following the general election. The Board shall review the reports and*  
106 *records of the campaign committees of all candidates, including losing primary candidates, for 10*  
107 *districts for the House of Delegates, and four districts for the Senate of Virginia, within 60 days*  
108 *following the general election for the House or Senate. The Board shall meet publicly to select the*  
109 *campaign committees to be reviewed by a drawing that ensures selection on a random basis for the*  
110 *House and Senate, respectively.*

111 *No review shall be conducted of a campaign committee for any office that has received less than*  
112 *\$25,000 in contributions during the election cycle, including the funds carried over from a previous*  
113 *election cycle. Districts in which only one campaign committee received \$25,000 or more shall not be*  
114 *included in the drawing.*

115 D. *Upon completing the review of the reports and records, the State Board shall notify the campaign*  
116 *committee of any discrepancies or missing information according to the provisions of § 24.2-953.3. If*  
117 *the review determines that the balance in the campaign depository does not reconcile with the amounts*  
118 *reported in the campaign committee's finance reports, then in the case of a candidate for the General*  
119 *Assembly, the Board shall forward its report to the attorney for the Commonwealth for the county or*  
120 *city in which the candidate resides, or in the case of a candidate for statewide office, to the attorney for*

121 *the Commonwealth for the City of Richmond.*

122 *E. In the performance of its duties under this section, the State Board may employ the services of*  
123 *additional personnel to the extent that appropriated funds are available to the Board for such purpose.*

124 *F. The State Board shall report the results of its reviews to the Governor and the General Assembly*  
125 *by January 31 of each year following the election year for the office to which the review pertains.*

126 *G. The provisions of this section shall be effective to the extent that funds are appropriated for this*  
127 *purpose. The State Board shall have the authority to reduce the number of districts reviewed or the*  
128 *scope of the reviews if funds are not sufficient. Any such planned reductions shall be announced before*  
129 *the drawing provided for in subsection C.*

130 **2. That the provisions of this act shall become effective on January 1, 2012.**