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SENATE BILL NO. 1142

Offered January 11, 2017

Prefiled January 9, 2017

A BILL to amend and reenact § 24.2-945.1 of the Code of Virginia, relating to campaign finance; filing and reporting requirements applicable to certain tax-exempt organizations.

Patron—DeSteph

Referred to Committee on Privileges and Elections

Be it enacted by the General Assembly of Virginia:**1. That § 24.2-945.1 of the Code of Virginia is amended and reenacted as follows:****§ 24.2-945.1. Definitions.**

A. As used in this chapter, unless the context requires a different meaning:

"Authorization" means express approval or express consent by the candidate, the candidate's campaign committee, or an agent of the candidate or his campaign committee after coordination.

"Campaign committee" means the committee designated by a candidate to receive all contributions and make all expenditures for him or on his behalf in connection with his nomination or election.

"Candidate" means "candidate" as defined in § 24.2-101.

"Contribution" means money and services of any amount, in-kind contributions, and any other thing of value, given, advanced, loaned, or in any other way provided to a candidate, campaign committee, political committee, or person for the purpose of expressly advocating the election or defeat of a clearly identified candidate or to an inaugural committee for the purpose of defraying the costs of the inauguration of a Governor, Lieutenant Governor, or Attorney General. "Contribution" includes money, services, or things of value in any way provided by a candidate to his own campaign and the payment by the candidate of a filing fee for any party nomination method.

"Coordinated" or "coordination" refers to an expenditure that is made (i) at the express request or suggestion of a candidate, a candidate's campaign committee, or an agent of the candidate or his campaign committee or (ii) with material involvement of the candidate, a candidate's campaign committee, or an agent of the candidate or his campaign committee in devising the strategy, content, means of dissemination, or timing of the expenditure.

"Designated contribution" means a contribution that is designated specifically and in writing for a particular candidate or candidates and that is made using a political committee solely as a conduit.

"Expenditure" means money and services of any amount, and any other thing of value, paid, loaned, provided, or in any other way disbursed by any candidate, campaign committee, political committee, or person for the purpose of expressly advocating the election or defeat of a clearly identified candidate or by any inaugural committee for the purpose of defraying the costs of the inauguration of a Governor, Lieutenant Governor, or Attorney General.

"Federal political action committee" means any political action committee registered with the Federal Election Commission that makes contributions to candidates or political committees registered in Virginia.

"Inaugural committee" means any organization, person, or group of persons that anticipates receiving contributions or making expenditures, from other than publicly appropriated funds, for the inauguration of the Governor, Lieutenant Governor, or Attorney General and related activities.

"Independent expenditure" means an expenditure made by any person, candidate campaign committee, or political committee that is not made to, controlled by, coordinated with, or made with the authorization of a candidate, his campaign committee, or an agent of the candidate or his campaign committee. "Independent expenditure" includes an expenditure made by a candidate campaign committee (i) that is not related to the candidate's own campaign and (ii) that is not made to, controlled by, coordinated with, or made with the authorization of a different candidate, his campaign committee, or an agent of that candidate or his campaign committee.

"In-kind contribution" means the donation of goods, services, property, or other thing of value, other than money, including an expenditure controlled by, coordinated with, or made upon the authorization of a candidate, his campaign committee, or an agent of the candidate or his campaign committee, that is provided for free or less than the usual and normal charge. The basis for arriving at the dollar value of an in-kind contribution is as follows: new items are valued at retail value; used items are valued at fair market value; and services rendered are valued at the actual cost of service per hour. Services shall not be deemed to include personal services voluntarily rendered for which no compensation is asked or given.

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59 "Out-of-state political committee" means an entity covered by § 527 of the United States Internal
60 Revenue Code that is not registered as a political committee or candidate campaign committee in
61 Virginia and that does not have as its primary purpose expressly advocating the election or defeat of a
62 clearly identified candidate. The term shall not include a federal political action committee.

63 "Person" means any individual or corporation, partnership, business, labor organization, membership
64 organization, association, cooperative, or other like entity.

65 "Political action committee" means any organization, person, or group of persons, established or
66 maintained to receive and expend contributions for the primary purpose of expressly advocating the
67 election or defeat of a clearly identified candidate. The term shall not include a campaign committee,
68 federal political action committee, out-of-state political committee, political party committee, referendum
69 committee, or inaugural committee.

70 "Political committee" means and includes any political action committee, political party committee,
71 referendum committee, or inaugural committee. The term shall not include: (i) a federal political action
72 committee or out-of-state political committee; (ii) a campaign committee; (iii) a political party committee
73 exempted pursuant to § 24.2-950.1; or (iv) a person who receives no contributions from any source and
74 whose only expenditures are made solely from his own funds and are either contributions made by him
75 which are reportable by the recipient pursuant to this chapter or independent expenditures which are
76 reportable by him to the extent required by § 24.2-945.2, or a combination of such reportable
77 contributions and independent expenditures.

78 "Political party committee" means any state political party committee, congressional district political
79 party committee, county or city political party committee, other election district political party
80 committee, or organized political party group of elected officials. This definition is subject to the
81 provisions of § 24.2-950.1.

82 "Primary purpose" means that 50% *percent* or more of the committee's expenditures made in the
83 form of contributions shall be made to candidate campaign committees or political committees registered
84 in Virginia. Administrative expenditures and the transfer of funds between affiliated or connected
85 organizations shall not be considered in determining the committee's primary purpose. The primary
86 purpose of the committee shall not be determined on the basis of only one report or election cycle, but
87 over the entirety of the committee's registration.

88 "Referendum committee" means any organization, person, group of persons, or committee, that makes
89 expenditures in a calendar year in excess of (i) \$10,000 to advocate the passage or defeat of a statewide
90 referendum, (ii) \$5,000 to advocate the passage or defeat of a referendum being held in two or more
91 counties and cities, or (iii) \$1,000 to advocate the passage or defeat of a referendum held in a single
92 county or city.

93 "Residence" means "residence" or "resident" as defined in § 24.2-101.

94 "Statewide office" means the office of Governor, Lieutenant Governor, or Attorney General.

95 B. For the purpose of applying the filing and reporting requirements of this chapter, the terms
96 "person" and "political committee," shall not include an organization holding tax-exempt status under
97 § 501(c) (3); ~~501(e) (4)~~; or 501(c) (6) of the United States Internal Revenue Code which, in providing
98 information to voters, does not advocate or endorse the election or defeat of a particular candidate,
99 group of candidates, or the candidates of a particular political party.