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SENATE BILL NO. 1082

Offered January 17, 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; candidate contribution limits; civil penalty.*

 Patron—Morrissey

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 campaign committees.**

A. No individual or committee shall make any single contribution, or any combination of contributions, that exceeds the candidate contribution cap to any one candidate for elected office or his campaign committee for any election. The candidate contribution cap is \$2,500 per election from any individual and \$5,000 per election from any committee.

B. No person that is not an individual or a committee shall make any contribution to any candidate for elected office or his campaign committee.

C. Notwithstanding the provisions of subsections A and B, there shall be no limitation on contributions from the candidate or the candidate's spouse, child, parent, or sibling to the candidate's campaign committee.

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

E. Contributions made prior to the date of the next election in which a candidate seeks nomination or election to office or on the date of such election shall be subject to the contribution limits in this article, unless designated in writing by the contributor as a contribution for a specific proceeding election. Additionally, a contribution made during the 60 days immediately following the date of an election may be designated in writing by the contributor as a contribution for such election.

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

G. A candidate who is defeated in the primary or nominating process and whose campaign committee has a 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.

H. The candidate shall report separately (i) undesignated contributions received prior to the date of the next election in which a candidate seeks nomination or election to office or on the date of such election and contributions designated for such election and (ii) contributions designated for any other election. Candidates may otherwise maintain records of receipts and expenditures for the campaign both before and after the primary date on a continuing basis.

I. Contributions designated for a specific election in which a candidate seeks nomination or election to office shall be held in escrow until after the date of any preceding election in which a candidate seeks nomination or election to office or until they are disbursed for the purpose of filing a final report under § 24.2-948.4.

J. 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 this article, all direct or indirect contributions made by a person or committee to benefit a candidate or committee, 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 or committee.

§ 24.2-948.7. Aggregation of contributions.

For purposes of applying the contribution limits set forth in this article:

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

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

69 **§ 24.2-948.8. Restrictions on loans.**

70 Any loan to a committee shall be deemed to be a contribution from the maker and the guarantor of
71 the loan and is subject to the contribution limits set forth in this article. A loan to a committee must be
72 by written agreement. The proceeds of a loan made to a committee shall not be subject to the
73 contribution limits stated in this article if the loan is made by a candidate to his own campaign
74 committee or is made by a commercial lending institution in the regular course of business and on the
75 same terms ordinarily available to members of the public and is secured or guaranteed only by the
76 committee.

77 **§ 24.2-953.6. Violation of contribution limits; civil penalty.**

78 Any candidate or committee that knowingly accepts, or any contributor that knowingly makes to such
79 candidate or committee, contributions in excess of the limits imposed in § 24.2-948.5 shall be subject to
80 a civil penalty of up to two times the amount by which the contribution exceeds the limit. The State
81 Board shall assess and collect such civil penalties, which shall be payable to the State Treasurer for
82 deposit to the general fund.