



A Citizens’ Report on the Need for Comprehensive Campaign Finance Reform in Virginia

Revised September 2022



Executive Summary

This Report is an updated and expanded version of the 2021 “Citizens’ Report on the Need for Comprehensive Campaign Finance Reform in Virginia.”¹ The objective of the 2021 Citizens Report was to provide legislators and the 2021 Joint Subcommittee to Study Campaign Finance Reform (the Subcommittee) with a **comprehensive review of Virginia’s campaign finance laws** and a **roadmap** for legislative action. This analysis aimed to inform the Subcommittee of the need for comprehensive reform in order to promote the integrity of, and public confidence in, our legislators and system of government.

Only marginal reforms have been made to the Commonwealth’s campaign finance system since 1994, when Governor Wilder issued his Commission Report on “Campaign Finance Reform, Government Accountability and Ethics.”² Thus, Virginia remains a national outlier in terms of laws which limit contributions, ensure regulatory oversight, and provide adequate public disclosure of monies spent on elections.

2022 was another lost opportunity for campaign finance reform in Virginia. The Subcommittee held substantive discussions in the fall of 2021 on various entry points for campaign finance reform, and two dozen campaign finance bills were introduced in the 2022 General Assembly. Many of these bills included best practices adapted in other states and provisions discussed by the Subcommittee. Yet, only three modest bills ultimately passed: one disclosure bill, an oversight bill obliging campaigns to retain records and allowing the Department of Elections to undertake reviews, and, finally, a resolution calling for a continuation of the for another year (which has not happened as of this writing). The results of the

2022 General Assembly revealed yet again to the public, 80 percent of whom feel that big money donors have an outsized impact on our legislators, the difficulty of enacting meaningful reform in the Commonwealth.

This revised report includes a detailed analysis of Virginia’s campaign finance laws and regulations and provides examples of best campaign finance reform practices from other states and cities. Our research and conclusions clearly show that many states have been successful in

Our work as citizens of this Commonwealth takes inspiration from the ending statement of the Governor Wilder’s 1994 Commission on Campaign Finance Reform’s Report:

“Continuing scrutiny of the standards of accountability and conduct for public servants is a sign of vigilance. It signals the awareness that Virginia’s reputation for ‘good government’ is fragile. Integrity in government must be nurtured and never taken for granted.”



75 percent of Americans, irrespective of party, support getting big money out of politics.

87 percent of business owners agree.

adopting common sense campaign finance reform measures, within the limitations of federal judicial decisions such as Citizens United. The authors also consulted with advocates and experts at the local, state, and national levels. The report incorporates concerns expressed during listening sessions with Virginia legislators, documents the mostly-unsuccessful history of reform efforts in Virginia, and summarizes recent polling of citizens regarding the need for campaign finance reform in Virginia.

The report additionally documents key findings regarding unregulated financing of political campaigns in the Commonwealth, and, using clearly defined terminology, identifies substantial weaknesses and gaps in the current laws. Key areas of concern include:

- No dollar limits on campaign donations, including contributions from corporations and public utilities.
- No restrictions on the personal use of campaign donations by politicians.
- Weak disclosure requirements for campaigns to account for contributions and expenditures, leading to a lack of accuracy and public transparency.
- Lack of regulatory authority and funding for oversight of the disclosure requirements that exist, including disclosure requirements for Political Action Committees (PAC) and independent expenditures

The cornerstone of the report, **Critical Elements of Campaign Finance Reform**, recommends a framework for comprehensive campaign finance reform in Virginia:

1) Strengthening disclosure and accountability, including:

- enhancing disclosure through a robust public electronic filing system that is easy for the public to access and analyze the filing data;
- identifying the original contributors of independent expenditures, i.e., donations and expenses not coordinated with a candidate's campaign,;
- regular auditing (or equivalent formal review) combined with enhanced regulatory oversight to ensure compliance with more rigorous reporting requirements;
- creating eligibility thresholds and procedures for official investigations into complaints, alleging violations of campaign finance laws;
- placing restrictions on personal use of campaign funds; and
- establishing the institutional authority, capacity, and budget to implement the above.

2) Promoting integrity through fair play by:

- establishing limits to campaign contributions by individuals, PACs, political parties, corporations, and others, with special provisions to address campaigns involving candidates with significant self-financing;
- introducing a vision for eventual public financing of elections; and
- enabling both houses of the General Assembly to explicitly support the passage of an amendment to the U.S. Constitution to allow Congress and the states to regain their sovereign rights to regulate election spending.

We conclude by recommending a roadmap to enact legislation in 2023, including packaging and sequencing. We urge the Virginia legislature to make long-overdue campaign finance reforms based on the recommendations included herein. We hope that our legislators will use this document as a key reference on Virginia's current laws and practices, best practices from other state and local jurisdictions, and recommendations from advocates and experts at the local, state, and national levels. Appendix 2 provides a summary of all campaign finance bills introduced into the 2022 General Assembly.

About BigMoneyOutVA

We are a non-partisan volunteer group that advocates for campaign finance and related ethics reform in Virginia. In collaboration with the national group, American Promise, we are also working towards Virginia becoming the 22nd state to support an amendment to the U.S. Constitution which would allow Congress and the states to regulate election spending. We seek these reforms to increase the legitimacy and integrity of government and to enable our elected officials to better reflect the interests and will of all citizens of the Commonwealth.

¹ Undertaken by the Virginia Chapter of American Promise, sometimes known as the MoneyOutVA group.

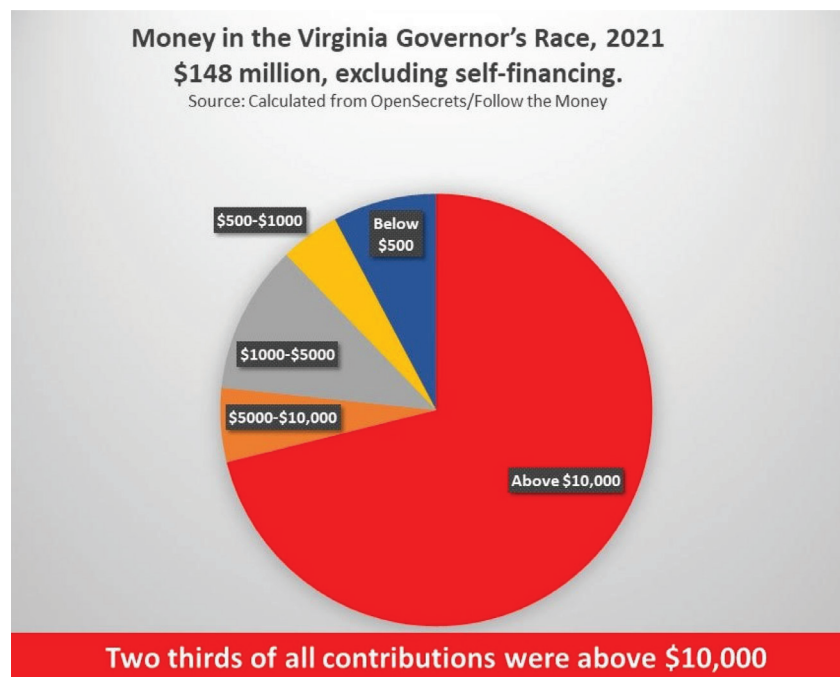
² <https://rga.lis.virginia.gov/Published/1994/SD65/PDF>

Table of Contents

Executive Summary.....	i
A. Introduction.....	1
B. The History of Campaign Finance Reform in Virginia	3
C. Definitions of Campaign Finance Reform Terminology.....	5
D. Weaknesses in Virginia’s Current Laws.....	6
E. Critical Elements of Campaign Finance Reform.....	8
F. Key Legislator Concerns: Recommendations to Address these Concerns.....	10
G. Examples of Best Practices in Other Jurisdictions.....	11
H. Conclusion - Building a Strong Campaign Finance System for Virginia.....	14
Appendices.....	15
1. Background on Report Authorship, Focus, and Scope.....	16
2. Campaign finance bills submitted in the 2022 General Assembly, their sponsors, and status of bills.....	17

A. Introduction

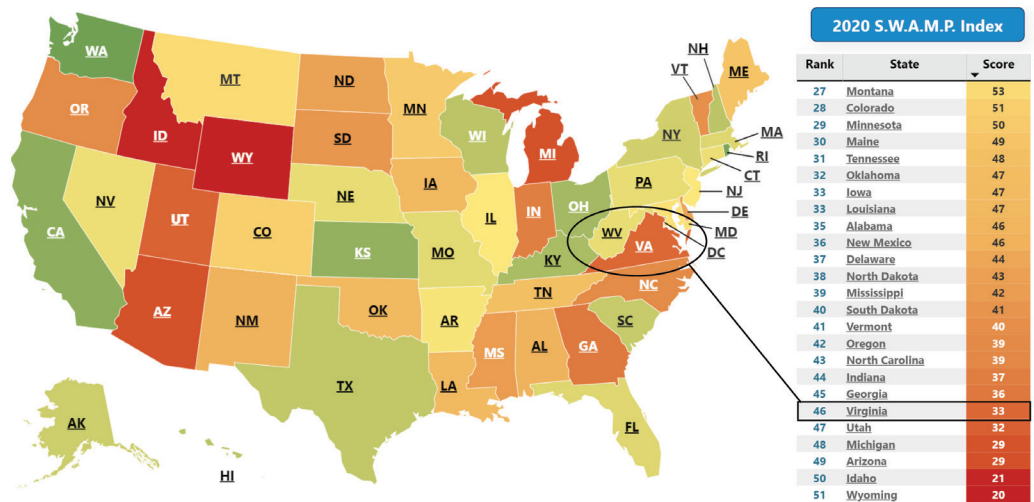
- 1. Representative democracy.** Unchecked political spending in Virginia by corporations, unions, special interest groups, and wealthy individuals is overwhelming the voices of average citizens. It weakens our ability to freely and fairly elect a representative government of, by, and for the people. Candidates are forced to devote most of their time to fundraising, rather than directly communicating with potential voters and constituents on substantive policy and legislative issues.
- 2. Campaign spending levels.** State-wide elections spending in Virginia has quadrupled from \$32 million on legislative races in 1999 to over \$121 million in 2019. 2021 was marked as one of the most expensive elections in Virginia, with spending on the race for House of Delegates reaching over \$80 million, up from \$66 million in 2019. Meanwhile, spending the Gubernatorial race in 2021 nearly doubled from 2017, totaling over \$140 million. According to an analysis of OpenSecrets data³, large donations in this last Gubernatorial race, those exceeding \$10,000, accounted for an estimated three quarters of all contributions. This analysis showed, that 1,124 individuals/entities accounted for more than 70% of money going into this election. Most donors, 83% of them, contributed \$500 or less to candidates, yet their contributions accounted for only 8% of total contributions (see graph).



- 3. Virginia's campaign finance legal structure.** Virginia has one of the weakest campaign finance legal structures in the country. It is one of only five states which has no limitations on individual and public/private sector political contributions.⁴ Most states restrict the personal use of campaign funds, which is also regulated under federal law. As of 2015, Virginia was one of only three outliers.⁵ In the 2020 S.W.A.M.P. Index, Virginia ranks among the lowest of all the fifty states and District of Columbia in both disclosure of, and accountability for, campaign finance contributions and expenditures and its regulation of government ethics.⁶ Meanwhile, a 2022 Coalition for Integrity ranked Virginia 43 out of 51 jurisdictions in a State Campaign Finance Index.⁷

4. Public perceptions. In 2021, polling data on campaign finance reform collected by Virginia’s non-partisan Wason Center revealed that nearly four out of five Virginia voters, irrespective of party affiliations, believe that money plays too great a role in political campaigns and has a corrupting impact on democracy. Business owners share this sentiment: 87 percent of business owners believe our campaign finance system is broken and needs a major overhaul. Often our lax campaign laws are considered to be fostering a “pay-to-play” election process in the Commonwealth. While politicians declare that they do not engage in “pay-to-play,” the perception of corruption can prove just as damaging as actual corruption to the public’s confidence in government. Virginians are ready to join the rest of the country in introducing common sense campaign finance reform.

Virginia ranks **46** out of **50** states in the **S.W.A.M.P. Index**, a cross-state comparative analysis of transparency and accountability.



³ <https://www.followthemoney.org/>

⁴ National Conference of State Legislatures, <https://www.ncsl.org/Portals/1/Documents/Elections/Contribution-Limits-to-Candidates-2019-2020.pdf?ver=2019-10-02-132802-117>.

⁵ “Panel: Lawmakers Need a Raise.” <https://martinsvillebulletin.com/>, Martinsville Bulletin, 4 June 2015, https://martinsvillebulletin.com/news/panel-lawmakers-need-raise/article_893d7fb8-0a65-11e5-8800-27caceac9ff2.html, accessed August 9, 2021.

⁶ Coalition for Integrity, <http://swamp.coalitionforintegrity.org/>.

⁷ <https://www.coalitionforintegrity.org/>

⁸ <https://virginiamoneyinpolitics.files.wordpress.com/2022/01/campaign-finance-polling-full.pdf>

⁹ Polling by Hart Research Associates and American Viewpoint for the Committee for Economic Development.

B. The History of Campaign Finance Reform in Virginia

1. Key Reports and Study Committees. The history of campaign finance and related ethics reform in Virginia includes two key studies: the 1994 “Campaign Finance Reform, Government Accountability, and Ethics Study” initiated by Governor Wilder,¹⁰ and the 2014 “Integrity and Public Confidence in State Government Study” initiated by Governor McAuliffe.¹¹ Recommendations in the final 1994 report are the most relevant to the campaign finance reform agenda, including campaign contribution limits, campaign finance reporting and computerizing the disclosure system, and a new state ethics commission. The 2014 final report did not focus on contribution limits, but the report did further refine proposals for computerization of campaign finance reports and reiterate the need for an ethics review commission. The latter report also proposed that the ban on fundraising by lawmakers be extended from regular to special sessions and proposed minor modifications on rules for personal use of campaign funds.

2. Campaign finance legislation in Virginia. The history of campaign finance reform in Virginia is distinguished by three decades of failure. Despite the recommendations of the 1994 Wilder and 2014 McAuliffe studies, fundraising is still allowed during special sessions and reporting requirements remain minimal. There are no restrictions on the personal use of campaign funds. Meanwhile, the public accessibility of computerized campaign finance data was never implemented, mainly due to perceived budget constraints. Finally, the creation of an independent ethics commission (and associated institutional capacity for monitoring and accountability) was discussed briefly during the 2021 meetings of the Subcommittee, but the discussion was tabled due to the necessity to create significant changes to the existing ethics advisory system.

A Joint Subcommittee to Study Campaign Reform (The Subcommittee)¹² convened between August and October 2021. During their four public meetings which included public testimony, this bipartisan, bicameral study group, composed of both legislators and citizen members, reviewed the status of campaign finance laws in Virginia. They considered the 2021 version of this Report, which was submitted to the Subcommittee in August 2021 as substantive input to their deliberations and the Subcommittee identified possible entry points for reform, with a particular focus on disclosure and enhancing the regulatory oversight capacity of the Department of Elections. They released a draft Executive Summary¹³ which was filed with the Division of Legislative Automated Systems, but a final report was never voted on by the entire Subcommittee. The General Assembly voted to extend the mandate of this Subcommittee through 2022, but as of September there is no sign that it will be reconvened this year.

Most proposed campaign finance reform legislation never reaches the floor of the House of Delegates and/or the Senate and very few bills have passed when they do reach the floor. For example, over the past eight years, there have been minor changes to existing disclosure laws, but not one of these changes provided meaningful reform.¹⁴ Failure and disappointment in campaign finance reform continued in the 2022 Legislative Session when two dozen bills were introduced, eight in the Senate and 16 in the House. Of the 24 bills introduced, eight were championed by Republicans. Only three of these bills passed through both the House and the Senate and were signed into law. Below is a summary list of bills introduced by category. More specific details on all these bills, sponsors, and their status can be found in Appendix 2.

- a) **Limits on contributions to candidates** for statewide office and the General Assembly. Five bills were introduced, one by a Republican. None were passed out of committee.

¹⁰ The Report of the Governor’s Commission on Campaign Finance Reform, Government Accountability, and Ethics and Related Matters, Senate Document No. 65, 1994.

¹¹ Final Report of the Commission on Integrity and Public Confidence in State Government, 2014.

¹² <https://studies.virginiageneralassembly.gov/studies/556>

¹³ https://studies.virginiageneralassembly.s3.amazonaws.com/meeting_docs/documents/000/001/215/original/2021-10-01_Meeting_-_Draft_Report.pdf?1633110449

- b) **Banning campaign donations** from public service corporations. Four bills were introduced, two by Republicans. None passed.
- c) **Restricting personal use of campaign contributions:** Three bills were introduced, one in the Senate and two, one sponsored by a Republican, in the House. The Senate bill passed and moved over to the House, but all three bills died in the House of Delegates, not getting out of the Privileges and Elections Committee’s Subcommittee on Campaign Finance. This disappointing result came a year after a 2021 version of the same bill was approved by the House of Delegates 100-0, moved through the Senate committee. However, on the Senate floor it was referred back to the Privileges and Elections committee at the end of the session where it died in limbo.
- d) **Disclosure:** Ten bills were introduced, three by Republicans and one passed. (Del. Glenn David, R, HB125). These disclosure bills focused on strengthening reporting of independent expenditures, greater accountability in reporting by candidate campaigns, and establishing a searchable publicly accessible portal on the Department of Elections website.
- e) **Oversight:** The one bill introduced was signed into law, with a delayed implementation date of 2024. This law authorizes allows the Department of Elections to undertake reviews of campaign disclosure documentation and requires campaigns to maintain records for four years. (Del. David Bulova, HB492)

An additional resolution passed (Del. Bulova’s House Joint Resolution 53) extending the mandate of the “Joint Subcommittee to Study Comprehensive Campaign Finance Reform”.¹⁵

3. Impact of the U.S. Supreme Court (SCOTUS) rulings on state campaign finance legislation. The 10th Amendment to the U.S. Constitution provides the basis for each state government’s control over state and local elections, including campaign finance. However, over the last half century, SCOTUS rulings have led to increased restrictions on state campaign finance laws. Some of the key decisions include:¹⁶

- a) **Buckley v. Valeo (1976).** In distinguishing between contributions and expenditures, the court stripped States of the legal authority to impose limits on expenditures. Furthermore, while retaining State legal authority to impose limits on contributions, the court undercut this authority by striking down limitations on personal contributions to a candidate’s own campaign. As a result, the court prohibited states from restricting contributions by wealthy, self-financed candidates. (On the positive side, this ruling upheld public disclosure requirements)
- b) **Randall v. Sorrell (2006).** In effect, the court ruled that States cannot limit independent (i.e., non-candidate/campaign) expenditures. Further, States must ensure that contribution limits on candidates are high enough to enable the candidate to run an effective campaign. This decision adjusted earlier SCOTUS decisions (Buckley v. Valeo and Nixon v. Shrink Missouri Government PAC) which held that contribution limits must allow candidates and political committees to “amass the resources necessary for effective advocacy.”
- c) **Citizens United v. Federal Elections Commission (2010).** In a 5-4 ruling, SCOTUS struck down the nearly century long federal prohibitions on independent expenditures by corporations and unions This ruling held that the free speech clause of the First Amendment prohibits the government from restricting independent campaign expenditures by corporations, including nonprofit corporations, labor unions, and other associations. Once again, this time by a vote of 8-1, SCOTUS upheld the importance and constitutionality of disclosure.
- d) **McCutcheon v. Federal Election Commission (2014).** States may limit how much any individual or group contributes to any one campaign. However, they cannot impose aggregate limits on how much an individual or group may contribute to all campaigns during any one election cycle.

Fundamentally these rulings view campaign funding and contributions as political speech. However, the greater impact of these rulings has been to severely limit states’ authority to regulate their own elections, resulting in 22 states revising their campaign finance legislation. For example, in a separate ruling, *American Tradition Partnership, Inc v. Bullock*, Montana was forced to abandon laws barring corporate independent expenditures which had been in place for almost 100 years. It is also noteworthy that despite its progressive erosion of the permissible range of campaign finance laws, SCOTUS has steadfastly

¹⁴ A review of campaign finance bills introduced in the General Assembly and their status is found Appendix 5.

¹⁵ HJR 525, 2021 <https://lis.virginia.gov/cgi-bin/legp604.exe?211+sum+HJ526>.

¹⁶ National Conference of State Legislatures, <https://www.ncsl.org/research/elections-and-campaigns/campaign-finance-and-the-supreme-court.aspx#buckley>.

recognized that “transparency and disclosure requirements provide crucial information to voters about candidates and their supporters”¹⁷ and has routinely upheld disclosure laws even while striking down other campaign finance laws.

4. The Need for a Constitution Amendment. In its pursuit of a constitutional amendment, the national non-profit American Promise has proposed phrasing for an amendment that would address these rulings and restore congressional and state control over election spending. The “For Our Freedom” Amendment reads:



- “Section 1: We the People have compelling sovereign interests in representative self-government, federalism, the integrity of the electoral process, and the political equality of natural persons.
- Section 2: Nothing in this Constitution shall be construed to forbid Congress or the States, within their respective jurisdictions, from reasonably regulating and limiting contributions and spending in campaigns, elections, or ballot measures.
- Section 3: Congress and the States shall have the power to implement and enforce this article by appropriate legislation, and may distinguish between natural persons and artificial entities, including by prohibiting artificial entities from raising and spending money in campaigns, elections, or ballot measures.”

5. State reform still essential to campaign finance. Clearly, SCOTUS rulings have limited the flexibility of the Federal Government and the states to regulate election spending. However, even with these constraints, most states, except Virginia, have enacted judicially tested reforms that regulate campaign finance and aim to ensure greater accountability and disclosure in elections for their citizens. Virginia should be included in that list of states, setting up “an enduring culture of integrity on which this state can prosper”.¹⁸

C. Campaign Finance Reform Terminology¹⁹

1. Disclosure and accountability. For the purposes of this report, **disclosure** encompasses both reporting of campaign finance data and public access to that data and **accountability** encompasses monitoring and enforcement of compliance with campaign finance legislation. A transparent and accountable campaign finance system requires a modern information technology infrastructure and robust state institutional capacity.

- a) Disclosure includes reporting of both campaign-related contributions and expenditures, including independent expenditures, and allowing readily available public access to that reporting.
- b) Accountability includes monitoring and evaluation of campaign finance filings for accuracy, completeness, and timeliness; conduct of investigations based upon citizen complaints; and assessment of sanctions and penalties. Key ethics provisions related to campaign finance – most notably those related to the personal use of campaign funds – are also included in our definition of accountability.

2. Promoting integrity through fair play. This phrase connotes rules that equalize campaign finance levels to reduce the appearance of corruption by fostering “fairness” in competitive elections. Our definition of this phrase includes dollar limits on contributions, special provisions to regulate campaigns where candidates have access to significant personal resources for self-financing, limits on contributions from corporations, public financing of elections, and an amendment to the U.S. Constitution to allow states to regulate campaign finance spending.

¹⁷ HJR 525, 2021 <https://lis.virginia.gov/cgi-bin/legp604.exe?211+sum+HJ526>.

¹⁸ National Conference of State Legislatures, <https://www.ncsl.org/research/elections-and-campaigns/campaign-finance-and-the-supreme-court.aspx#buckley>.

¹⁹ MOVA has two Campaign Finance Technical Working Papers under development which will provide detailed problem analysis of these issues and recommendations. When complete, they will become annexes to this report: Transparency and Accountability and Promoting Integrity Through Fair Play.

D. Weaknesses in Virginia's Current Laws

1. **Disclosure and accountability.** Virginia's reporting requirements are vague and do not cover all types of contributions. The current information technology infrastructure for campaign finance data collection, maintenance, and accessibility is obsolete and not effectively networked or secured.

- a) **Reporting of contributions of all types from all sources.** For those individuals directly giving more than \$100/campaign/election cycle, Virginia's laws require reporting the contributor's name with some other personal information. Virginia also requires that PACs file reports on their contributors and allocations to campaigns. The definition of PACs is limited to groups having a "major purpose" of influencing elections and has been sometimes interpreted to exclude multipurpose organizations that engage in substantial election spending. Virginia's laws do not require detailed reporting of election-related event expenditures by non-PACs, nor do they require reporting of the "original sources of funds."²⁰ By requiring reporting of only direct contributions, only "pass-through" entities/intermediaries are reported. A "pass through entity" obscures the original source of the donations. As a result, this minimal reporting standard allows wealthy special interest groups to hide their big spending aimed at influencing elections.
- b) **Election Advertising.** Virginia's lack of laws regulating online advertising increases the risk of foreign money influencing elections. Existing laws previously did not require disclaimer requirements to be included on online advertisements or require that the largest donors be on the face of the ad. However, a recent disclosure bill (HB125), to be enacted in 2024, does impose civil penalties of up to \$25,000 on sponsors that violate current political campaign advertisement disclosure laws. However, entities investing in independent expenditures on election advertising are not required to file electronically. Instead, filers on independent expenditures complete a paper form that is then faxed and mailed to the Department of Elections.
- c) **Reporting of expenditures.** Virginia's laws require a "brief description of the purpose of the expenditure." The reporting form provides a column for "item or service" but provides no guidance on how specific this information should be.
- d) **Compliance support.** Virginia has limited institutional capacity to provide compliance training and guidance to legislators, donors, and lobbyists. Training is provided on Committee Electronic Tracking – known as COMET – set up in 2012, but it is limited to simple registration and filing deadlines and is not accessible to the public.
- e) **Sanctions.** Virginia can impose fines ranging from \$100 to \$500 for late campaign finance reports. For reporting violations (failure to file report or filing a late or incomplete report), the State Board of Elections generally may assess a civil penalty of up to \$500 per occurrence. Subsequent reporting violations within same election cycle may warrant a penalty of up to \$1,000 per occurrence. There are no sanctions for incomplete or inaccurate reports. It was acknowledged by the Subcommittee that inadequate monitoring limits the ability to implement these types of laws, including an Honest Ads law²¹ which was signed into law a few years ago.
- f) **Information technology.** The State Board of Election's current information technology infrastructure for campaign finance data compiles only raw data that is not easy to access, search, and analyze online. Data collected by the state is often far inferior in both accuracy and completeness than in most other states. The state government's weak information technology and institutional capacity has resulted in an outdated, technically challenged campaign finance disclosure system that provides neither true accountability nor full transparency. In response, for more than 20 years, the non-profit Virginia Public Access Project (VPAP) has

²⁰ Original source of funds means the person or entity that generated the proceeds that were contributed through earnings or revenue.

²¹ <https://lis.virginia.gov/cgi-bin/legp604.exe?201+sum+HB849>

provided a valuable service by collecting this data and undertaking selective analysis. However, its work is subject to funding constraints due to its dependence on donors' support. In addition, VPAP cannot ensure the completeness, nor the accuracy of data collected by the State Board of Elections. Double counting may exist. For example, some candidate funds are subsequently channeled through party caucuses and then moved to other individual candidates. These same funds are counted as contributions both when they go to the party, and again when they go to the candidate. Almost every jurisdiction across the U.S. maintains a more transparent and versatile state-run and publicly-funded campaign finance information system that could be adapted for Virginia. Several states have independent entities or enact measures to ensure politically independent oversight.

- g) Monitoring.** The Virginia Department of Elections Campaign Finance Office sets the standards for campaign finance reports. This office is nominally responsible for monitoring compliance as it relates to existing campaign disclosure as detailed above, but at the same time, this agency lacks sufficient legal authority, institutional capacity, or budget resources for rigorous monitoring of campaign finance filings for accuracy or completeness. It is worthwhile noting that the 2023-24 state budget for Department of Elections²², out of yearly budgets ranging around \$30 million, only \$183,885 is allocated for the Campaign Finance Disclosure Administrative Service, enough to pay for two employees.
- h) Auditing and Investigations.** The county or city Elections Registrar has nominal responsibility to report to the appropriate Commonwealth Attorney any violation relating to the filing of campaign finance reports. However, registrars lack institutional capacity and a budget to audit these reports. There are also no specific guidelines or thresholds for when investigations should be opened and conducted. Some improvements may result when HB492, which passed in 2022, is implemented in 2024. This bill gives the Department of Elections the authority and duty to conduct reviews of a percentage of campaign committees' filings and to report annually the results of such reviews to the State Board of Elections, the Governor, and the General Assembly. The reports are also made available to the public on the Department's website. Although it creates an oversight structure, this bill does not increase the capacity or personnel in the Department of Elections to conduct the reviews and sanction campaign finance violators.
- i) Personal use of campaign funds.** Unlike 47 other states, Congress, and Presidential elections, Virginia candidates face no legal restrictions on how they spend campaign funds. Restricting personal use of campaign funds would help ensure that candidates run in elections in order to represent the interests of their constituents rather than to personally enrich themselves.

2. Promoting integrity through fair play. Virginia does not set limits on the dollar levels of campaign contributions by individuals, nor does it place any limits on contributions to candidates from corporations, PACs, or political parties. The Commonwealth does not provide for any public financing of election campaigns. Current Virginia Senate protocols limit the introduction of resolutions advocating for changes in federal law. These protocols constrain the Virginia Legislature's ability to actively advocate for a U.S. Constitutional amendment that would enable Virginia, other states, and the U.S. Congress to regain their sovereign rights to regulate election spending.

²² <https://budget.lis.virginia.gov/secretariat/2022/2/HB30/Chapter/1/office-of-administration/>

E. Critical Elements of Campaign Finance Reform

1. **Disclosure and accountability.** Enhanced campaign finance disclosure laws would significantly increase transparency and accountability. Enhancements should include simplifying the system for filing the necessary disclosure reports by creating a robust, mandatory electronic filing system that is easy for the public to access and analyze.
 - a) **Upgrade the information technology software** to maximize ease of access and analysis and provide capacity for further upgrading on an ongoing basis. HB86 proposed this upgrade in the 2022 General Assembly. The bill passed both chambers but didn't receive the necessary funding from the Senate (\$147,000) to actually implement the system.
 - b) **Include more rigor in reporting requirements** by adding provisions for:
 - (1) Adjusting reporting requirements to maximize timely disclosure close to election dates,
 - (2) Disclosure and reporting compliance support (e.g., enhanced training, legislative interpretation, guidance on deadlines and other compliance, and facilitation),
 - (3) Clearer definitions for and increased specificity about reporting of expenditures, and
 - (4) Increased sanctions for incomplete and/or inaccurate and/or late filings.
 - c) **Extend existing disclosure rules** to require that the original sources of funding be provided by the donating individuals or persons, whether through a PAC or a corporation or other entity.²³ The burden should be on these donors to provide full personal information, including address and principal place of business or employment location, for all contributors of what is considered a reasonable threshold, perhaps more than \$500. The scope of enhanced disclosure laws should cover:
 - (1) contributors to any in-state or out-of-state political action committees (PACs) and any other political party or other organizational entities.
 - (2) individuals making independent expenditures and/or communications about, in support of, or opposition to, candidates, referendums, or other citizen action related to political advocacy.
 - (3) all online advertising campaigns about, in support of, or in opposition to, candidates, referendums, or other political advocacy
 - (4) the original source of all donations (including non-material resources) for activities related to candidate elections to organizations such as limited liability companies and 501(c) organizations.
 - (5) contributors to fundraising efforts coordinated by lobbyists.
 - d) **Help prevent foreign money** from coming into our campaign finance system by closing the credit card loophole to ensure all credit or debit cards used for campaign donations include bank verification and verification that contributors are U.S. citizens or residents (i.e., by preventing the use of pre-paid or stored value cards that cannot be securely attributed to actual donors). This should be supplemented by a state law which bars foreign interference, including through regulating online ads.
 - e) **Create a new state agency or significantly enhance the authority** of the Virginia Department of Elections to address the current lack of regulation of campaign finance laws and enforcement of campaign disclosure. Provide regular and sufficient budgets to fund enhanced responsibilities, including technology infrastructure development and maintenance. A new agency or an overhaul of the existing structure would enable the implementation of relevant elements of the 1994 and the 2014 study commission recommendations for improved governance through reforms in the areas of campaign finance, lobbying and ethics. One bill (SB371), introduced in 2022 by Senator Vogel, did move towards a more independent Department of Elections by giving the State Board the authority and duty to appoint the Commissioner of Elections of the Department of Elections. It would require an affirmative vote of five of the State Board's eight members for the appointment and removal of the Commissioner of Elections. This bill was not enacted into law.

²³ SB318, a disclosure bill introduced in 2022 by Senator Favola in the Senate does address many of these issues for independent expenditures. This bill passed in the Senate by a bipartisan vote but died in the P&E Subcommittee on Campaign Finance.

- f) **Create a system for auditing campaign funding.** Auditing (or equivalent formal review) of campaign funding is an essential tool in promoting transparency and accountability in election financing. However, rather than just providing a mechanism to punish campaign treasurers who are often volunteers, audits should be paired with enhanced assistance to ensure compliance. HB492, passed in 2022, will address some of these issues when implemented in 2024, in particular the undertaking of reviews. However, it isn't clear that the Department of Elections has sufficient regulatory oversight authority to order investigations, subpoena documents, or impose fines. Nor does it have the budget or staffing necessary to undertake these activities.
- g) **Establish specific eligibility thresholds and procedures for official investigation of complaints.** Clear thresholds for filing and transparent handling of public complaints, combined with sanctions for frivolous or politically-motivated allegations of campaign finance or ethics violations, are needed to prevent false accusations and ensure campaign finance and ethics rules are not weaponized by unscrupulous campaigns seeking to score political points during election cycles.
- h) **Place restrictions on personal use of campaign funds,** utilizing established federal and/or standard accounting practices to provide practical and equitable guidance on compliance. Currently, Virginia is one of only three states without these restrictions.

2. Promoting integrity through fair play

- a) **Establish limits on campaign contributions** by individuals, PACs, political parties and other entities.
- b) Make provisions to raise or remove campaign finance limits when a candidate is running against a candidate with **significant levels of self-financing.**
- c) **Ban corporate and union contributions** as 22 other states and the Federal Government have already done.
- d) **Introduce a system of public financing of elections** to move away from the existing system of raising money for elections. This could start at the state level or localities to introduce and fund these types of programs. Public financing would free up candidates' time currently devoted to fundraising. It would allow them to focus on meeting with potential constituents and developing policy and legislative initiatives that address the needs of citizenry and not feel compelled to cater to the wishes of their largest campaign contributors. Public financing of elections has already been successfully tested and used in some states and in a few large localities.
- e) **Support the passage of an amendment to the U.S. Constitution** to allow Congress and the states to re-establish their legal authority over campaign spending. A report from the United Nation's Convention Against Corruption highlights the importance of limiting expenditures during electoral campaigns. In the United States, this cannot be done in the absence of a Constitutional amendment. According to a 2021 public opinion poll, a majority of Virginians support an amendment to the U.S. Constitution that would restore the right of states and Congress to regulate election spending. Now is the time for state and local jurisdictions to advocate for a U.S. Constitutional amendment. States would be able to reassert state control over campaign contributions and expenditures within the state's jurisdiction and elected leaders would be able to represent the views of all their citizens, not just the largest campaign donors. Specifically, steps to take in Virginia could include:
 - **House of Delegates Resolution.** We propose that the House of Delegate approve a state resolution supporting amendment to the US Constitution.
 - **Virginia Senate Sign-on Letter.** Given that current legislative protocols prevent the Senate of Virginia from reviewing resolutions on federal legislation, we propose that as many as possible all Commonwealth senators individually sign a formal letter directed to Virginia's U.S. Congressional Delegation supporting an amendment to the U.S. Constitution.
 - **County and municipal resolutions.** Over 100 counties and municipalities around the country, including four in Virginia, have approved resolutions supporting a campaign finance amendment to the U.S. Constitution, and we urge additional Virginia jurisdictions to approve comparable resolutions.

²⁴ <https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2014-September-8-10/V1404387e.pdf>

²⁵ Alexandria, County of Arlington, Falls Church and Charlottesville.

F. Key Legislator Concerns: Recommendations to Address these Concerns.

Over the past two years, we held “listening sessions” with over 60 legislators with the objective of understanding their priority concerns related to the key elements of campaign finance reform highlighted in the previous sections. Their concerns most often related to legislating disclosure, monitoring and enforcement, and setting limits and restrictions on campaign contributions. For each concern, examples of best practices from around the country were identified which could address these concerns and inform reform legislation in Virginia.

Legislator Concerns/Comments	Response and options
Selected legislators indicate that disclosure requirements are adequate.	State governments are responsible for data integrity and public access to government data. As an independently funded non-profit, the Virginia Public Access Project (VPAP) should not be expected or relied upon to fulfill this government responsibility.
Disclosure is already a burden on candidates.	Electronic reporting systems have eased the burden of complete disclosure and often, when including systems which flag errors, protect candidates from inadvertent mistakes. An enhanced system for collection of on-line payment information would streamline the reporting process significantly for candidates.
Frivolous claims about campaign finance or ethics transgressions would harm candidates during the election process.	More explicit disclosure requirements and an effective compliance support system with clear standards for registering complaints and sanctions for campaigns or candidates that violate those standards would help prevent frivolous claims and allow candidates to defend themselves.
The state does not have the budget required for creating and maintaining institutional capacity for increased accountability.	Upgrading the existing system would be a relatively small cost in the context of VA’s current strong financial position. It would be a cost-effective way to improve VA’s governance, integrity, and associated reputation and representative democracy. It also is a precondition for effective efforts to promote integrity through fair play.
Limits are unfair to candidates facing self-financed opponents.	Other states have enacted provisions to lift campaign contribution limits when the opposing candidate self-finances above a specified contribution amount.
Legislators were split on whether limits adversely affect incumbents or new candidates differently.	Campaign finance records show incumbents raise more money on average than new candidates. Discussions with experts indicate that laws which limit contributions tend to benefit new candidates in several states.
Limits on contributions from corporations would adversely disadvantage poor and minority candidates.	Limiting contributions from corporations has been shown around the country, especially when combined with public financing of elections, to empower a more diverse field of candidates. Especially in Virginia, incumbents often have the funding benefit of strong links with large corporate donors.
Dollar and/or corporate limits could increase dark money flows into Virginia.	Broad disclosure requirements for independent spending, including requiring disclosure of the original sources of funds used for elections spending, should be implemented. However, it is recognized that in the longer term an amendment to the U.S. Constitution on campaign finance is crucial.

G. Examples of Best Practices in Other Jurisdictions

1. **Context.** ELegislation in other states has addressed the many of the elements of campaign finance reform, as well as Virginia legislators' concerns described above. A few highlights are summarized below.

2. Disclosure and accountability

- a) **Rhode Island:** Campaign finance disclosure laws in Rhode Island (H7859, enacted in 2012) reflect “best practice disclosure requirements which require issue advocacy groups to disclose to the public personal information about donors who contribute more than \$1,000.” Groups must report the donor's name, job title, employer, home address, and donation amount. This information is then posted to a government website. The law also requires that in the weeks leading up to an election, groups publish the names of their top five contributors on any advertising or messages. A court decision in 2020 highlighted that the “disclosure and disclaimer requirements are justified by the sufficiently important state interest of an informed electorate and any burdens on political speech that they may cause are substantially related to that state interest”.²⁶ This disclosure bill was litigated and on April 25th, 2022 the SCOTUS announced it would not take up *Gaspee Project v. Mederos*, a lawsuit challenging Rhode Island's campaign finance disclosure regulation. The court's refusal to hear the appeal means a lower court ruling upholding the state's law will stand.
- b) **The New York City Campaign Finance Board and the Connecticut State Elections Enforcement Commission** both provide a useful model of a win-win system which benefits both candidates running for office (training and compliance support) and citizens (disclosure and accountability for campaign expenditures and financing). They are independent, non-partisan boards/commissions which provide candidate filing and compliance assistance in addition to monitoring independent expenditures. Both systems provide public financing for elections.
- c) **The Public Disclosure Commission of Washington State (PDC)** provides timely and meaningful public access to accurate information about the financing of political campaigns, lobbyist expenditures, and the financial affairs of public officials and candidates. The PDC also ensures compliance with, and equitable enforcement of, their state's disclosure and campaign finance laws.
- d) Most states use **Federal Election Commission** guidelines to provide detailed guidance on expenditures that could be classified as “personal use.” Standard accounting principles also provide detailed guidelines for business versus personal expenditures which would be applicable to campaign expenditures. Michigan provides an example of sanctions for violations (90 days in jail), as does Kansas (\$5,000 fine).
- e) **The Campaign Legal Center (CLC)** provides recommendations on disclosure which reflect the judicially tested campaign finance experience of multiple states:²⁷ In particular, the CLC recommends policies which include: (1) trace back mechanism that identifies the original sources of campaign spending, by requiring anyone acting as a conduit to track large donations; (2) requiring that any campaign ad run by a super PAC or other outside group include a disclaimer listing the group's top three donors; and (3) implementing a rule protecting donors from having their money spent on election ads against their wishes.²⁸ As the CLC states, provisions to enhance disclosure strengthens government accountability, reduces influence for wealthy special interests, and lessens political corruption, whether actual or perceived. Some specific entry points for action include the following:
 - (1) Require enhanced **disclosure by independent spenders**. For independent spending or electioneering communications above a threshold amount, include complete identification of large donors.

²⁶ <https://www.providencejournal.com/story/news/coronavirus/2020/09/29/judge-upholds-ri-campaign-finance-law-conservative-groups-appeal/42704553/>

²⁷ <https://campaignlegal.org/document/transparency-and-first-amendment-how-disclosure-laws-advance-constitutions-promise-self>

²⁸ <https://campaignlegal.org/democracyu/transparency/stopping-secret-spending>

(2) Include provisions for **disclosure of donors to sponsors of political advertising**. For example, specify disclaimer requirements to cover online advertisement and require that the names of the largest donors appear on the face of the ad.

f) Globally, a report from the **U.N. Convention against Corruption** highlighted the importance of effective oversight and enforcement mechanisms.²⁹ The report documents the different structures of institutions with oversight over campaign finance regulations. These include specialized electoral commissions, courts and anti-corruption agencies. A critical ingredient for success is ensuring these bodies have the necessary resources and powers (legal authority) to be able to perform their oversight mandate and carry out enforcement or authority to refer matters to appropriate investigative bodies in the event of any infractions.

3. Promoting integrity through fair play laws. Best practices provide for ease of implementation and are simple to understand, monitor and enforce. Model legislation should eliminate loopholes which allow corporate monies to flow into PACs and political parties.

a) **New York City, Connecticut, and Washington State government agencies** demonstrate that contribution limits, often combined with public funding of elections, have resulted in more diversity in candidates running and winning elections.

b) **State limits on campaign contributions.** The following table shows the national norms and averages for contribution limits set across the country.

Table 1: Campaign Contribution Limits across States, 2019-2020 (Source: National Conference of State Legislators)			
	Governor	State Senate	State House
National Average	\$6,126	\$2,947	\$2,539
National Median	\$4,000	\$2,000	\$1,600
Highest Limit	\$47,100 (New York)	\$13,292 (Ohio)	\$13,292 (Ohio)
Lowest Limit	\$500 (Alaska)	\$180 (Montana)	\$180 (Montana)
Federal limits for individuals/election: \$2,900 in 2022.			

c) **Contribution Limits in Maryland** (Md. Code, Elec. Law Sec. 13-226): Maryland has a \$6,000 limit per contributor on total contributions to any statewide, legislative, or local office candidate within an election cycle.³⁰ With a few minor exceptions, Maryland’s \$6,000 limit applies cross-the-board to all sources of campaign contributions, including individuals, political parties, PACs, and other organizations. This law, similar to a Nevada law that has established cross-the-board limits of \$5,000/election, has been recognized for its legal simplicity and easy implementation.

²⁹ <https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2014-September-8-10/V1404387e.pdf>

³⁰ Election cycles depend on the individual state and offices being filled.

- d) **Special provisions for election campaigns with large amount of self-financing.** Illinois has similar dollar limits to Maryland. In addition, limits are removed if a candidate, along or with his or her immediate family, contributes or loans more than \$100,000 or \$250,000, depending on the race, to finance their own election.
- e) **Limits on PACs.** Thirty-seven states impose limits on the amounts that PACs can contribute directly to candidates. However, bundling of contributions or late registration of unknown PACs is a recognized problem.
- (1) In **Michigan**, a spending limit for PACs (often termed “independent committees”) requires that the PAC must have filed a statement of organization at least six months before the election in which the committee wishes to make contributions. In addition, it must have supported or opposed three or more candidates for nomination or election. PACs are required to have received contributions from at least 25 persons. The spending limit for independent PACs is \$21,000 for State Senators and \$10,500/State Representative.³¹
 - (2) Legislation in **Tennessee** limits PAC contributions to \$12,300/candidate, around three times the amount allowed individuals. Meanwhile, if a corporation contributes more than \$250 to a candidate, it must register as a PAC and contribute as a PAC.
- f) **Limits for political parties.** Twenty-seven states have some sort of restriction on funds from political parties, falling into two camps. Seven states (Georgia, Hawaii, Maine, Maryland, Nevada, New Mexico and West Virginia) require parties to follow the same contribution limits established for individuals. Twenty other states outline separate limits for political parties. States when calculating separate limits for political parties may calculate them based on: 1) amount, like Michigan which has fixed limits, \$21,000/Senate candidate and \$10,500/House candidate or 2) calculation, like Minnesota which allows contributions up to 10 times the limits imposed on individuals, coupled with aggregate limits.³²
- g) **Banning corporate and union contributions.** Twenty-two states, as well as the federal government, completely prohibit corporations and unions from contributing to political campaigns. Nineteen states impose the same limits on corporations as individuals. Four states set different limits.
- (1) **Illinois** sets \$11,600 limits on corporations and unions. **Tennessee** requires that corporations contributing more than \$250 to a candidate register as a PAC and make further contributions through the PAC. **Washington State** prohibits contributions from corporations not doing business in Washington while Washington corporations have the same contribution limits as individuals. Mississippi has unlimited contributions for all sources, except corporations which are limited to \$1,000 per candidate annually.
 - (2) Under **federal election laws**, corporations and unions, going back to the Tillman Act passed in 1907, are prohibited from directly contributing to campaigns. This law applies to all incorporated organizations, profit or non-profit.
- h) **Public financing.** Fourteen states provide some form of public financing option for campaigns. Recent elections in New York City, Seattle and the State of Connecticut have shown that public funding for campaigns makes general assembly and state-wide constitutional offices more accessible to candidates and allows more people to run and a more diverse group of people to run. These laws have also resulted in more competitive races which increase voters’ choices. An increase in candidate’s diversity also results in a more diverse legislature which better reflects a state’s demographics.
- i) **U.S. Constitutional Amendment.** Twenty-one other states representing 141 million Americans have passed states resolutions to amend the U.S. Constitution to allow Congress and the states to regain their rights to regulate elections spending without infringing on 1st Amendment political speech.

³¹ <https://mertsplus.com/mertsuserguide/index.php?n=MANUALS.StateLevelOffices>

³² <https://mertsplus.com/mertsuserguide/index.php?n=MANUALS.StateLevelOffice>

H. Conclusion - Building a Strong Campaign Finance System for Virginia

Three decades after the Governor’s Wilder Commission report recommended basic campaign finance reforms, Virginia’s campaign finance laws remain weak and ineffective relative to most other states. Citizens of our Commonwealth should not be content with the status quo. The establishment of the HJR 526 legislative study committee, and the extension of its mandate into 2022, was to provide an opportunity for legislators and the public to discuss and agree on a systematic reform of our campaign finance regulations.

While legislators opted to ignore this opportunity to build a legislative consensus on this issue, we hope that this document provides a strong framework for that purpose—one that balances legislators’ concerns with guidance on practices from around the country. To improve Virginia’s standing as a state which values good governance and an accountable General Assembly, we propose the following course of action.

Legislative successes on reporting contributions and their use will lay the foundation for making progress on the “promoting integrity through fair play” agenda at the state level. At the same time, the Commonwealth of Virginia should actively and effectively voice its interests in reform of campaign finance at the federal level, so the state can regain its sovereignty over elections that was originally granted by the 10th Amendment to the U.S. Constitution.

1. Packaging. We recommend that the Legislature promptly draft and approve comprehensive legislation to strengthen the disclosure and accountability agenda outlined in this document. This agenda would provide the foundation for other campaign finance legislation. This legislation should be paired with an ample budget provision in order to create, enhance, and maintain the necessary institutional and information technology infrastructure. The funding needs to be sufficient to support flexibility in ongoing updating and for other adjustments that may be required in the future. Other legislation (e.g., restrictions on personal use of campaign finance, campaign finance donation limits, public financing) rely on the new disclosure and accountability package to ensure enforceability, but could be proposed and approved separately.

2. Sequencing. *Comprehensive reform of disclosure/accountability* related to campaign finance is an essential first step and a prerequisite to meaningful reforms regarding campaign expenditures, donation limits, etc. Also high on the priority list should be passage of legislation to restrict the *personal use of campaign contributions*, a bill which died in the last Session. Passage of these types of bills during the 2023 legislative session should be politically feasible and highly desirable.

Appendices

- 1. Background on Report Authorship, Focus, and Scope**
- 2. Campaign finance bills submitted in the 2022 General Assembly, their sponsors, and status of bills**

Report authorship

- 1. Our Group:** We are a non-profit, cross-partisan volunteer group that advocates for state-level campaign finance and related ethics reform.
- 2. Our process:** Over five years, our group has been working to build up citizens' awareness of the impact of money on our elections and public policies. While focusing on common sense campaign finance and related ethics reform legislation which strengthens disclosure, monitoring and enforcement, and introduces limitations, we also held listening sessions with Virginia legislators to better understand their concerns about specific aspects of campaign finance laws. Additionally, some of our members provided testimony on the various bills introduced in the General Assembly. Finally, in addition to advocacy, we, along with national organizations like the Campaign Legal Center, the Coalition for Integrity and Voters Right to Know, have undertaken the analysis reflected in this document in order to identify and document best practices and norms from campaign finance laws across the country which could inform future Virginia legislation.
- 3. Purpose of our report.** We are using this report to build advocacy and awareness among Virginia citizens and legislators about the need for campaign finance reform in Virginia. We hope that the analysis and reform recommendations will result in legislation, which will advance Virginia's reputation for good governance, transparency and accountability to its citizens.

The focus and scope of analysis and recommendations

- 1. Scope.** The focus of our report is on campaign finance laws affecting state-level elected officials. In scope, it does not include ethics reforms related to other government staff, judges, lobbyists, etc. However, recommendations on campaign finance oversight legislation and entities will impact the both the existing ethics requirements and any reforms to those requirements in the future.
- 2. Timeframe.** We focus pragmatically on what we assess to be possible within the Virginia legislative agenda over the next few years. However, even without the amendment, we believe there is plenty of room for improvement in Virginia's campaign finance laws. We believe that Virginia legislators have a special responsibility as public servants to implement reforms which benefit the Commonwealth.

Appendix 2: Campaign finance bills submitted in the 2022 General Assembly, their sponsors, and status of bills

Bills Capping Limitations:

Sen. Chap Petersen [SB44](#), **Campaign finance; campaign contribution limits; civil penalty.** Prohibits persons from making any single contribution, or any combination of contributions, that exceeds \$20,000 to any one candidate for Governor, Lieutenant Governor, Attorney General, or the General Assembly in any one election cycle. No limits are placed on contributions made by the candidate or the candidate's family to the candidate's campaign or by political party committees. Civil penalties for violations of the limits may equal up to two times the excess contribution amounts. **STATUS: DIED 1/18/2022**

Sen. Morrissey [SB111](#), **Campaign finance; candidate contribution limits; civil penalty.** Prohibits any single contribution, or any combination of contributions, that exceeds \$25,000 from any individual or committee to any one candidate for any election. The bill permits unlimited contributions by a candidate or a candidate's family to the candidate's campaign. The bill prohibits contributions from any person that is not an individual or a committee to any candidate. The bill imposes civil penalties for violations of the limits of up to two times the excess contribution amounts **STATUS: DIED 1/18/2022**

Del. Tim Anderson [HB85](#), **Elections; campaign finance; contribution limits; penalty.** Imposes contribution limits on individuals giving to campaigns, political action committees and political party committees and on campaign committees contributing to other campaign committees, political action committees, or political party committees. The bill authorizes a political party committee to keep a separate legal fund for the sole purpose of paying for legal expenses. **STATUS: DIED 2/02/2022**

Delegate Rob Bloxom [HB174](#) **Campaign finance; out-of-district contribution limits; civil penalty.** Prohibits contributions to a candidate's campaign from persons that are not residents of the Commonwealth and limits to 75 percent of total contributions to a candidate's campaign contributions from persons and committees with a candidate, treasurer, or custodian of books who are not residents of the district served by the office to which the candidate is seeking election. The bill provides that contributions made by a candidate or a candidate's family to the candidate's campaign do not count toward such contribution limits. The bill also provides that penalties for violations of such contribution limits may equal up to two times the excess contribution amounts. **STATUS: Removed from docket 2/02/2022**

Del Schuyler VanValkenburg [HB 575](#) Establishes contribution limits from any individual to any candidate campaign committee, political action committee, and political party committee and from any political action committee or political party committee to any campaign committee. The bill provides that any candidate, candidate campaign committee, political action committee, political party committee, or contributor that knowingly violates the contributions limits established by the bill is subject to a civil penalty of up to two times the amount by which the

contribution exceeds the limit. The bill prohibits any person that is not an individual from making any contribution to any candidate for elected office. **STATUS: DIED 2/02/2022**

Bills Banning Contributions from Public Utilities

Sen. Chap Petersen: **SB45 Campaign finance; prohibited contributions to candidates.** Prohibits candidates, campaign committees, and political committees from soliciting or accepting contributions from any public utility, as defined in the bill, and prohibits any public utility or any political committee established by such public utility from making any such contribution. **STATUS: DIED 2/01/2022**

Senator Richard Stuart **SB 568** Campaign finance; prohibited contributions to candidates; civil penalty. Prohibits any public utility from making any contribution to any committee or otherwise provide any money any other thing of value, given, advanced, loaned, or in any other way provided to any person or committee for the purpose of influencing the outcome of an election. The bill creates a civil penalty for violation of the prohibition of three times the amount of the contribution or \$10,000, whichever is greater, payable to the State Treasurer for deposit to the general fund. The bill provides that any registered voter of the Commonwealth may file a petition with an appropriate circuit court for enforcement of these provisions. **STATUS: DIED DIED 2/01/2022**

Del. Lee Ware **HB71 Campaign finance; prohibited contributions to candidates;** Phase I Utility and Phase II Utility. Prohibits candidates, campaign committees, and political committees from soliciting or accepting contributions from any public utility, as defined in the bill, and prohibits any public utility or any political committee established by such public utility from making any such contribution. **STATUS: DIED 2/02/2022**

Del. Kelly K. Convis-Fowler, **HB 524.. Campaign finance; prohibited contributions to candidates.** Prohibits any candidate from soliciting or accepting a contribution from any public service corporation or any political action committee established and administered by such a corporation. **STATUS: DIED 2/02/2022**

Restricting Personal Use of Campaign Contributions

Del Marcus Simon **HB 973 Campaign finance; prohibited personal use of campaign funds; complaints, hearings, civil penalty, and advisory opinions.** Prohibits any person from converting contributions to a candidate or a candidate's campaign committee for their personal use. Current law only prohibits such conversion of contributions with regard to disbursement of surplus funds at the dissolution of a campaign or political committee. **STATUS: DIED 2/02/2022**

Del Mike Cherry **HB1296 Campaign finance; prohibited personal use of campaign funds; complaints, hearings, civil penalty, and advisory opinions.** Prohibits any person from converting contributions to a candidate or a candidate's campaign committee for their personal use. Current law only prohibits such conversion of contributions with regard to disbursement of surplus funds at the dissolution of a campaign or political committee. **STATUS: DIED 2/02/2022**

Sen. John Bell [SB 463](#) **Campaign finance; prohibited personal use of campaign funds; complaints, hearings, civil penalty, and advisory opinions.** Prohibits any person from converting contributions to a candidate or a candidate's campaign committee for their personal use. Current law only prohibits such conversion of contributions with regard to disbursement of surplus funds at the dissolution of a campaign or political committee. **STATUS: DIED in the House, 3/02/2022**

Disclosure Bills

Sen. David Suetterlein [SB 67](#) **Campaign finance; political action committees; certain large pre-election expenditures.** Requires in-state political action committees to file a report for any single expenditure of \$1,000 or more made between October 1 and the date of the November election. Such reports are to be made electronically and must be received by the State Board by 11:59 p.m. on the following day or, for an expenditure made on a Saturday, by 11:59 p.m. on the following Monday. However, the bill requires that any such expenditure made within the 24 hours prior to the election day be reported and a report thereof received on the day prior to the election. **STATUS: Carried over 2/08/2022**

Sen Barbara Favola, [SB318](#) **Campaign advertisements; independent expenditures; electioneering communications; disclaimer requirements.** Broadens the scope of disclaimer requirements for campaign advertisements to include electioneering communications, as defined in the bill, and messages advocating for the passage or defeat of a referendum. The bill also requires an advertisement that is an independent expenditure or expressly advocates for the passage or defeat of a referendum, to contain a disclaimer providing the names of the sponsor's three largest contributors or individuals representing a contributor that is not an individual. **STATUS: Passed in the Senate, 1/24, Died in the House 3/02/2022**

Sen. Jeremy McPike [SB 222](#) **Campaign finance; mandatory electronic filing for all candidates.** Requires all candidates to file their campaign finance reports electronically with the State Board of Elections. **STATUS: Passed Senate 1/24, Died in the House 3/02/2022**

Del. Glenn Davis [HB125](#) **Elections; political campaign advertisements; illegal negative ads; civil penalties.** Provides that sponsors violating political campaign advertisement disclosure laws with advertisements or campaign telephone calls that expressly advocate against a clearly identified candidate shall be subject to a civil penalty of up to \$25,000. **STATUS: Passed Senate 3/02/2022**

Del David Bulova [HB 495](#) **Campaign finance; mandatory electronic filing for all candidates.** Requires all independent expenditure and candidate campaign finance reports to be filed electronically with the Department of Elections. Under current law, such expenditure and finance reports can be filed either electronically or in writing with State Board of Elections. The bill also shifts administrative duties given to the State Board of Elections, such as the receipt of certain filings, to the Department of Elections. **STATUS: DIED 1/26/2022**

Del David Bulova [HB500](#) **Campaign finance and advertisements; independent expenditures; electioneering communications.** Broadens the scope of campaign advertisement disclosure

requirements to cover electioneering communications, as defined in the bill. The bill also defines the purchase of electioneering communications as a form of independent expenditure required to be reported to the Department of Elections. **STATUS: Died 1/28/2022**

Del Dan Helmer [HB489](#) **Campaign advertisements; independent expenditures; electioneering communications; disclaimer requirements.** Broadens the scope of disclaimer requirements for campaign advertisements to include electioneering communications, as defined in the bill, and messages advocating for the passage or defeat of a referendum. The bill also requires an advertisement that is an independent expenditure or expressly advocates for the passage or defeat of a referendum, to contain a disclaimer providing the names of the sponsor's three largest contributors or individuals representing a contributor that is not an individual. **STATUS: DIED 1/26**

Del. Tim Anderson [HB86](#) **Elections; campaign finance; disclosure reports; searchable electronic database.** Requires the Department of Elections to provide an interface to the campaign finance database maintained by the Department that allows users to easily search for and sort information by individual candidates and types of elections, offices, committees, and donors; donations, expenditures, loans, and other categories of information included in campaign finance reports; and late filings, incomplete filings, and other violations. The interface shall also provide users tools for manipulating and exporting data. The bill has a delayed effective date of July 1, 2023. **STATUS: Passed House and Senate (3/01/2022) but didn't get funding approved by the Senate.**

Del Dan Helmer [HB1302](#) **Elections; campaign finance; contributions from persons that are not individuals; source of funds reporting requirements.** Prohibits any person that is not an individual from making any contribution in excess of \$20,000 that is not a bundled contribution composed of amounts attributable to individual donors to a candidate, campaign committee, political action committee, political party committee, referendum committee, or inaugural committee. The bill also prohibits the acceptance of any such contribution. Any such committee that accepts bundled contributions is required to report the complete identifying information of all the individual contributors whose contributions compose the bundled contribution, regardless of the amount of the bundled contribution attributed to any such individual. **STATUS: DIED 1/18/2022**

Oversight:

Del David Bulova [HB 492](#) **Campaign finance; record retention requirements and reviews of campaign finance disclosure reports.** Requires campaign committee treasurers to retain certain records that may be used in reviews of campaign committee accounts. The bill gives the Department of Elections the authority and duty to conduct reviews of a percentage of campaign committees and to report the results of such reviews annually to the State Board of Elections, the Governor, the and General Assembly and make such report available on the Department's website. **STATUS: PASSED 1/26/2022**

Other: Extending mandate of the Joint Subcommittee on Campaign Finance Reform: Del Bulova [HJ53](#) Study; continuing the Joint Subcommittee to Study Comprehensive Campaign Finance Reform; report. Continues the Joint Subcommittee to Study Comprehensive Campaign Finance Reform, through the 2022 interim. **STATUS: PASSED 3/01/2022**