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HOUSE BILL NO. 174

Offered January 12, 2022

Prefiled January 10, 2022

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; out-of-district contribution limits; civil penalty.*

Patron—Bloxom

Committee Referral Pending

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. Contributions from nonresidents prohibited; limits on out-of-district contributions to campaign committees.

A. A person that is not a resident of the Commonwealth shall not make a contribution to a campaign committee, nor shall a candidate or campaign committee knowingly solicit or accept any contribution from such a person.

B. A candidate shall not solicit or accept contributions to the candidate's campaign committee from persons or committees with a candidate, treasurer, or custodian of books who does not reside in the district served by the office to which the candidate is seeking election that exceed 75 percent of the total contributions received by the candidate's campaign committee.

C. Contributions from the candidate or the candidate's spouse, child, parent, or sibling to the candidate's campaign committee shall not be counted toward the limits set forth in this section.

D. 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, including any designated contributions or contributions otherwise explicitly directed through any other person or committee for such purpose, shall be deemed to be contributions from such person or committee to such candidate.

§ 24.2-948.7. Aggregation of contributions.

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

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

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

§ 24.2-948.8. Restrictions on loans.

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

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

Any candidate or committee that knowingly accepts, or any contributor that knowingly makes to such

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59 *candidate or committee, contributions in excess of the limits imposed in Article 3.1 (§ 24.2-948.5 et seq.)*
60 *shall be subject to a civil penalty of up to two times the amount by which the contribution exceeds the*
61 *limit. The State Board shall assess and collect such civil penalties, which shall be payable to the State*
62 *Treasurer for deposit to the general fund.*