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HOUSE BILL NO. 575

Offered January 12, 2022

Prefiled January 11, 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 elections; campaign finance; contribution limits; civil penalty.*

Patron—VanValkenburg

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.**

A. No person that is not an individual shall make any contribution to any candidate for elected office.

B. No individual shall make any single contribution, or any combination of contributions, that exceeds the individual contribution cap to (i) any one candidate for elected office in a candidate election cycle as described in § 24.2-947 or (ii) any one political action committee or political party committee in a calendar year. The individual contribution cap shall be the base year amount of (a) \$40,000 to any candidate for Governor, (b) \$30,000 to any candidate for the Senate of Virginia, (c) \$20,000 to any candidate for the House of Delegates or local office, (d) \$20,000 to any political action committee, or (e) \$40,000 to any political party committee using 2021 as the base year, adjusted in odd-numbered years by the Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor Statistics of the U.S. Department of Labor, rounded to the nearest multiple of \$100. The Department of Elections shall perform such adjustment in January of each odd-numbered year and post the adjusted contribution cap on its website. The increased contribution limitation shall be in effect for the two-year period beginning on the first day following the date of the last November general election in the year preceding the year in which the contribution limitation is increased and ending on the date of the second following November general election.

C. No political action committee shall make any single contribution, or any combination of contributions, that exceeds the political action committee contribution cap to any one candidate for elected office in a candidate election cycle as described in § 24.2-947. The political action committee contribution cap shall be (i) \$40,000 to any candidate for Governor, (ii) \$20,000 to any candidate for the Senate of Virginia, or (iii) \$10,000 to any candidate for the House of Delegates or local office.

D. No political party committee shall make any single contribution, or any combination of contributions, that exceeds the party contribution cap to any one candidate for elected office in a candidate election cycle as described in § 24.2-947. The party contribution cap shall be (i) \$80,000 to any candidate for Governor, (ii) \$60,000 to any candidate for the Senate of Virginia, or (iii) \$40,000 to any candidate for the House of Delegates or local office.

E. Notwithstanding the provisions of subsection A, 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.

F. No candidate or committee shall solicit or accept contributions from any person in excess of the limits set forth in this section.

G. 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.

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

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

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

70 **§ 24.2-948.8. Restrictions on loans.**

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

78 **§ 24.2-953.6. Violation of contribution limits; civil penalty.**

79 Any candidate or committee that knowingly accepts, or any contributor that knowingly makes to such
80 candidate or committee, contributions in excess of the limits imposed in Article 3.1 (§ 24.2-948.5 et seq.)
81 is subject to a civil penalty of up to two times the amount by which the contribution exceeds the limit.
82 The State Board shall assess and collect such civil penalties, which shall be payable to the State
83 Treasurer for deposit to the general fund.