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HOUSE BILL NO. 2701

Offered January 16, 2025

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 24.2-948.6 through 24.2-948.11, 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; campaign contribution limits; civil penalty.

Patron—Bulova

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 24.2-948.6 through 24.2-948.11, 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.

§ 24.2-948.6. Limits on contributions to candidates for statewide office and the General Assembly.

A. No person 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 in a candidate election cycle as described in § 24.2-947. The candidate contribution cap shall be the base year amount of (i) \$20,000 to any one campaign committee of a candidate for Governor, Lieutenant Governor, Attorney General, or the Senate of Virginia or (ii) \$10,000 to any one campaign committee of a candidate for the House of Delegates using 2025 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 candidate 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.

B. No candidate or campaign committee shall solicit or accept contributions in excess of the limits set forth in this section.

C. The limits set forth in this section shall not apply to contributions by the candidate to his own campaign or in-kind contributions by a political party committee to the candidate.

D. Any contribution or portion thereof that is returned to the contributor within 60 days after receipt shall not be deemed to be a contribution for the purposes of applying the limits set forth in this section.

E. The limits set forth in this section shall not apply to candidates for the same office as a candidate who files a special self-funding report pursuant to § 24.2-948.11, including the candidate filing such report, for the duration of the election cycle in which the report is filed.

§ 24.2-948.7. Limits on contributions to political committees.

A. No person or committee shall make any single contribution, or any combination of contributions, that exceeds the political committee contribution cap to any one political committee in any one calendar year. The political committee contribution cap shall be the base year amount of \$10,000 to any political committee, using 2025 as the base year, adjusted each year 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 year and post the adjusted political committee contribution cap on its website. The increased contribution limitation shall be in effect for the entire calendar year.

B. No political committee shall solicit or accept contributions in excess of the limits set forth in this section.

§ 24.2-948.8. Aggregation of contributions; prohibition on indirect contributions.

For purposes of applying the contribution limits set forth in §§ 24.2-948.6 and 24.2-948.7:

1. All direct or indirect contributions made by a person or committee to benefit a candidate, including any contributions that are knowingly earmarked or otherwise directed through any other person or committee shall be deemed to be contributions from such person or committee to such candidate;

2. All contributions made by a person or committee whose contribution or expenditure activity is financed, maintained, or controlled by any other person or committee, including a parent, subsidiary, branch, division, department, corporation, labor organization, or association, or local unit of such

59 corporation, labor organization, or association, or by any group of such persons, shall be deemed to be made
60 by the same person or committee; and

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

66 **§ 24.2-948.9. Attribution and aggregation of family contributions.**

67 For purposes of applying the contribution limits set forth in §§ 24.2-948.6 and 24.2-948.7, contributions
68 by spouses shall be deemed to be separate contributions and shall be aggregated per individual.

69 **§ 24.2-948.10. Restrictions on loans.**

70 Any loan to the campaign committee of a candidate for Governor, Lieutenant Governor, Attorney
71 General, or the General Assembly 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 §§ 24.2-948.6 and 24.2-948.7. A loan to a
73 candidate or the candidate's campaign committee must be by written agreement. The proceeds of a loan
74 made to a candidate's campaign committee shall not be subject to the contribution limits set forth in §§
75 24.2-948.6 and 24.2-948.7 if the loan is made by the candidate to his own campaign committee or is made by
76 a commercial lending institution in the regular course of business on the same terms ordinarily available to
77 members of the public and is secured or guaranteed only by the candidate or his campaign committee.

78 **§ 24.2-948.11. Special self-funding report.**

79 A. Any candidate that makes any single contribution, or any combination of contributions, to his own
80 campaign that exceeds the self-funding threshold in a candidate election cycle as described in § 24.2-947
81 shall file a special report pursuant to this section. The self-funding threshold shall be the base year amount of
82 (i) \$400,000 for any candidate for Governor, Lieutenant Governor, Attorney General, or the Senate of
83 Virginia or (ii) \$200,000 for any candidate for the House of Delegates using 2025 as the base year, adjusted
84 in odd-numbered years by the Consumer Price Index for all items, all urban consumers (CPI-U), as
85 published by the Bureau of Labor Statistics of the U.S. Department of Labor, rounded to the nearest multiple
86 of \$100. The Department of Elections shall perform such adjustment in January of each odd-numbered year
87 and post the adjusted self-funding threshold on its website. The increased contribution limitation shall be in
88 effect for the two-year period beginning on the first day following the date of the last November general
89 election in the year preceding the year in which the contribution limitation is increased and ending on the
90 date of the second following November general election.

91 B. Notwithstanding the provisions of subsection A, the self-funding threshold for a candidate for election
92 to the Senate of Virginia or the House of Delegates representing a district where average median income
93 (AMI) is below the AMI as determined by the United States Census Bureau three years before such election
94 shall be reduced by one-half. The Department shall make public which districts are subject to such reduction
95 no later than two years before the first primary election for candidates for such offices.

96 C. Contributions exceeding the self-funding threshold shall be reported electronically pursuant to §
97 24.2-946.1, and the report shall be received by the State Board within 24 hours of the contributions having
98 been made.

99 D. Upon receiving a special report filed pursuant to this section, the Department shall post a notification
100 on its website and give official notice of the filing to each candidate for the same office as the candidate
101 making the filing. Notice shall be sent via first-class mail to the candidate and the treasurer of the candidate's
102 committee. Notice shall also be sent by email to the candidate and the treasurer of the candidate's committee
103 if the candidate and the treasurer, as applicable, have provided the Department with an email address.

104 **§ 24.2-953.6. Violation of contribution limits; civil penalty.**

105 A. Any candidate for Governor, Lieutenant Governor, Attorney General, or the General Assembly whose
106 campaign committee knowingly accepts, or any contributor who knowingly makes to such candidate,
107 contributions in excess of the limits imposed in this chapter shall be subject to a civil penalty of up to two
108 times the amount by which the contribution exceeds the limit. The State Board shall assess and collect such
109 civil penalties, which shall be payable to the State Treasurer for deposit to the general fund.

110 B. Any political committee that knowingly accepts, or any contributor who knowingly makes to such
111 political committee, contributions in excess of the limits imposed in this chapter shall be subject to a civil
112 penalty of up to two times the amount by which the contribution exceeds the limit. The State Board shall
113 assess and collect such civil penalties, which shall be payable to the State Treasurer for deposit to the
114 general fund.

115 C. Any person who knowingly subdivides contributions into smaller amounts or uses other entities as a
116 conduit for the purpose of evading contribution limits imposed in this chapter shall be subject to a civil
117 penalty of up to two times the amount by which the contribution exceeds the limit. The State Board shall
118 assess and collect such civil penalties, which shall be payable to the State Treasurer for deposit to the
119 general fund.