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SENATE JOINT RESOLUTION NO. 255
AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Rules
on January 24, 2025)
(Patron Prior to Substitute—Senator Rouse)

Directing the Joint Legislative Audit and Review Commission to study Virginia's campaign finance laws.
Report.

WHEREAS, the current law and practices disallowing any effective response to recent scandals has demonstrated the inability of local and state authorities to adequately enforce existing campaign finance or election fraud laws and determine how violations of laws should be reported and investigated; and

WHEREAS, campaign finance regulations are most effective when they are transparent, enforceable, and easy to navigate for candidates, elected officials, and the public; and

WHEREAS, the lack of staff capacity at the Department of Elections and the need to divorce campaign finance and election fraud investigations from political associations have contributed to Virginia's inability to effectively enforce existing campaign finance laws; and

WHEREAS, the Department of Elections is tasked with ensuring that local electoral boards and registrars practice timely compliance with state election laws, but currently lacks effective tools to discourage noncompliance, except for the costly, time-intensive process of pursuing personnel removal; and

WHEREAS, the Commonwealth has relied on disclosure by candidates and political committees to keep the campaign finance process free from corruption; and

WHEREAS, the Commonwealth does not currently impose limits on campaign contributions nor are state officials appropriately resourced to systematically examine campaign disclosure reports for compliance; and

WHEREAS, the increasing costs of political campaigns and increasing number of campaign finance experiments in other states combine to justify a study of the campaign finance laws in the Commonwealth; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Joint Legislative Audit and Review Commission be directed to study Virginia's campaign finance laws.

In conducting its study, the Joint Legislative Audit and Review Commission shall (i) identify any legal, technical, and staffing shortcomings in the current election and campaign finance laws relating to (a) reporting and investigating violations, (b) enforcing legal and regulatory requirements, and (c) implementing directions from state government at the local level and (ii) determine what budgetary allocations would be sufficient to effectively carry out such aspects of the campaign finance system. To that end, the Joint Legislative Audit and Review Commission shall analyze how the existing campaign finance system could be modernized in order to increase transparency and accountability using best practices from other jurisdictions across the United States.

The report of the Joint Legislative Audit and Review Commission shall include clear recommendations based on its analysis for (a) best practices to review campaign finance reports, investigate and penalize campaign finance violations, and oversee investigations of alleged voter fraud; (b) a set of best practices for state officials to make each step of the campaign finance reporting requirements clear for candidates, including any suggested requirements for training, providing advisory opinions to, and producing instructional materials for candidates; (c) best practice recommendations to improve the existing citizen complaint process for alleged election fraud and violations of campaign finance laws and regulations; (d) best practice recommendations for the optimal penalties and fines for campaign finance violations; and (e) options state officials to provide accountability for local electoral boards who fail to comply with state election law in a timely fashion, including the ability to levy appropriate penalties or sanctions. Further, the report shall provide clear recommendations for legislation to restructure the current process of the Department of Elections for campaign finance and election law enforcement with the appropriate legal and investigatory powers to accomplish effective implementation of such best practices. Such recommendations shall be structured in such a way that provides meaningful assurance to candidates and lawmakers that enforcement will be fair and unbiased regardless of which gubernatorial administration is in power. The report shall also include estimates for appropriate staffing levels, including in-house legal counsel, and budgetary requirements for implementation of the recommendations identified in the report.

Technical assistance shall be provided to the Joint Legislative Audit and Review Commission by the State Board of Elections and the Department of Elections. All agencies of the Commonwealth shall provide assistance to the Joint Legislative Audit and Review Commission for this study, upon request.

The Joint Legislative Audit and Review Commission shall complete its meetings by November 30, 2026, and the chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the 2027 Regular Session of the General Assembly. The executive summary shall state whether the Joint Legislative Audit and Review Commission

60 intends to submit to the General Assembly and the Governor a report of its findings and recommendations for
61 publication as a House or Senate document. The executive summary and report shall be submitted as
62 provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative
63 documents and reports and shall be posted on the General Assembly's website.