



BIG MONEY OUT VA
"DEMOCRACY LOSES WHEN BIG MONEY WINS"

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

Updated November 2023



Executive Summary

For decades, Virginians across the Commonwealth have been aware of our inadequate campaign finance laws. Indeed, recent polling of Virginia residents confirms strong bipartisan support for reform. This Report¹ outlines the status of Virginia's campaign finance laws and identifies practical solutions to enact commonsense reforms in the Commonwealth. We detail the weakness and gaps in Virginia's current regulations and provide examples of best campaign finance practices from other states and cities. In preparing the Report, we consulted with advocates and experts at the local, state, and national levels, and documented many of the concerns of Virginia legislators. We conclude with concrete solutions and a roadmap for legislative action. These reforms are urgently needed order to promote the integrity of, and public confidence in, our elections and system of government, such that every citizen has an equal voice and an equal say.

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."

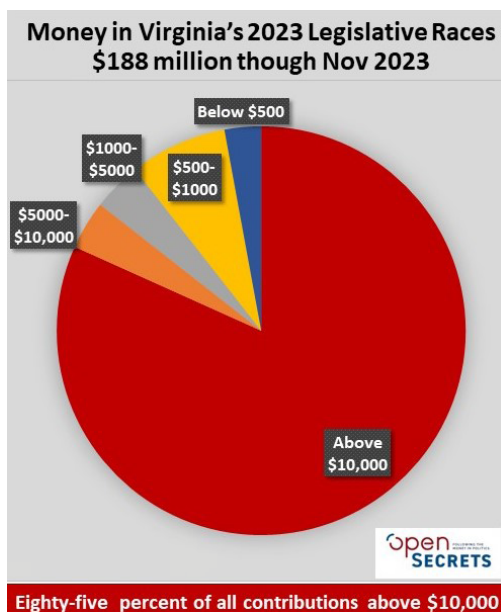
FINDINGS

- 1. Virginia's campaign finance laws remain among the weakest in the nation and are a key factor in the flood of money impacting our elections.** 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 Virginians have increasingly lost their voice to large donors due to the lack of commonsense guardrails—guardrails already in place in almost all other states. Key concerns are:
 - No dollar limits on campaign donations, including contributions from corporations;
 - No restrictions on the personal use of campaign donations by candidates/legislators;
 - Weak disclosure and accounting requirements 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.
- 2. Lack of limits has led to the skyrocketing of the cost of elections in Virginia.** In 2023, money coming into the coffers of candidates in our state-level races estimated at \$188 million was only exceeded by those in Illinois. The per capita costs of Virginia's 2023 elections are estimated at almost \$22/capita—four times higher than those of California or Texas. In Virginia, large donations—those exceeding \$10,000—account for an estimated eighty-five percent of all contributions. Those contributing \$500 or less to candidates—account for only 3% of total contributions.
- 3. Citizens of the Commonwealth support the need for campaign finance reforms.** A 2021 Wasson poll revealed that four of five voters, irrespective of party, think large donors have too much influence on our elections. Eighty-eight percent of respondents endorsed complete public disclosure of campaign finance records.

RECOMMENDATIONS: “Critical Elements of Campaign Finance Reform”

In the final, cornerstone section of this report, we outline a framework for comprehensive campaign finance reform in Virginia:

- Strengthening disclosure and accountability**, including enhancing disclosure through a robust public electronic filing system that makes it easy for the public to access and analyze campaign filings, by:
 - requiring the **identification and disclosure of original contributing individuals**, whether through a PAC, corporation, groups funding ads financed by independent expenditures or other entities; **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** of complaints;
 - placing **restrictions on personal use of campaign funds**; and
 - establishing the institutional authority, capacity, and budget** to implement the above.



About the BigMoneyOutVA

BigMoneyOutVA is a non-partisan group which champions good governance and transparency in Virginia. We promote public discourse between Virginia’s citizens and their legislators. As an all-volunteer group dedicated to campaign finance reform, we work to increase the legitimacy and integrity of government and to enable our elected officials to better reflect the interests and will of all Virginians.



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

87 percent of business owners agree.

2. Promoting integrity through fair play by:

- establishing caps on campaign contributions** by individuals, PACs, political parties, corporations, and others;
- introducing programs allowing public financing of elections**, both at the state and local level; 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.**

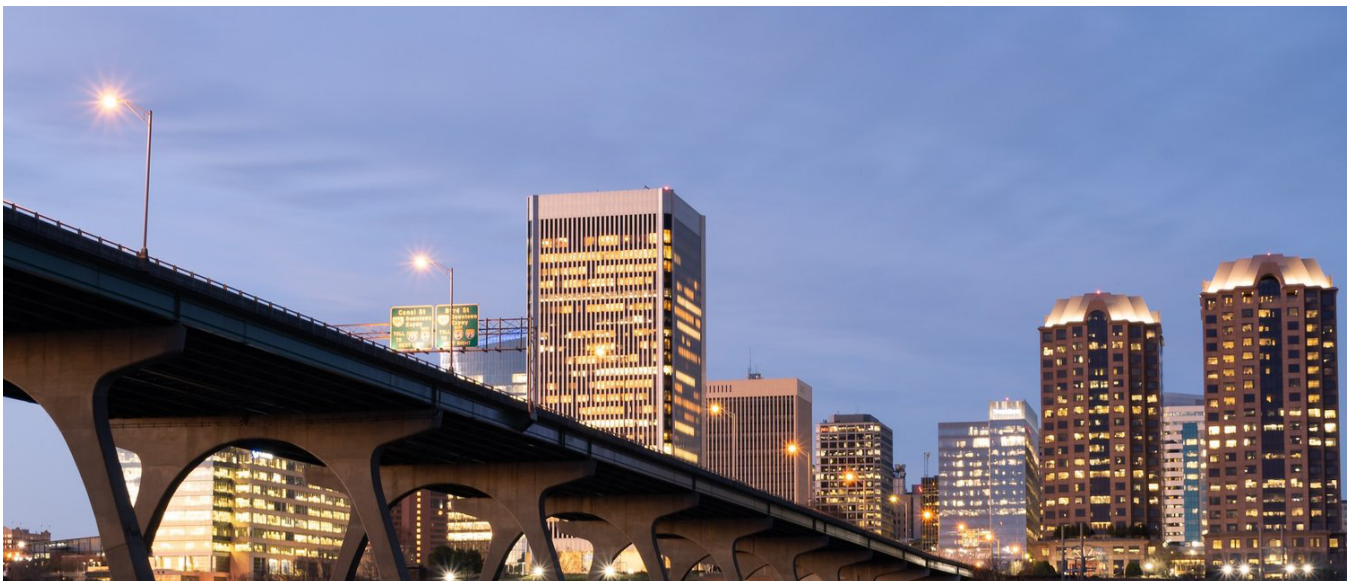
We conclude by providing **a roadmap** to enact legislation in 2024, including packaging and sequencing. The Virginia legislature has an opportunity to make long-overdue campaign finance reforms based on best practices from across the nation. Citizens of the Commonwealth are eager for reforms that will restore their confidence in state government.

¹ This Report is an updated and expanded version of the 2021 “Citizens’ Report on the Need for Comprehensive Campaign Finance Reform in Virginia.”

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

Contents

Executive Summary	1
A. Introduction	4
B. The History of Campaign Finance Reform in Virginia	5
C. Campaign Finance Reform Terminology ¹⁹	8
D. Weaknesses in Virginia’s Current Laws	8
E. Critical Elements of Campaign Finance Reform	10
F. Key Legislator Concerns: Recommendations to Address these Concerns . . .	13
G. Examples of Best Practices in Other Jurisdictions	15
H. Legislative Packaging and Sequencing	19
I. Areas for Further Analysis Noted in our Discussions with Legislators	19
J. Conclusion - Building a Strong Campaign Finance System for Virginia	19
Appendices	20
Appendix 1: Background on Report Authorship, Focus, and Scope	21
Appendix 2: Campaign Finance and Ethics Bills Introduced 2023 and 2022 ⁴⁰ . . .	22

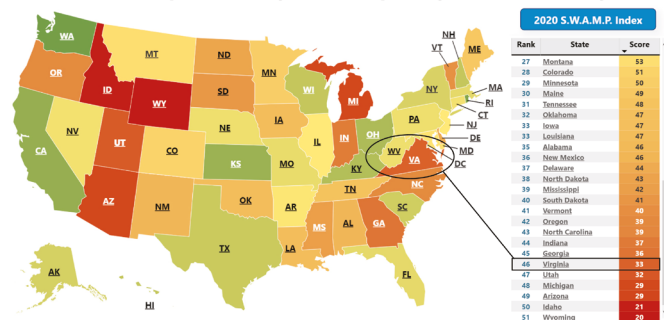


A. Introduction

- 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 a majority of their time to fundraising, rather than to directly communicating with potential voters and constituents on substantive policy and legislative issues.
- 2. Campaign spending levels.** State-wide elections spending in Virginia has exploded from the \$32 million spent on legislative races in 1999. The \$117 million spent in 2019 has been largely surpassed in 2023 when money coming into legislative races through November 2023 hit \$188 million. Spending on elections in Virginia is now among the highest in the country, only exceeded by Illinois, with per capita spending estimated at almost \$22/capita. This compares to \$17, \$6, and \$4/capita respectively for Illinois, California, and Texas. Meanwhile, spending the Gubernatorial race in 2021 nearly doubled from 2017, totaling over \$140 million. Large donations in these races, those exceeding \$10,000, accounted for an estimated eighty to eighty-five percent of all contributions. According to an analysis of OpenSecrets data, contributions of citizens donating less than \$500 in our 2023 races accounted for only 3 percent of total contributions. Average citizens have lost their voice to large wealthy donors.

- 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 political contributions*.⁴ Most states restrict the personal use of campaign funds, which is also limited under federal law. Virginia is one of a few outliers. In 2020, the non-partisan Coalition for Integrity in its “S.W.A.M.P. Index” ranked Virginia 46th out of 50 states in terms of disclosure of and accountability to its voters based on the lack of robust rules for campaign finance and ethics.⁵ In 2022, the same entity ranked Virginia 43rd out of 51 jurisdictions in a State Campaign Finance Index.⁶

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



- 4. Public perceptions.** In 2021, polling data on campaign finance reform⁷ 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: Eighty-seven percent of business owners believe our campaign finance system is broken and needs a major overhaul.⁸ Often our lax campaign laws are considered to be

³ Calculated using OpenSecrets data: <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 Coalition for Integrity, <http://swamp.coalitionforintegrity.org/>.

⁶ <https://www.coalitionforintegrity.org/>

⁷ <https://virginiamoneyinpolitics.files.wordpress.com/2022/01/campaign-finance-polling-full.pdf>

⁸ Polling by Hart Research Associates and American Viewpoint for the Committee for Economic Development.

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 commonsense campaign finance reform.

B. The History of Campaign Finance Reform in Virginia

- 1. Key studies.** 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,⁹ and the 2014 “Integrity and Public Confidence in State Government Study” initiated by Governor McAuliffe.¹⁰ Recommendations in the final 1994 report most relevant to the campaign finance reform agenda included introducing campaign contribution limits, campaign finance reporting, including computerization, and a new state ethics commission. The 2014 final report did not focus on contribution limits but did further refine proposals for computerization of campaign finance reports and reiterate the need for an ethics review commission. The 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.

The Joint Subcommittee to Study Campaign Reform¹¹ 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 Joint Subcommittee in August 2021 as substantive input to their deliberations, and identified possible entry points for reform, with a particular focus on disclosure and enhancing the ability of the regulatory oversight capacity of the Department of Elections. They released a draft Executive Summary¹² 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 it was never reconvened by the Joint Rules Committee.

- 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 through the Department of Elections 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 Joint Subcommittee, but recommendations weren’t made due to the complexity and cost of structurally changing the existing ethics advisory system.

Most campaign finance reform bills don’t pass out of committee/sub-committee and thus rarely reach the floor of the House of Delegates and/or the Senate. And very few bills pass when they do reach the floor. For example, over the past nine years, there have been minor changes to existing disclosure laws but not one of these changes provided meaningful reform.¹³

⁹ The Report of the Governor’s Commission on Campaign Finance Reform, Government Accountability, and Ethics and Related Matters, Senate Document No. 65, 1994.

¹⁰ Final Report of the Commission on Integrity and Public Confidence in State Government, 2014.

¹¹ <https://studies.virginiageneralassembly.gov/studies/556>

¹² https://studiesvirginiageneralassembly.s3.amazonaws.com/meeting_docs/documents/000/001/215/original/2021-10-01_Meeting_-_Draft_Report.pdf?1633110449

¹³ A review of campaign finance bills introduced in the General Assembly and their status is found Appendix 5.

Failure and disappointment in campaign finance reform continued into the 2023 Legislative Session when thirteen bills were introduced, seven in the Senate and six in the House. Of the thirteen bills introduced, three were championed by Republicans. Only one of these bills passed through both the House and the Senate. Below is a summary list of bills introduced by category. More specific details on all of these bills, sponsors, and their status can be found in **Appendix 2**.

- a. **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 Sub- Committee on Campaign Finance.
- b. **Disclosure:** *Four* bills were introduced, one which passed (HB 1427, patroned by Republican Sen. Suetterlein). One bill on disclosure of independent expenditures passed through the Senate but died in the House sub-committee.
- c. **Limits on contributions to candidates** for statewide office and the General Assembly. Five bills were introduced, two by Republicans. This includes two bills which would have banned contributions by public utilities. None were passed out of committee.
- d. **Oversight:** No oversight bills on campaign finance were introduced in 2023, but one bill, to reform the Ethics Advisory Council, was proposed, but then withdrawn prior to consideration. In 2022 an oversight bill was signed into law, allowing the Department of Elections to undertake reviews of campaign documentation and requires campaigns to maintain records for four years (HB492, patroned by Del. David Bulova). Implementation of these provisions will begin in 2024.
- e. **Other:** A resolution to recognize that the political independence of Virginians necessitates state control over election spending was introduced but not passed.

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. However, over the last half century, SCOTUS rulings have led to increased restrictions on state campaign finance laws. Some of the key decisions include:¹⁴

- 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). The Court ruled that States cannot limit independent (i.e., non-candidate/ campaign) expenditures. Furthermore, 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 60-year-old federal prohibition on independent expenditures by corporations and unions. This ruling opened the door for unlimited spending by corporate and other groups, and so-called independent expenditures, i.e., money not affiliated/coordinated with a candidate campaign. It led directly to the rise of so-called “Super PACs”. Yet, 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 foster the view of campaign funding and contributions as political speech. However, the greater impact of these rulings has been to severely limit states’ ability to regulate funding in their own elections, forcing 22 states to revise 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. However, there are examples from specific state legislation which creatively address all of these challenges.¹⁵ It is also noteworthy that despite its progressive erosion of the permissible range of campaign finance laws, SCOTUS has steadfastly recognized that “transparency and disclosure requirements provide crucial information to voters about candidates and their supporters”¹⁶ and has routinely upheld disclosure laws even while striking down other campaign finance statutes.

4. **Proposed Wording for Constitutional Amendment.** The national non-profit American Promise has proposed phrasing for a Constitutional amendment that would address these rulings and restore congressional and state control over campaign finance:¹⁷
- “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 critical to address the escalating cost of our state elections.** 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

¹⁴ National Conference of State Legislatures, <https://www.ncsl.org/research/elections-and-campaigns/campaign-finance-and-the-supreme-court.aspx#buckley>.

¹⁵ State Board of Elections Campaign Disclosure Division. (2015) Illinois Campaign Finance Act Contribution Limits. Illinois State Board of Elections <https://admin.campaignpartner.com/images/50780/contribution%20limits.pdf>.

¹⁶ Graham, A. (2018) Transparency and the First Amendment: How Disclosure Laws Advance the Constitution’s Promise of Self-Government. Campaign Legal Center.

¹⁷ <https://americanpromise.net/for-our-freedom/>

¹⁸ Commission on Integrity and Public Confidence in State Government, 2014, p. 2

C. Campaign Finance Reform Terminology¹⁹

1. **Disclosure and accountability.** For the purposes of this report, *disclosure* encompasses both reporting of campaign finance information and public access to campaign finance information 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 and allowing public access to that information.
 - 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 are included in our definition of accountability. 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 the funding of 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.

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. **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.

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.

- c. Election Advertising.** Virginia’s lack of laws regulating online advertising increases the risk of foreign money influencing elections. Existing laws do not require disclaimer requirements to be included on online advertisements or require that the names of the largest donors be revealed on the ad. In addition, independent expenditures on election advertising are not required to be filed electronically. Instead, filers on independent expenditures complete a paper form that is then faxed and mailed to the Department of Elections.
- 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. A recent disclosure bill (HB125), entering into force in 2024, imposes civil penalties of up to \$25,000 on sponsors that violate current political campaign advertisement disclosure laws. It was acknowledged by the Subcommittee on Campaign Finance that inadequate monitoring limits the ability to implement these types of laws, including an Honest Ads law²¹ which was put in place 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 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. 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 around the country 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.

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>

- a. **Auditing and Investigations.** The county or city Elections Registrar has nominal responsibility to report to the appropriate Commonwealth’s Attorney any violation relating to the filing of campaign finance reports. However, registrars lack institutional capacity and a budget for regular audits. 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 beginning in 2024. This 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, and the General Assembly and make such report available 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 actually monitor and sanction campaign finance violations.
- b. **Personal use of campaign funds.** Unlike laws governing most other states, Congress, and Presidential elections, Virginia candidates face no legal restrictions on how they spend campaign funds. Restricting the 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. It does not provide for any public financing of election campaigns. Current state Senate rules limiting the introduction of resolutions advocating for changes in federal law constrain the General Assembly’s ability to actively advocate for a U.S. constitutional amendment that would enable Virginia, the U.S. Congress, and other states to regain their sovereign rights to regulate election spending.

E. Critical Elements of Campaign Finance Reform

- 1. **Disclosure and accountability.** Enhanced campaign finance disclosure laws would significantly increase transparency and accountability. Enhancements could 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 in the 2022 General Assembly session. The bill passed both chambers but didn’t get the necessary funding (\$147,000) from the Senate to actually implement it.
 - b. **Include more rigor in reporting requirements** by adding provisions for:
 - 1. Adjusting reporting timeframes to maximize 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, whether through a PAC or a corporation or other entity²². The burden should be on these donors to provide full personal information, including address and principal place of business or employment location. Reasonable threshold for full disclosure should be reviewed, perhaps to cover contributions 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 as well as contributions to;
 3. All online advertising campaigns about, in support of, or in opposition to, candidates;
 4. The original source of all donations (including non-material resources) for funding focused on to candidate elections/referendums by organizations such as limited liability companies and 501(c) organizations; and
 5. Contributors to fundraising efforts coordinated by lobbyists.
- d. Help prevent foreign money** from coming into our campaign finance system by prohibiting any foreign-influenced corporation from making an independent expenditure or making a contribution to a candidate, campaign committee, political committee, or political party committee. Although current law prohibits individual foreign nationals from spending in U.S. elections, no such law bars political spending from American-registered corporations—including major multinationals—that are foreign-owned, foreign-controlled, foreign-influenced, or all three. This should be supplemented by a state law which bars foreign interference, including through regulating online ads. By the end of 2020²³, seven states had passed laws to bar foreign interests from spending money in their ballot measures elections, and at least ten more states had introduced legislation to ban foreign spending in state and local campaigns. By 2021, at least seven states—Maine, Iowa, New York, Colorado, Hawaii, Massachusetts, and Minnesota—were considering new legislation that would protect the rights of Americans to democratic self-governance. In 2023, legislation passed in Minnesota. And on November 7th, 2023, 83 percent of voters in Maine²⁴ overwhelmingly approved a referendum prohibiting foreign governments, or entities with at least 5 percent foreign government ownership or control, from spending money to influence ballot measures or candidate elections.
- 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.
- 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 audits. However, it isn’t clear that the Department of Elections has sufficient regulatory oversight to order investigations, subpoena documents, or impose fines. Nor does it have the staffing necessary to undertake these activities.
- g. Establish specific eligibility thresholds and procedures for official investigation of complaints.** Clear thresholds, transparent handling of public complaints, and 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 very few states without this prohibition.

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 allow localities to introduce and fund these types of programs. Public financing would free up candidates' time currently devoted to fundraising and would allow them to focus on engaging with potential constituents. It would also promote publicly popular policy initiatives that address the needs of citizenry, rather than large campaign contributors. Public financing of elections has already been successfully tested and used in 14 states and more than 25 localities.²⁵
- 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 cam.²⁶ 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. They would thereby represent the views of their citizens, as well as reassert state control over campaign contributions and expenditures under its jurisdiction. Specifically, steps 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 rules prevent VA State Senate resolutions on federal legislation, we propose that as many as possible VA state senators individually sign a formal letter to share with 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 Virginia²⁷, have approved resolutions supporting a campaign finance amendment to the US Constitution, and we urge additional Virginia jurisdictions to approve comparable resolutions.²⁸

²² 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.

²³ <https://campaignlegal.org/update/states-take-lead-stop-foreign-interference-elections>

F. Key Legislator Concerns: Recommendations to Address these Concerns

Over the past few years, we held “listening sessions” with over 60 legislators with the objective of understanding their priority concerns about 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, especially with VPAP.	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 online payment information would streamline the reporting process significantly for candidates.
Frivolous claims about campaign finance or ethics transgressions would harm candidates during 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 Virginia’s current strong financial position. It would be a cost-effective way to improve State governance, integrity, and reputation. 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 successfully enacted provisions to lift campaign contribution limits when the opposing candidate self-financed 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 has been shown around the country, especially when combined with public financing of elections, to empower a more diverse field of candidates. This is true because incumbents, especially in Virginia, 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.

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.

²⁴ [https://ballotpedia.org/Maine_Question_2,_Prohibit_Foreign_Spending_in_Elections_Initiative_\(2023\)](https://ballotpedia.org/Maine_Question_2,_Prohibit_Foreign_Spending_in_Elections_Initiative_(2023))



G. Examples of Best Practices in Other Jurisdictions

Legislation in other states provides additional context, addressing many of the elements of campaign finance reform, as well as Virginia legislators' concerns described above. A few highlights are summarized below, and a working paper²⁹ provides further details.

1. Disclosure and accountability

- a. Campaign finance disclosure law 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”.³⁰ This disclosure bill was litigated and on April 25th, 2022 the U.S. Supreme Court 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. They also ensure 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:³¹ 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.³² 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. A recently-passed Arizona referendum requires the mandatory disclosure of individuals contributing more than a specific threshold on independent expenditures.³³
 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.³⁴ 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 who do in the event of any infractions.

²⁵ <https://www.brennancenter.org/our-work/research-reports/guide-public-financing-programs-nationwide>

²⁶ <https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2014-September-8-10/V1404387e.pdf>

²⁷ Alexandria, County of Arlington, Falls Church, and Charlottesville

²⁸ Insert link to draft boiler plate resolution text

²⁹ <https://virginiamoneyinpolitics.files.wordpress.com/2021/09/gold-standard-examples-in-campaign-finance-systems-september-2021-1.pdf>

³⁰ <https://www.providencejournal.com/story/news/coronavirus/2020/09/29/judge-upholds-ri-campaign-finance-law-conservative-groups-appeal/42704553/>

³¹ <https://campaignlegal.org/document/transparency-and-first-amendment-how-disclosure-laws-advance-constitutions-promise-self>

³² <https://campaignlegal.org/democracyu/transparency/stopping-secret-spending>

³³ [https://ballotpedia.org/Arizona_Proposition_211,_Campaign_Finance_Sources_Disclosure_Initiative_\(2022\)](https://ballotpedia.org/Arizona_Proposition_211,_Campaign_Finance_Sources_Disclosure_Initiative_(2022))

³⁴ <https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2014-September-8-10/V1404387e.pdf>



2. **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, 2023-2024
 (Source: [National Conference of State Legislators](#))

	Governor	State Senate	State House
National Average	\$6,645	\$3,062	\$2,708
National Median	\$4,240	\$2,250	\$1,900
Highest Limit	\$47,100 (New York)	\$13,704 (Ohio)	\$13,704 (Ohio)
Lowest Limit	\$625 (Colorado)	\$180 (Montana)	\$180 (Montana)

Federal limits for individuals/election: \$3,300

- 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.³⁵ With a few minor exceptions, Maryland’s \$6,000 limit applies across-the-board to all sources of campaign contributions, including individuals, political parties, PACs, and other organizations. This law, which is similar to **Nevada’s** law that has established cross-the-board limits of \$5,000/election, has been recognized for its legal simplicity and easy implementation.
- d. **Special provisions for election campaigns with large amount of self- financing**³⁶. **Illinois** has similar dollar limits to Maryland (\$6,900). 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. Note: it would be more effective if the limits were lifted for only the opponent of the self- funded candidate, not all candidates for that office.
- 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 \$24,500 for State Senators and \$12,250/State Representative³⁷.

³⁵ Election cycles depend on the individual state and offices being filled

³⁶ <https://www.elections.il.gov/downloads/campaigndisclosure/pdf/campdiscguide.pdf>

³⁷ <https://www.michigan.gov/sos/elections/disclosure/cfr/contribution-limits>

2. Legislation in **Tennessee** limits PAC contributions to \$14,400/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, \$24,500/Senate candidate and \$12,250/House candidate or 2) calculation, like Minnesota which allows contributions up to 10 times the limits imposed on individuals, coupled with aggregate limits.³⁸
 - 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 \$13,700 limits for corporations (same for 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 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 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.

³⁸ <https://documents.ncsl.org/wwwncsl/Elections/Contribution-Limits-to-Candidates-2023-2024.pdf>



H. Legislative Packaging and Sequencing

Packaging. We recommend that the General Assembly 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.

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 has been introduced yearly since 2014 and has never passed. Passage of both these pieces of legislation during the 2024 Legislative Session should be politically feasible and highly desirable.

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, Virginia should actively and effectively **voice its interests** in reform of campaign finance **at the federal level**, so the Commonwealth can regain its sovereignty over elections that was originally granted by the 10th Amendment to the U.S. Constitution.

I. Areas for Further Analysis Noted in our Discussions with Legislators

Legislators recommended that budget requirements be specified for creating and maintaining the institutional capacity for disclosure and accountability, **considering** opportunities to adapt existing high-quality modern IT software from other jurisdictions to support that capacity. The need for access to a database of all current laws, including judicial decisions related to campaign finance, was viewed as a useful reference for legislators drafting comprehensive campaign finance reform legislation

J. 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. The establishment of the HJR 526 legislative study committee, and the extension of its mandate into 2022, could have provided a useful opportunity for legislators and the public to discuss and agree on a systematic reform of our campaign finance regulations. However, this opportunity was wasted when the committee deliberately wasn’t reconvened in late 2022.

We believe that this document provides a strong framework that balances legislators’ concerns with guidance on best practices from around the U.S. and beyond. We are not content with the status quo. As highlighted in the Wilder Commission Report³⁹,

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.

³⁹ <https://rga.lis.virginia.gov/Published/1994/SD65/PDF>

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



Appendix 1: Background on Report Authorship, Focus, and Scope

Report authorship

Our Group:

1. BigMoneyOutVA is a non-partisan, all-volunteer association which champions good governance and transparency in Virginia, while promoting increased public discourse between citizens of the Commonwealth and their legislators. We are dedicated to getting big money out of politics through campaign finance reform so as 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.

We also work on the national level to promote an amendment to the U.S. Constitution allowing Congress and the states to regulate election spending. This action is needed to permanently reverse the damaging effects of 40 years of Supreme Court rulings, including the 2010 Citizens United v. the FEC ruling, that equated money with free speech and that unleashed a torrent of money into our country's elections.

2. **Our process:** Over six 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 commonsense 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 provide a basic reference document for state legislators as they consider campaign finance reform. Our report summarizes information and reform recommendations that we propose.

The focus and scope of analysis and recommendations

- i. **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 both the existing ethics requirements and any reforms to those requirements in the future.
- ii. **Timeframe.** We focus pragmatically on what we assess to be possible within the Virginia legislative agenda over the next few years. We assume that no U.S. constitutional amendment will be passed in the immediate future. However, even without the amendment, we believe there is plenty of room for improvement in Virginia's campaign finance laws. On the national level, American Promise focuses on building citizen and legislative advocacy for a constitutional amendment which would allow Congress and the states to regulate election spending at the state level. The time frame for ratification of this amendment is July 4th, 2026, 250 years after our Declaration of Independence highlighted that governments "derive their just powers from the consent of the governed."

Appendix 2: Campaign Finance and Ethics Bills Introduced 2023 and 2022⁴⁰.

2023 Activities: 14 bills introduced, 1 passed

Disclosure: Sen Barbara Favola [SB854](#), Del Dan Helmer [HB1551](#). 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. **STATUS: DIED**

Sen Jeremy McPike [SB1053](#). Requires all candidates to file their campaign finance reports electronically with the State Board of Elections. The bill provides an exemption for any candidate who is incapable of accessing the technology necessary to make such filings. **STATUS: DIED**

Sen David Suetterlein [SB 1427](#). Increases the number of scheduled reports for political action committees from four to five and changes the reporting dates for some reports. **STATUS: PASSED**

Restricting Personal Use of Campaign Donations: Del Marcus Simon [HB 1552](#), Del Mike Cherry [HB 1826](#), Sen Jennifer Boysko [SB1471](#). Prohibits any person from converting contributions to a candidate or his campaign committee for personal use. **STATUS: DIED**

Limits: Sen Chap Petersen [SB803](#), Del Schuyler VanValkenburg [HB 2286](#). Prohibits persons from making any single contribution, or any combination of contributions to any one candidate for Governor, Lieutenant Governor, Attorney General, or the General Assembly in any one election cycle. **STATUS: DIED**

Sen David Suetterlein [SB 946](#). Prohibits fundraising during special sessions. Prohibits campaign fundraising on any day the General Assembly is scheduled to meet during a special session. **STATUS: DIED**

Currently, campaign fundraising is prohibited only during regular sessions of the General Assembly. **STATUS: DIED**

Del Tim Anderson [HB 1648](#). Prohibited contributions from foreign-influenced corporations; required reports. Prohibits foreign-influenced corporations, as defined in the bill, from making independent expenditures or making contributions to a candidate, campaign committee, political committee, or political party committee. **STATUS: DIED**

Banning Contributions from Public Utilities: Sen Chap Petersen [SB 804](#). 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**

Resolutions: Del Vivian Watts [HR242](#). House resolution; control over election spending. Recognizes that the political independence of Virginians, as highlighted in the Virginia Declaration of Rights, necessitates state control over election spending and calls on Congress to amend the Constitution of the United States to make clear that the states have the power to regulate and set limits on election contributions and expenditures in state elections and that Congress likewise has such power in federal elections. **STATUS: DIED**

Ethics: Del. Irene Shin [HB 2281](#) This bill strengthens the Virginia Conflict of Interest and Ethics Advisory Council. The bill expands the authority of the Virginia Conflict of Interest and Ethics Advisory Council (the Council) to investigate Virginia residents' complaints alleging violations of State and Local Government Conflict of Interests Act and the General Assembly Conflicts of Interests Act (the Acts). **STATUS: DIED**

2022 Activities: 23 bills introduced, 2 passed)

Restricting Personal Use of Campaign Contributions

⁴⁰ More information can be found on our website: <https://www.bigmoneyoutva.org/legislation>

Del Marcus Simon [HB 973](#)/ Del Mike Cherry [HB1296](#), 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. **STATUS: DIED**

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. **STATUS: Carried over**

Sen Barbara Favola, [SB318](#) 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. **STATUS: Died**

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**

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. **STATUS: DIED**

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. **STATUS: Died**

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. **STATUS: Passed House and Senate but didn’t get funding approved by the Senate.**

Del Dan Helmer [HB1302](#). 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. **STATUS: DIED**

Oversight: Del David Bulova. 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**

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**

Bills Capping Limitations: Sen. Chap Petersen [SB44](#), Sen. Morrissey [SB111](#). 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. **STATUS: DIED**

Del. Tim Anderson [HB85](#) 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](#). 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. **STATUS: Removed from docket**

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. **STATUS: DIED**

Bills Banning Contributions from Public Utilities: Sen. Chap Petersen: [SB45](#) Senator Richard Stuart [SB 568](#), Del. Lee Ware [HB71](#), Del. Kelly K. Convis-Fowler, [HB 524](#). 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**