



A Citizens' Report on the Need for Comprehensive Campaign Finance Reform in Virginia¹

August 2021 Version

¹ Undertaken by the Virginia Chapter of American Promise, sometimes known as the [MoneyOutVA](#) (MOVA) group.

Executive Summary

Virginia needs campaign finance reform. This report provides a **comprehensive review** of Virginia's campaign finance issues **and a roadmap** for passage of campaign finance reform legislation. It provides analysis to inform the "Joint Subcommittee to Study Campaign Finance Reform" whose mandate is to promote the integrity of, and public confidence in the Commonwealth's campaign finance system. It is hoped that the recommendations in this Citizens' Report feed into legislative packages on campaign finance to be introduced in the next General Assembly in early 2022.

This document is the **work of volunteers** from the Virginia chapter of a national non-profit, American Promise. This effort includes an analysis of Virginia's **current laws and practices**, documentation of **best practices** from other state and local jurisdictions, and the input and **advice from advocates and experts** at the local, state, and national levels

Our work 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"².

We begin with a summary of **concerns regarding unregulated financing of political campaigns**. This includes issues involving representative democracy, campaigning spending levels, Virginia's low ranking and reputation compared with other states, and public perceptions of campaign spending. It then **summarizes the mostly-unsuccessful history of reform efforts** in Virginia. Using well-developed **definitions of finance reform terminology**, the report proceeds to identify the substantial **weaknesses and gaps in Virginia's current laws**.

The cornerstone of the report, "Critical Elements of Campaign Finance Reform" recommends a framework for comprehensive campaign finance reform in Virginia:

- 1) **Strengthening transparency and accountability**, including:
 - enhancing disclosure through a robust electronic filing system that makes it easy for the public to access and analyze;
 - identifying the original contributing individuals, whether through a PAC, corporation, or other entity;
 - regular auditing combined with enhanced assistance 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.
- 2) **Promoting integrity through fair play** by:
 - establishing limits to campaign contributions by individuals, PACs, political parties, corporations, and others, with special provisions to address campaigns involving candidates with significant self-financing;
 - introducing public financing of elections; and

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

- 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.

The report also addresses **concerns expressed** during listening sessions with Virginia legislators and provides **examples of best campaign finance reform practices from other states and cities**. Our research and conclusions clearly show that many jurisdictions have long term success in adopting common sense campaign finance reform measures, despite apparent federal judicial limitations

We conclude by recommending **a roadmap** to introduce legislation, including packaging and sequencing, to highlight topics for **additional analysis**, and finally, to **urge** the Virginia legislature to make long-overdue campaign reforms based on the recommendations included herein.

The report also includes **five appendices** detailing the process of producing the report and documenting evidence supporting the substantive elements of the report.

About the Virginia Chapter of America Promise

The Virginia chapter of American Promise (sometimes known as MoneyOutVA group) is a non-profit, cross-partisan volunteer group that advocates for campaign finance and related ethics reform in Virginia. We are additionally working to get Virginia to be the 22nd state to support an amendment to the U.S. Constitution which allows Congress and the states to regulate election spending. We seek these reforms 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.

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Appendix 6: Key Legislator Concerns and States with Relevant Experience

Annexes: VMOP Technical Working Papers:

1. Campaign Finance Transparency and Accountability
2. Promoting Integrity through Fair Play in Campaign Finance

A. Introduction³

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. Increasingly, candidates must devote time to fundraising, rather than to directly communicating with potential voters and constituents.
2. **Campaign spending levels.** State-wide elections spending in Virginia has quadrupled from \$32 million on legislative races in 1999 to over \$121 million in 2019. Contributions over \$25,000 now make up sixty seven percent of the total value of all contributions
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 individual and public/private sector political contributions.⁴ Most states prohibit the personal use of campaign funds, which is also prohibited under federal law. As of 2015, Virginia was one of only three outliers⁵. In the S.W.A.M.P. Index, Virginia ranks among the lowest of all the fifty states and District of Columbia in both transparency of and accountability for campaign finance contributions and expenditures and its regulation of government ethics.⁶
4. **Public perceptions.** Nearly four out of five Americans, 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: 87 percent of business owners believe our campaign finance system is broken and needs a major overhaul.⁷ Often our lax campaign laws are considered to be 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 common sense 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,⁸ and the 2014 “Integrity and Public Confidence in State Government Study” initiated by Governor McAuliffe.⁹ Recommendations in the final 1994 report most relevant to the campaign finance reform agenda included campaign contribution limits, campaign finance reporting, including computerization, and a new state

³ Background on the report authorship, focus, and scope is summarized as an appendix to this report.

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 “Panel: Lawmakers Need a Raise.” <https://martinsvillebulletin.com/>, Martinsville Bulletin, 4 June 2015, https://martinsvillebulletin.com/news/panel-lawmakers-need-raise/article_893d7fb8-0a65-11e5-8800-27caceac9ff2.html, accessed August 9, 2021.

⁶ Coalition for Integrity, <http://swamp.coalitionforintegrity.org/>.

⁷ Polling by [Hart Research Associates and American Viewpoint](#) for the [Committee for Economic Development](#).

⁸ [The Report of the Governor's Commission on Campaign Finance Reform, Government Accountability, and Ethics and Related Matters, Senate Document No. 65, 1994.](#)

⁹ [Final Report of the Commission on Integrity and Public Confidence in State Government, 2014.](#)

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.

However, despite these recommendations, fundraising is still allowed during special sessions and reporting requirements remain minimal, and there are no constraints on the personal use of campaign funds. Meanwhile, the accessibility of computerized campaign finance data and the creation of an independent ethics commission (and associated institutional capacity for monitoring and accountability) were never implemented, due mainly to perceived budget constraints.

2. **Campaign finance legislation in Virginia.** The history of campaign finance reform in Virginia is distinguished by three decades of failure., Most proposed legislation never even reached the floor of the House of Delegates and/or the Senate and virtually none were approved. For example, during the past seven years, there have been minor changes to existing disclosure laws but not one of these changes provided comprehensive reform.¹⁰ Failure and disappointment in campaign finance reform continued in the 2021 Legislative Session. The graveyard of bills included:

- a) **Limits on contributions to candidates** for statewide office and the General Assembly (SB 1233): died in committee.
- b) **Banning campaign donations** from public service corporations: (SB1236 and HB1756): died in committee.
- c) **Banning corporate contributions** (HB1906): died in committee.
- d) **Restricting personal use of campaign contributions** (HB1952): approved by the House of Delegates committee and then the full body 100-0, moved through the Senate committee, but on the Senate floor it was referred back to committee at the end of the session, and effectively died.

The only campaign finance legislation approved in 2021, by voice vote in both houses, was House Joint Resolution 526 establishing a “Joint Subcommittee to Study Comprehensive Campaign Finance Reform”.¹¹ This study is the focus of recommendations in this Citizens’ Report.

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, including campaign finance. However, over the past 40 years, SCOTUS rulings have increasingly restricted state campaign finance laws. Some of the key decisions include:¹²

- a) **Buckley v. Valeo** (1976). This SCOTUS ruling made a constitutional distinction between contributions and expenditures. Specifically, the Court upheld the law’s

¹⁰ A review of campaign finance bills introduced in the General Assembly and their status is found Appendix 5.

¹¹ HJR 525, 2021 <https://lis.virginia.gov/cgi-bin/legp604.exe?211+sum+HJ526>.

¹² National Conference of State Legislatures, <https://www.ncsl.org/research/elections-and-campaigns/campaign-finance-and-the-supreme-court.aspx#buckley>.

constitutional limits but struck down expenditure limits. This distinction now governs campaign finance jurisprudence nationwide. States retained the legal authority to impose limits on contributions but not on election expenditures. More specifically, the Court struck down limits on personal contributions to a candidate's campaign, thus putting no restrictions on self-financed candidates. On the positive side, this ruling upheld public disclosure requirements.

b) ***Randall v. Sorrell*** (2006). SCOTUS adjusted an earlier decision in *Buckley 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". In effect the Court ruled that states cannot limit independent expenditures and must ensure their contribution limits are high enough to enable the candidate to run an effective campaign.

c) ***Citizens United v. Federal Elections Commission*** (2010). SCOTUS, with a 5-4 ruling, struck down the 60-year-old federal prohibition on independent expenditures by corporations and unions. This ruling opened the door for "super PACs" - that is political committees that make only independent expenditures and may take in unlimited money. However, by a vote of 8-1, SCOTUS upheld the importance of disclosure.

d) ***McCutcheon v. Federal Election Commission*** (2014). States can limit how much any individual or group contributes to any one campaign but cannot impose aggregate limits on how much an individual or group contributes to all campaigns during an election cycle.

4. **Impact on states.** Fundamentally these rulings view campaign funding and contributions as political speech. They have, however, had an adverse effect on the states' ability to regulate their own elections, resulting in 22 states revising their campaign finance legislation. 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. Unfortunately, due to these cases, in particular *Buckley v. Valeo*, regulating self-financing candidates has become nearly impossible. However, there are examples from specific state legislation which creatively address all of these challenges.¹³ 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"¹⁴ and has routinely upheld disclosure laws even while striking down other campaign finance laws.

5. **State reform still essential to campaign finance.** 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 transparency 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".¹⁵

¹³ 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>.

¹⁴ Graham, A. (2018) *Transparency and the First Amendment: How Disclosure Laws Advance the Constitution's Promise of Self-Government*. Campaign Legal Center.

¹⁵ Commission on Integrity and Public Confidence in State Government, 2014, p. 2.

C. Definitions of Campaign Finance Reform Terminology¹⁶

1. **Transparency and accountability.** For the purposes of this report, transparency 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. Together a transparent and accountable campaign finance system requires a modern information technology infrastructure and robust state institutional capacity. Transparency includes reporting of both campaign-related contributions and expenditures and public access to that information. 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 competitive 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. **Transparency 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 weak.
 - 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, together with some other personal information. While 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 reporting of election-related event expenditures by non-PACs. They also do not require reporting of the “original sources of funds.”¹⁷ By requiring reporting of only direct contributions, often only “pass-through” entities/intermediaries are reported. This minimal reporting standard allows wealthy special interests to hide their big spending aimed at influencing elections. Virginia’s lack of laws regulating online advertising increases the risk of foreign money. Existing laws do not require disclaimer requirements to be included on online advertisements or require that the largest donors be on the face of the ad.
 - b) **Reporting of expenditures.** Virginia’s laws require a “brief description of the

¹⁶ 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.

¹⁷ Original source of funds means the person or entity that generated the proceeds that were contributed through earnings or revenue.

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.

c) **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.

d) **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 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.

e) **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. 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 candidate and again when they go to the caucus.) Data collected by the state is often far inferior in both accuracy and completeness than in most other states. Furthermore, VPAP does not have independent governance—its board members have vested interests. 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 structures or enact measures to ensure politically independent oversight.

f) **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.

g) **Auditing and Investigations.** The county or city Elections Registrar has nominal responsibility to report to the appropriate Commonwealth 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.

h) **Personal use of campaign funds.** Virginia candidates face no legal restrictions on how they spend campaign funds, unlike 47 other states and the U.S. Congress and Presidency. Prohibiting 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 Virginia Legislature'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. Transparency and accountability. Enhanced campaign finance disclosure laws would significantly increase transparency and accountability. Enhancements would 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.

b) ***Include more rigor in reporting requirements*** by adding provisions for:

(1) Adjusting reporting timeframes to maximize transparency 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) 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 entity. The burden should be on these donors to provide full personal information, including address and principal place of business or employment location, for all contributors of what is considered a reasonable threshold, perhaps 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 or in support of candidates.

(3) all online advertising campaigns about or in support of candidates.

(4) the original source of all donations for activities related to candidate elections to organizations such as limited liability companies and 501(c) organizations.

(5) contributors to fundraising efforts coordinated by lobbyists.

d) **Help prevent foreign money** from coming into our campaign finance system by closing the credit card loophole to ensure all credit or debit cards used for campaign donations include bank verification and verification contributors are U.S. citizens or residents (i.e., by preventing the use of pre-paid or stored value cards that cannot be securely attributed to actual donors). This should be supplemented by a state law which bars foreign interference, including through regulating digital ads.

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.

f) **Create a system for auditing campaign funding.** Auditing 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.

g) **Establish specific eligibility thresholds and procedures for official investigation of complaints.** By establishing clear thresholds and transparent handling of public complaints, frivolous or politically-motivated allegations of campaign finance or ethics violations are de-weaponized as tools 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 only three states without this prohibition.

2. Promoting integrity through fair play

a) **Establish limits on campaign contributions** by individuals, PACs, political parties and other persons.

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 elected officials' time currently devoted to fund raising and would allow them to focus on what is best for all of their constituents, not what is best for only their largest campaign contributors. Public financing of elections has already been successfully tested and used in some states and in a few large localities.

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 campaigns.¹⁸ In addition to limitations on contributions given to individual candidatures or political parties, many countries also limit the amount of money that could be spent on elections. In the United States, this cannot be done in the absence of a constitutional amendment. State level campaign finance reform will be more effective if a constitutional amendment is also enacted. For this reason, facilitating federal reforms and enacting constitutionally lawful campaign finance reform in Virginia are essential to a fair and effective robust campaign finance system.

F. Key Legislator Concerns: Recommendations to Address these Concerns.

Over the past 12 months, we held “listening sessions” with over 40 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 to 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 on-line 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 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 VA’s current strong financial position. It would be a cost-effective way to improve VA’s governance, integrity, and associated reputation and representative democracy. 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-finances above a specified contribution amount.

¹⁸ <https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2014-September-8-10/V1404387e.pdf>

Legislator Concerns/Comments	Response and options
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 from corporations 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.

G. Examples of Best Practices in Other Jurisdictions

1. Transparency and accountability

a) **Rhode Island:** Campaign finance disclosure laws 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”.¹⁹

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 (transparency 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

¹⁹ <https://www.providencejournal.com/story/news/coronavirus/2020/09/29/judge-upholds-ri-campaign-finance-law-conservative-groups-appeal/42704553/>

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.²⁰ 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.²¹ 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.

(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.²² 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.

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.

²⁰ <https://campaignlegal.org/document/transparency-and-first-amendment-how-disclosure-laws-advance-constitutions-promise-self>

²¹ <https://campaignlegal.org/democracy/transparency/stopping-secret-spending>

²² <https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2014-September-8-10/V1404387e.pdf>

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, 2019-2020 (Source: National Conference of State Legislators)			
	Governor	State Senate	State House
National Average	\$6,126	\$2,947	\$2,539
National Median	\$4,000	\$2,000	\$1,600
Highest Limit	\$47,100 (New York)	\$13,292 (Ohio)	\$13,292 (Ohio)
Lowest Limit	\$500 (Alaska)	\$180 (Montana)	\$180 (Montana)
<u>Federal limits</u> for individuals/election: \$2,800			

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.²³ 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.** **Illinois** has similar dollar limits to Maryland. 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.

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 \$21,000 for State Senators and \$10,500/State Representative²⁴.

²³ Election cycles depend on the individual state and offices being filled.

²⁴ <https://mertsplus.com/mertuserguide/index.php?n=MANUALS.StateLevelOffices>.

(2) Legislation in **Tennessee** limits PAC contributions to \$12,300/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, \$21,000/senate candidate and \$10,500/house candidate or 2) calculation, like Minnesota which allows contributions up to 10 times the limits imposed on individuals, coupled with aggregate limits.²⁵

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 \$11,600 limits (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 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's 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.

H. Legislative Packaging and Sequencing

1. **Packaging.** We recommend that the Legislature promptly draft and approve comprehensive legislation to strengthen the transparency and accountability agenda outlined in this document. This agenda would provide the foundation for other campaign finance

²⁵ <https://mertsplus.com/mertuserguide/index.php?n=MANUALS.StateLevelOffice>.

legislation. This legislation should be paired with an ample budget provision in order to create, to enhance, and to 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) could be proposed and approved separately and rely on the new disclosure and accountability package for citizen support.

2. **Sequencing. Comprehensive reform of transparency/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**. Passage of both these pieces of legislation during the 2022 Legislative Session should be politically feasible and highly desirable. Such legislative successes on reporting contributions and their use will in turn lay the foundation for **making progress on the “promoting integrity through fair play” agenda** at the state level. At the same time, the Commonwealth of Virginia should actively and effectively **voice its interests** in reform of campaign finance **at the federal level**, so the state 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

1. **Opportunities to adapt existing high-quality modern IT software** for disclosure and accountability from other jurisdictions to Virginia.
2. **Budget requirements** for creating and maintaining the institutional capacity for strong disclosure and accountability.
3. **Compilation of an easily accessible database of all current laws**, including judicial decisions related to campaign finance, as a 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 provides an opportunity for legislators and the public to discuss and agree on a systematic reform of our campaign finance regulations.

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 Report²⁶,

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.

²⁶ <https://rga.lis.virginia.gov/Published/1994/SD65/PDF>

Appendices

- 1. Background on Report Authorship, Focus, and Scope**
- 2. Study Subcommittee on Comprehensive Campaign Finance Reform ([HJR 526](#))**
- 3. Comparative Rankings for Virginia**
 - a. The S.W.A.M.P Index
 - b. State Conference of State Legislation – Matrix of State Limits on Contributions to Candidates
- 4. Cost of elections in Virginia: A Review**
- 5. Analysis of Campaign Finance Bills Submitted to the Virginia General Assembly, 2015-2021**

Forthcoming (still under development)

Appendix 6: Key legislator Concerns and States Where Lessons Learned Can be Drawn

Annexes: VMOP Technical Working Papers

1. Campaign Finance Transparency and Accountability
2. Promoting Integrity through Fair Play

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

Report authorship

1. **Our Group:** The Virginia chapter of American Promise, MOVA, is a non-profit, cross-partisan volunteer group, that advocates for state-level campaign finance and related ethics reform. In support of this mission, we are also working to get Virginia to be the 22nd state to support an amendment to the U.S. Constitution which allows Congress and the states to regulate election spending. We seek these reforms to increase the legitimacy and integrity of government and to enable our elected legislators and other elected officials to better reflect the interests and will of Virginian citizens.

2. **Our process:** Over three 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 common sense 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 input to the Campaign Finance Reform Subcommittee Study based on HJR 526. Our report summarizes information and reform recommendations that we propose the Committee consider for its report.

The focus and scope of analysis and recommendations

4. **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 the both the existing ethics requirements and any reforms to those requirements in the future.

5. **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: HJR 526: Establishing a joint subcommittee to study comprehensive campaign finance reform, 2021

Description: Establishes a joint subcommittee to study comprehensive campaign finance reform in the Commonwealth. In conducting its study, the joint subcommittee is tasked with examining the costs of campaigning in the Commonwealth, the effectiveness of the Commonwealth's present disclosure laws and their enforcement, the constitutional options available to regulate campaign finance, and the desirability of specific revisions in the Commonwealth's laws, including the implementation of contribution limits, all with the aim of promoting the integrity of and public confidence in the Commonwealth's campaign finance system.

Report Date: November 1, 2021, **Expiration Date:** January 2022

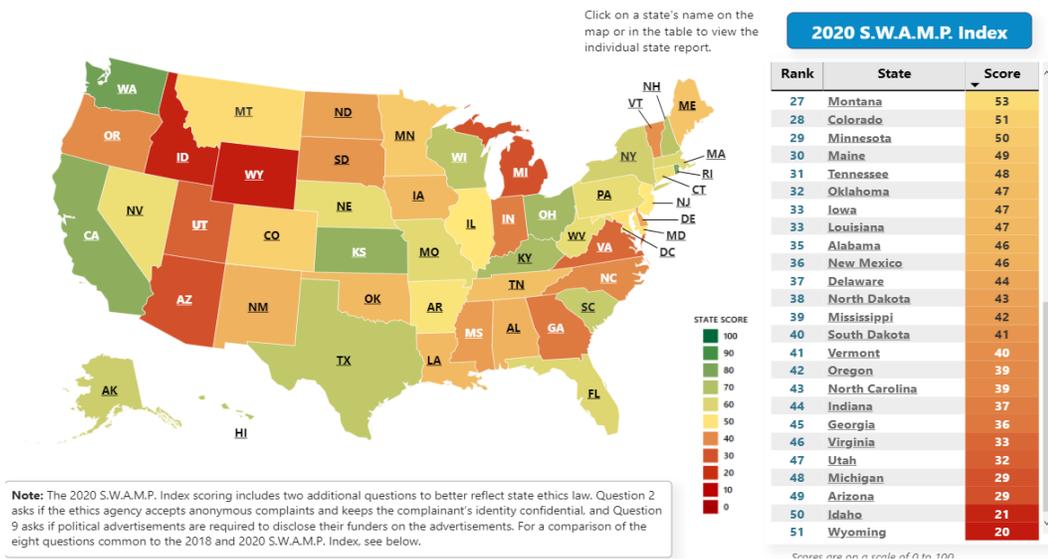
Qualifications: The joint subcommittee shall have a total membership of 14 members that shall consist of 10 legislative members and four non-legislative citizen members. Members shall be appointed as follows: six members of the House of Delegates, one of whom shall be the chair of the House Committee on Privileges and Elections and five of whom shall be appointed by the Speaker of the House of Delegates in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; four members of the Senate, one of whom shall be the chair of the Senate Committee on Privileges and Elections and three of whom shall be appointed by the Senate Committee on Rules; two non-legislative citizen members to be appointed by the Speaker of the House of Delegates; one non-legislative citizen member to be appointed by the Senate Committee on Rules; and one non-legislative citizen member to be appointed by the Governor.

House Members: Names	Senate Members: Names
The Honorable Marcus B. Simon, (Chair, House Privileges and Elections)	The Honorable R. Creigh Deeds, Chair, Senate Committee on Privileges and Elections
The Honorable David L. Bulova	The Honorable Thomas K. Norment Jr.
The Honorable Lamont Bagby	The Honorable Barbara A. Favola
The Honorable Don L. Scott Jr.	The Honorable Scott A. Surovell
The Honorable Kathy J. Byron	
The Honorable Israel D. O'Quinn	
Non-Legislative members:	
Allison Blow	Senate Committee on Rules
Ann Hess	Speaker of the House
Natalie Robinson	Speaker of the House
	Vacancy-Governor

Appendix 3: Comparative Rankings

1) [The S.W.A.M.P Index](#) (States with Anti-Corruption Measures for Public Officials) compiled by the Coalition for Integrity. The following information in the 2020 report reveals that Virginia is 46th compared to other states.

2020 S.W.A.M.P. INDEX SCORING MAP



VIRGINIA || 2018-2020

This chart compares each state's score in 2018 and 2020, factoring in only the eight questions common to both years. For each state's full 2020 score, please see the map above. [Click on the buttons below to view data for different states.](#)

- AL AK AZ AR CA CO CT DE DC FL GA HI ID IL IN IA KS KY LA ME MD MA MI MN MS MO
 MT NE NV NH NJ NM NY NC ND OH OK OR PA RI SC SD TN TX UT VT **VA** WA WV WI WY

#	Question	2018	2020	Δ
Q1	Is there an ethics agency, with the authority to conduct its own investigations, including public hearings and subpoena power?	5.63	5.63	+0
Q2	Does the ethics agency have the ability to sanction, including personnel actions, injunctions, and fines?	0.00	0.00	+0
Q3	Are the members of the ethics agency protected from removal without cause?	0.00	0.00	+0
Q4	Are elected and appointed executive branch officials and legislators prohibited from accepting gifts from high-risk sources (lobbyists, lobbyists' principals, government contractors) in an aggregate of \$250 or more?	10.00	8.50	-1.5
Q5	Are elected and appointed executive branch officials and legislators prohibited from accepting gifts from persons other than high-risk sources in an aggregate of \$250 or more?	7.00	7.00	+0
Q6	Are elected and appointed executive branch officials and legislators required to publicly disclose gifts that they receive?	5.00	5.00	+0
Q7	Does the state require reporting of contributors to independent spenders?	0.00	0.00	+0
Q8	Do legislators have to disclose client names as part of their financial disclosure reports?	0.00	0.00	+0
Sum of Q1-Q8 (Max 80)		27.63	26.13	-1.5
Score out of 100		35	33	-2

2. Matrix of State Limits on Contributions to Candidates

For a complete review of all state level contributions for 2019-2020, go to [website](#) of the National Conference on States Legislators (NCSL). See contributions limits below for Virginia, compared to Vermont, Washington States, and West Virginia.



NATIONAL CONFERENCE of STATE LEGISLATURES

The Forum for America's Ideas

State Limits on Contributions to Candidates

2019-2020 Election Cycle

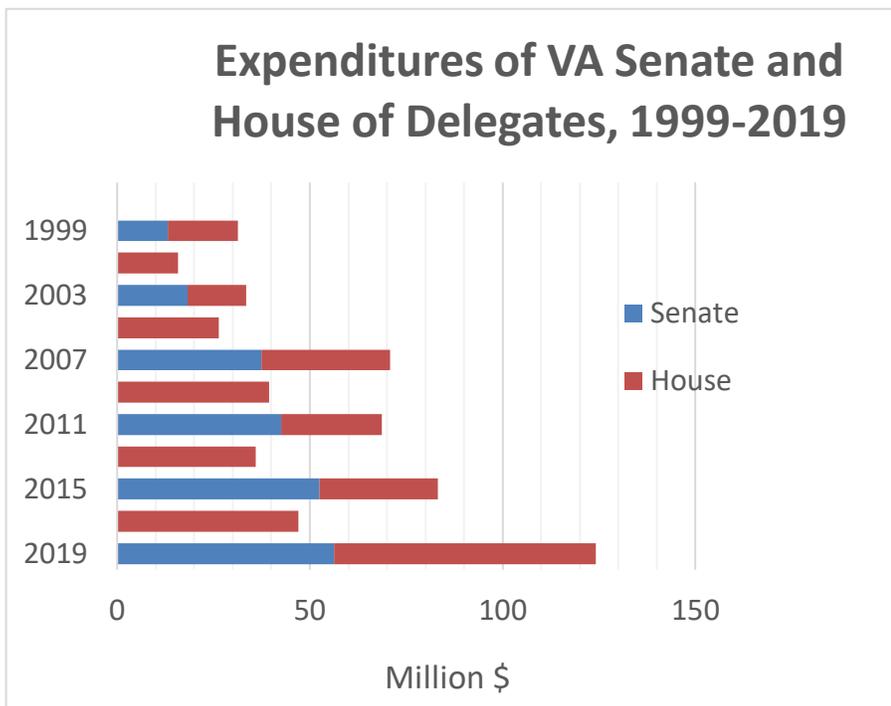
Updated June 2019

	Individual → Candidate Contributions	State Party → Candidate Contributions	PAC → Candidate Contributions	Corporate → Candidate Contributions	Union → Candidate Contributions
Vermont^{b, e} Vt. Stat. Ann. tit. 17, §§ 2901(7), 2905, 2941, 2943	\$4,160/statewide candidate \$1,560/State Senate \$1,040/State House <i>Amounts are per two-year election cycle.</i>	Unlimited	Same as individual limits	Same as individual limits	Same as individual limits
Virginia Va. Code Ann. § 24.2-945	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Washington^e Wash. Rev. Code §§ 42.17A.250 and 42.17A.440 et seq.; Wash. Admin. Code § 390-05-400	\$2,000/state exec. candidate \$1,000/legislative candidate <i>Amounts are per election^p</i> During the 21 days before the general election, no contributor may donate more than \$50,000 in the aggregate to a statewide candidate or \$5,000 in the aggregate to any other candidate or a political committee, including political party committees. This includes a candidate's personal contributions to his/her campaign. The state committees of political parties are exempted from this limit.	Aggregate contributions from a state party central committee to a statewide or legislative candidate may not exceed \$1.00 x number of registered voters in legislative district (if legislative candidate) or statewide (if state executive candidate). This limit applies to the entire election cycle. (Jan 1 of year following election-Dec. 31 of year of next election).	Same as individual limits A PAC that has not received contributions of \$10 or more from 10 or more WA registered voters during the past 180 days is prohibited from making contributions.	Prohibited for corporations not doing business in Washington state. Same as individual limits for Washington corporations.	Prohibited for unions that have fewer than 10 members who reside in Washington. Same as individual limits for Washington unions.
West Virginia W. Va. Code §§ 3-8-5c, 3-8-8 – 3-8-12	\$2,800/candidate/election ^q	Same as individual limits	Same as individual limits	Prohibited ^d	Same as individual limits

Continued on next page

Appendix 4: A Review of the Cost of Elections in Virginia

It is difficult to put a dollar figure on exactly how much is spent on elections in Virginia. VPAP has some selective aggregated data on spending on selected races. In the case of the House of Delegate and Senate races, they provide estimates of expenditures on elections over the 1999-2019 periods. This data shows that spending on Virginia elections has risen exponentially over the last twenty years. In 2019, total expenditures on the Senate and House of Delegates races exceeded \$121 million, with nearly 20 percent coming from outside the state.²⁷ This is almost double the cost of elections in 2011 and a six-fold jump from 1999. Using some extrapolated data from “[Follow the Money](#),”²⁸ it appears that in 2017, the per capita cost (using contribution aggregates) for state-wide races in Virginia was \$21 while for in 2019 races for the General Assembly, this per capita figure was only slightly lower at \$18.



Per capita contributions/VA election (\$)	
2000	1
2019	18
2018	1
2017	21
2016	1

Meanwhile, spending for state-wide offices, Governor, Lt Governor, and Attorney General, has witnessed a similar trend. The table below shows a near doubling in the cost of elections from the 2001 election for Governor and Lt Governor,²⁹ with the exception being the race for Attorney General where spending in the base year 2001 was extremely low. The 2021 estimate is based

²⁷ Virginia Public Access Project

²⁸ “Follow the Money” (<https://www.followthemoney.org>) is operated by the National Institute on Money in Politics which is the ONLY entity that collects and makes freely available the political contribution records for all 50 states, every set of elections. They have complete data on federal elections since 2010, as well as limited local election contributions for more than 30 cities and counties. In June 2021, the Center for Responsive Politics and National Institute on Money in Politics launched a combined organization to integrate federal, state and local data. It will be integrated into the current Open Secrets (<https://www.opensecrets.org>) platform.

²⁹ With data only available for the two major candidates, not those who lost in primary races.

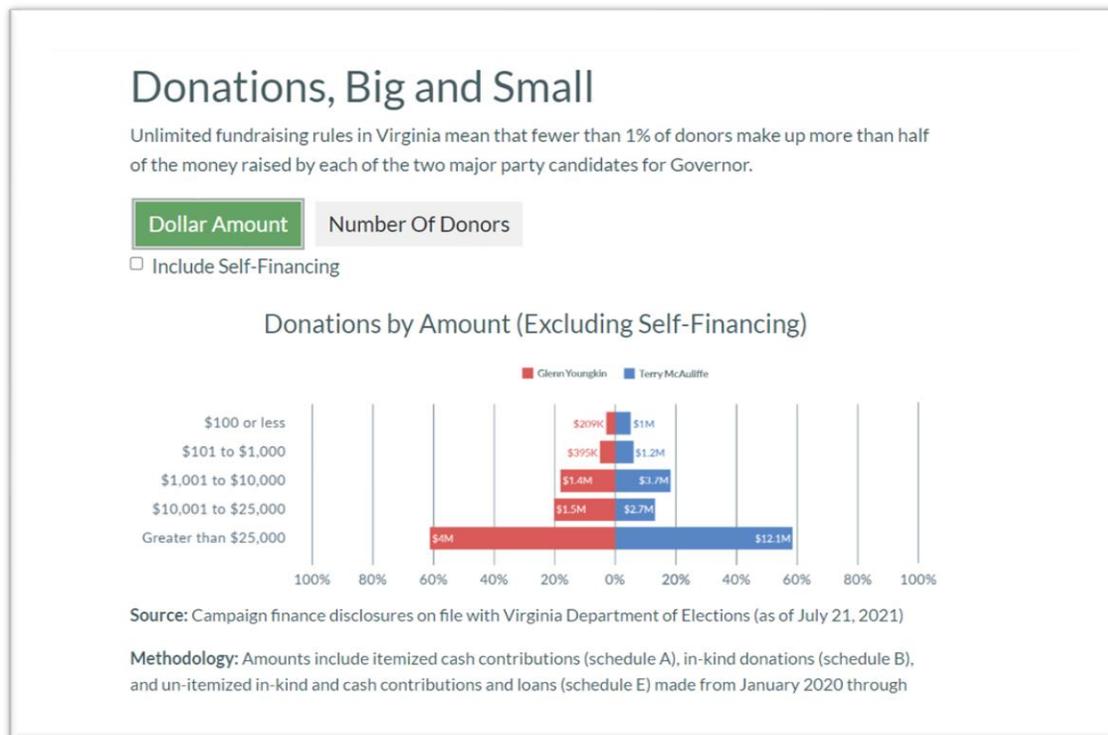
on the value of contributions raised to-date (VPAP) which includes the self-financing loans from various candidates for state-wide office.

Spending for state-wide office, 2001-2021 (\$ millions). Source: VPAP			
	Governor	Attorney General	Lt Governor
2021 (raised to date) *	39.6	4.2	2.35
2017	67	19.8	9.2
2013	60	13.2	4
2009	40.9	6.5	7.7
2005	46.5	9.1	4.7
2001	35	3.9	4.1

*As of July 30th.

Average levels of contributions are extremely high.

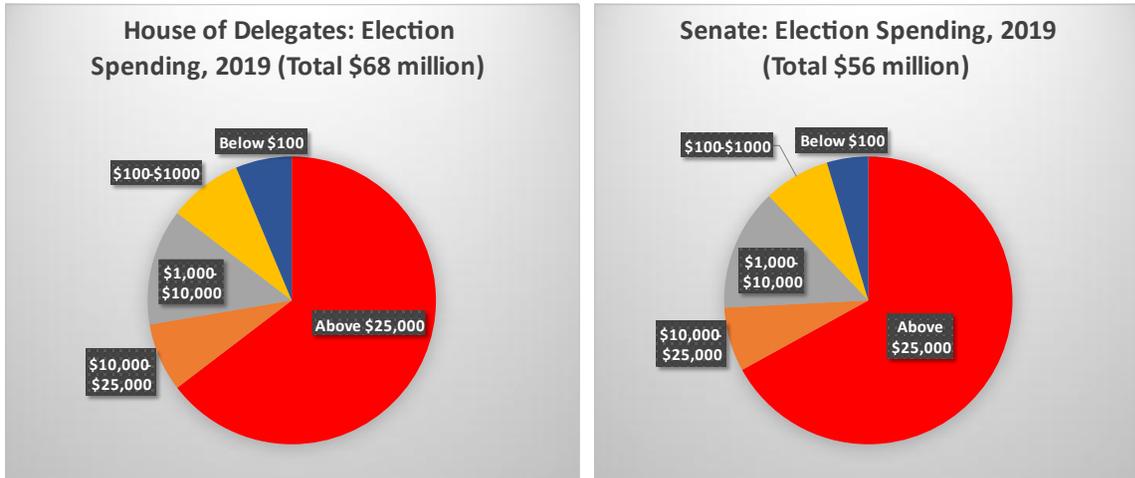
Because of lack of contribution limitations in Virginia, average levels of donations are extremely high. VPAP in the graph below shows that “fewer than 1% of donors make up more than half of the money raised by each of the two major party candidates for Governor.



In a similar analysis done by VPAP, it is estimated that more than two thirds of contributions in both the Senate and House of Delegates races in 2019 were above \$25,000 with 75% being above \$10,000.

Cost of Virginia Elections, 2019

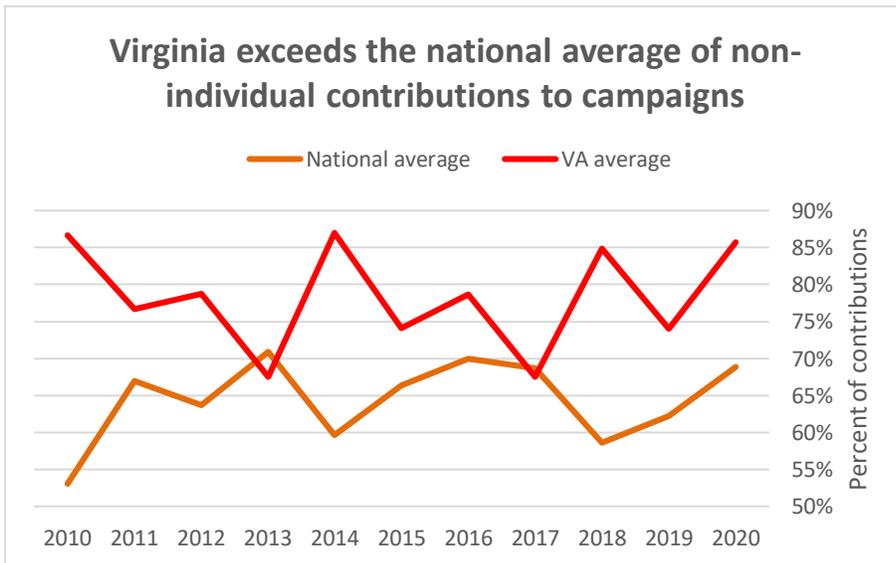
Share of donations, *and* small (Source: VPAP)



Three-quarters of all contributions were above \$10,000

Virginia exceeds the national average of share of campaign contributions coming from non-individuals.

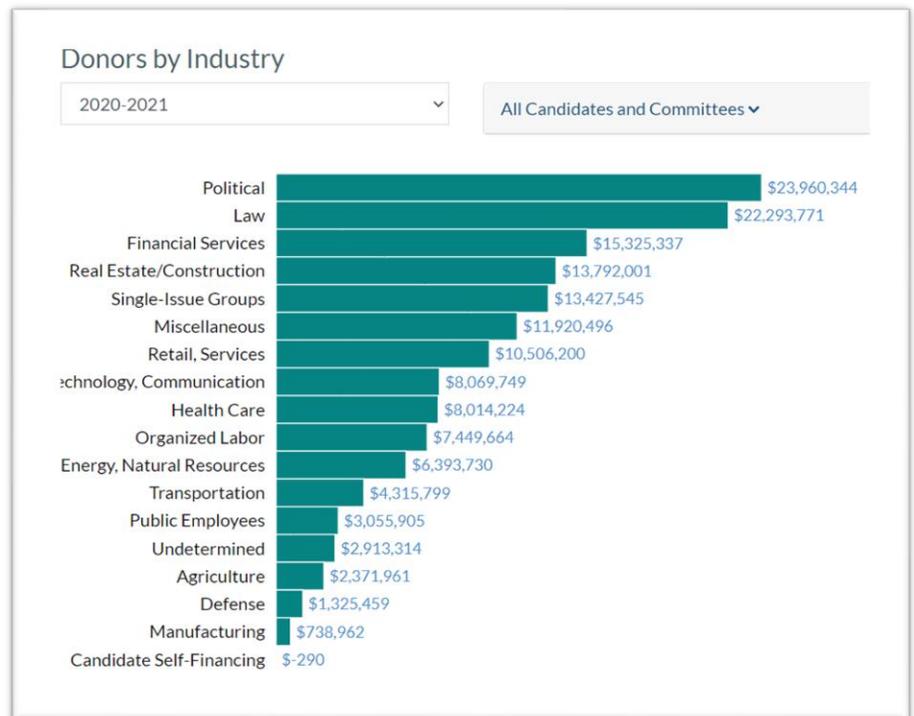
According to data pulled from the National Institute on Money in Politics database “Follow the Money” which compiles state-wide data on all campaign reports filed with state [disclosure agencies](#), contributions from non-individuals giving to campaigns in the Commonwealth of



Virginia have consistently, over the past decade, exceeded national averages, on average by 15 percent. . Data portrayed in this graph shows that money coming from non-individuals in Virginia reached a peak of 85 percent in 2020.

Who is donating to candidates running for office in Virginia?

VPAP provides a running breakdown of the source of funding going into elections. The categories of donors for the 2021 election (through July 20th) is presented in the this graph. Given that the contribution totals for 2020-21 (through July) already exceed those of 2019, election spending in 2021 should break all previous totals. It should be noted that contributions from political parties have increased exponentially from 2006 when they totaled \$48 million. These contributions increased steadily over the past decade, hitting \$91 million in 2016 before declining slightly to \$81million in 2018. In the graph, political contributions totaled almost \$24 million by July 2021.



Independent expenditures are monitored by the Board of Elections. The 2006 Disclosure Act requires that any organization which funds an ad/ mailing in excess of \$1,000 file a report describing the expenses and provide the name of the organization, mailing address and phone number with 24 hours.³⁰ In 2021, independent expenses hit a record level, exceeding \$1 million by mid-year. The groups spending more than \$100,000 in aggregate include organizations such as the Club for Growth Action, Americans for Prosperity, Virginia Cornerstone PAC, the Commonwealth Conservation Fund, Clean Virginia Fund and Make Liberty Win.

³⁰ An independent expenditure is money spent — without coordination with any campaign — to advocate for the election or defeat of a specific candidate. These are often attack ads that appear on TV, social media, direct mail or involve door-to-door canvassing.

Appendix 5: A Review of Campaign Finance Bills Submitted to the Virginia General Assembly, 2015-2021

Between 2015-2021, 123 bills related to campaign finance reform were introduced in the Virginia General Assembly. Only 19 were passed, or 15 percent, all of the proposed bills, particularly those related to disclosure. It is clear that these were only minor amendments to the 2006 Campaign Finance Disclosure Act which provides the basis for the current laws in Virginia. A review of the disclosure bills which were enacted revealed that they addressed the following categories:

- Reporting requirements for local and other offices: candidates for local and other offices to file reports by electronic means.
- Tax credits, extending the repeal date.
- Reporting requirements: amends deadline for large pre-election contributions, ends pre-election reporting period for certain campaign finance reports, requires former candidate to file reports with General Registrar of locality, changes exemptions for certain type of candidates, requires paying expenses by electronic debit, requires person with multiple committees to file reports for all such committees.
- Disclosure on political campaign advertisements: subjects paid on-line adds to same disclosure requirement to which print media, television, etc.
- Changes to disclosure requirements by the Commonwealth Economic Development Partnership.

Eighty-five percent of the bills which were introduced failed to pass, including bills that were more substantive. These bills included those introduced over the 2015-2021 legislative sessions which focused on “promoting integrity through fair play”, including **legislation on limitations on campaign contributions**, specifically: 1) restrictions on personal use of contributions; 2) bans on contributions from public service corporations (such as Dominion, a state-regulated monopoly); 3) general caps on limitations from individuals, corporations, and 4) limitations levels on PACs ranging from [\\$2,800 per election](#) to [\\$20,000 per election cycle](#). Other limitations bills included constraints on the timing of accepting contributions, civil penalties, a ban on corporate contributions, etc. None of these bills which would have contributed to campaign finance reform in Virginia made it out of committee.

Public financing of elections was proposed in four bills over the 2015-2021 legislative sessions. These bills included provisions state-wide public financing systems or systems only focused on localities. Meanwhile, [one bill](#) proposed an amendment to the U.S. Constitution through an [Article Convention approach](#). Again, none of these bills made it out of committee.

Key legislator sponsors who introduced more than three bills over this time period include: Delegates Simon, Carter, Yancey, Cole, Gilbert, and Gooditis and Senators Peterson, Suetterlein, Saslaw, McPike, Marsden, McClellan, and Ebbin.

Campaign Finance Bills Introduced in the Virginia General Assembly, 2015-2021 period, by Type of Bill							
Total	TOTAL (passed)	Disclosure	Limitations Bills:			Public Financing	Other
			Personal Use	Public Service Corporations	General Limitations (incl. timing)		
2021	8 (2)	2 (1)	1 (0)	2 (0)	2 (0)	0	1 (0)
2020	22 (8)	8(8)	7 (0)	4(0)	2(0)	1(0)	0
2019	27 (2)	8(2)	5(0)	5(0)	4(0)	2(0)	3(0)
2018	12(0)	4(0)	4(0)	2(0)	0	1(0)	0
2017	19 (3)	7(1)	2(0)	0	3(0)	0	7(2)
2016	16(1)	6(1)	2(0)	0	2 (0)	0	6(0)
2015	11 (1)	3(1)	0	0	3 (0)	0	5(0)
TOTAL	123	40	22	15	18	4	24
PASSED	19	15	0	0	0	0	4
%	15%	38%	0%	0%	0%	0%	17%