



# Campaign Finance Overview

Virginia Joint Subcommittee to Study Comprehensive Campaign  
Finance Reform

Christi Zamarripa, Policy Associate, Elections and Redistricting  
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# How NCSL Strengthens Legislatures



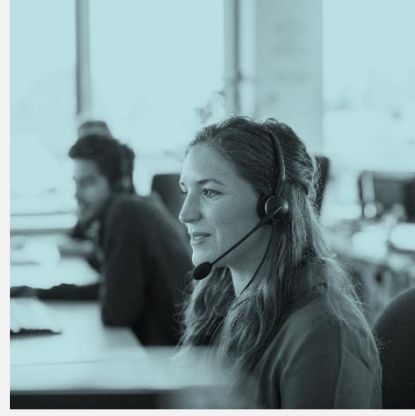
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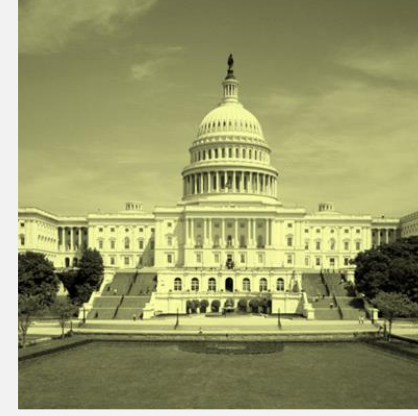
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NCSL delivers training tailored specifically for legislators and staff



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NCSL represents and advocates on behalf of states on Capitol Hill



## Meetings

NCSL meetings facilitate information exchange and policy discussions

# Outline for Today's Discussion

- Legislative Overview
  - Major issues
  - Mini trends
- Major Campaign Finance Issues
  - Disclosures and reporting requirements
  - Contribution limits
  - Public finance
  - Enforcement
- Supreme Court Decisions





# Top Campaign Finance Issues



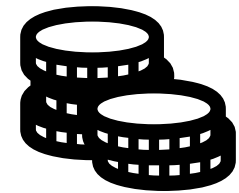
Disclosures  
and reporting  
requirements



Contribution  
limits



Enforcement



Public finance



# Campaign Finance – Mini Trends



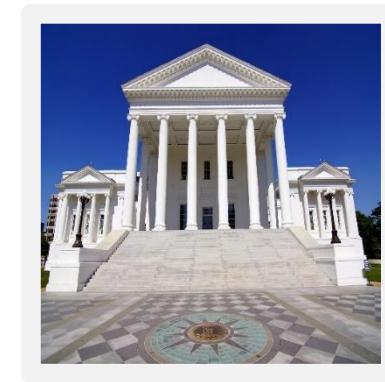
Personal use  
allowances and  
bans



Limits to  
foreign money



Digital ads and  
social media



Timing of  
contributions

# States that Prohibit Campaign Contributions During Legislative Sessions

## Prohibition/restriction on any contributions during session

- Alabama
- Alaska
- Florida
- Georgia
- Illinois
- Indiana
- Louisiana
- Maryland
- Nevada
- New Mexico
- Tennessee
- Texas
- Utah
- Virginia
- Washington

## Prohibition/restriction only on lobbyist contributions during session

- Arizona
- California
- Colorado
- Connecticut
- Iowa
- Kansas
- Kentucky
- Maine
- Minnesota
- North Carolina
- Oklahoma
- South Carolina
- Vermont
- Wisconsin



# Disclosures and Reporting Requirements

# Disclosure and Reporting Requirements Overview of Contributions

## Who needs to disclose

- Candidates, parties, committees

## What needs to be disclosed

- Contributions, expenditures and other

## Contributions

- All 50 states have some form for disclosure and reporting requirements of contributions

## Expenditures

- 48 states require the disclosure and reporting of expenditures for candidates





# Disclosure and Reporting Requirements Overview of Independent Expenditures

## Who needs to disclose

- Candidates, parties, committees, corporations, and other group entities

## When do they need to be reported

- Annually, quarterly, monthly, weekly or daily
- Before/after an election



# Virginia Disclosure and Reporting Requirements of Contributions and Expenditures

## Who needs to disclose contributions and expenditures

- Candidates, parties, political action committees

## What needs to be disclosed contributions and expenditures

- Contributions, expenditures

## Disclosure and reporting of Independent expenditures

- Individuals, corporations, political action committees and other group entities
- Independent expenditure disclosure report: due within 24 hours of making expenditure or within 24 hours of expenditure being disseminated, whichever is earlier.





# Contribution Limits



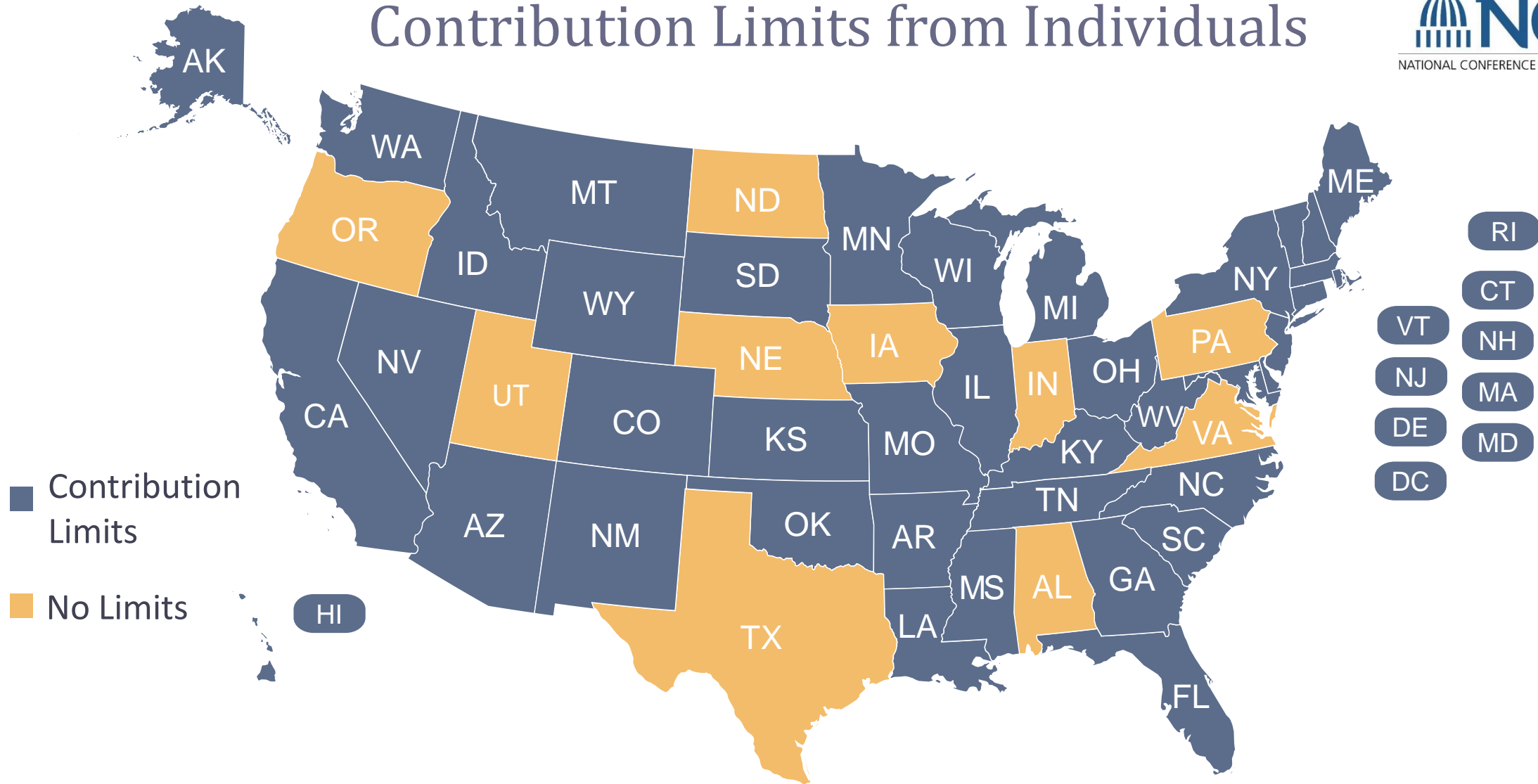
# Contribution limits for 2021-2022 federal elections

DONORS	RECIPIENTS				
	Candidate Committee per election	PAC <sup>1</sup> (SSF and Nonconnected)	State/District/Local Party Committee	National Party Committee	Additional National Party Committee Accounts <sup>2</sup>
Individual	<b>\$2,900*</b> per election	<b>\$5,000</b> per year	<b>\$10,000</b> per year (combined)	<b>\$36,500*</b> per year	<b>\$109,500*</b> per account, per year
Candidate Committee	<b>\$2,000</b> per election	<b>\$5,000</b> per year	Unlimited Transfers	Unlimited Transfers	
PAC Multicandidate	<b>\$5,000</b> per election	<b>\$5,000</b> per year	<b>\$5,000</b> per year (combined)	<b>\$15,000</b> per year	<b>\$45,000</b> per account, per year
PAC Nonmulticandidate	<b>\$2,900*</b> per election	<b>\$5,000</b> per year	<b>\$10,000</b> per year (combined)	<b>\$36,500*</b> per year	<b>\$109,500*</b> per account, per year
State/District/Local Party Committee	<b>\$5,000</b> per election (combined)	<b>\$5,000</b> per year (combined)	Unlimited Transfers		
National Party Committee	<b>\$5,000</b> per election <sup>3</sup>	<b>\$5,000</b> per year			

Source: FEC, [https://www.fec.gov/resources/cms-content/documents/contribution\\_limits\\_chart\\_2021-2022.pdf](https://www.fec.gov/resources/cms-content/documents/contribution_limits_chart_2021-2022.pdf)

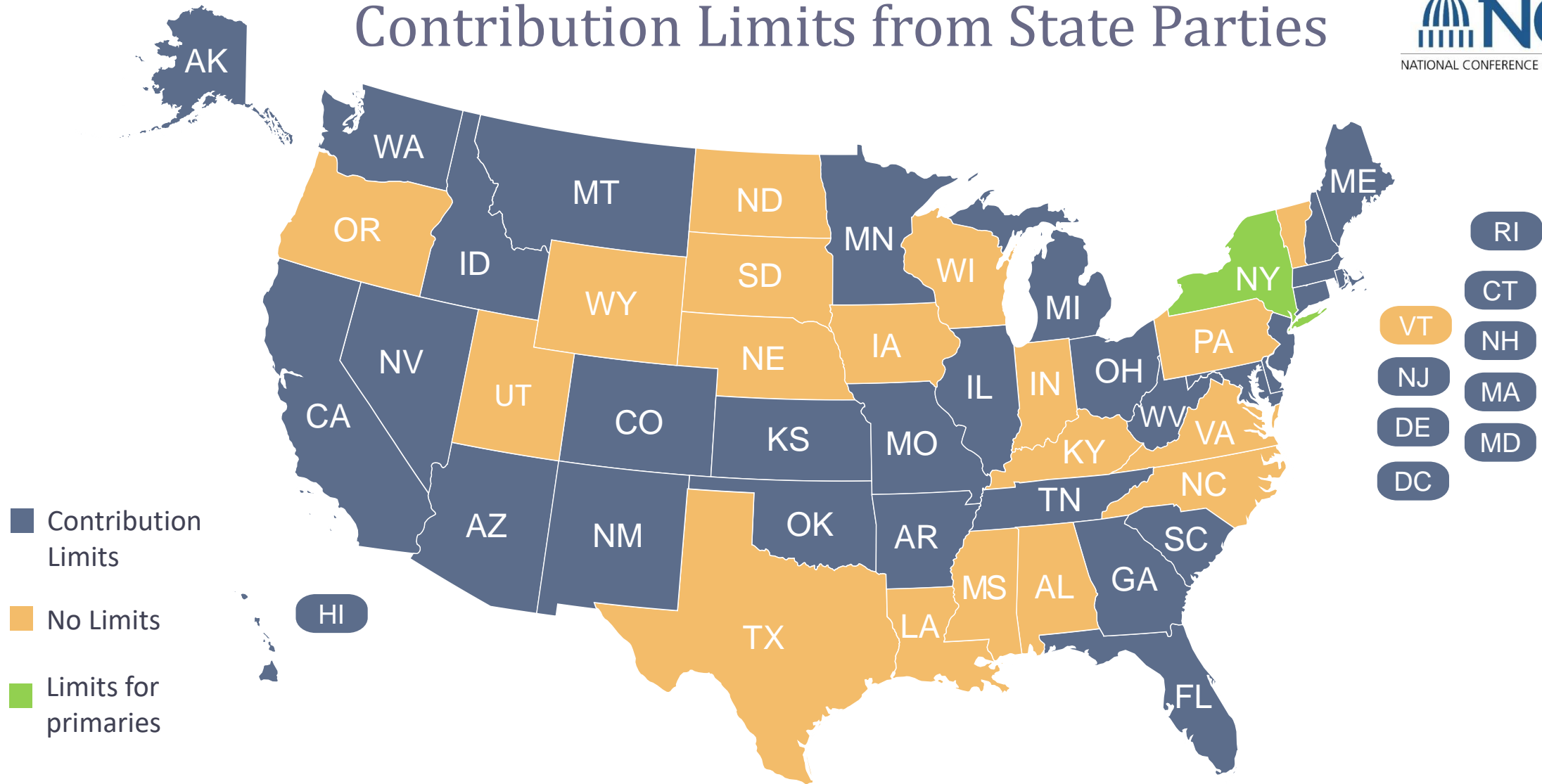


# Contribution Limits from Individuals



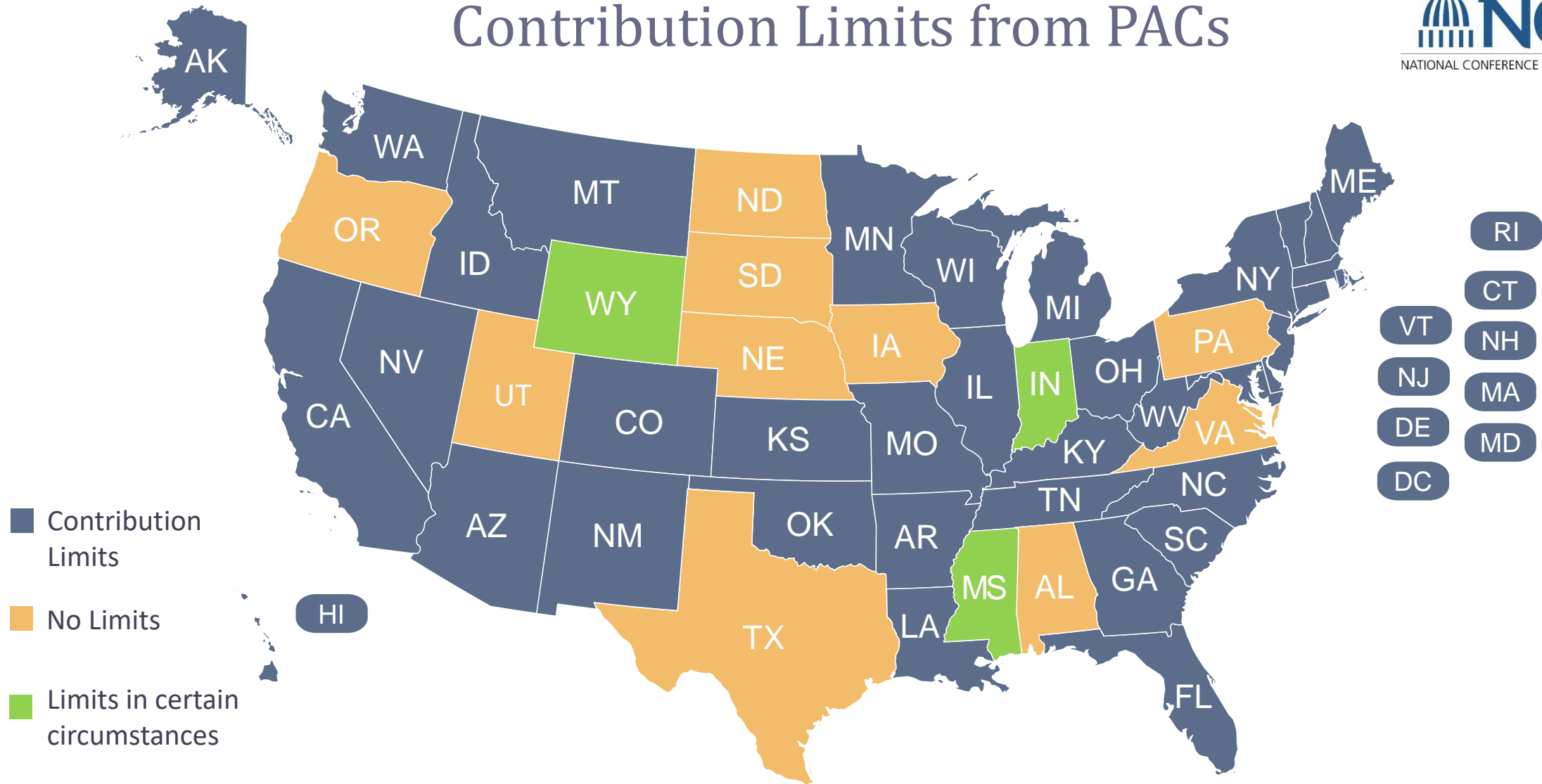
Source: National Conference of State Legislatures, 2021

# Contribution Limits from State Parties



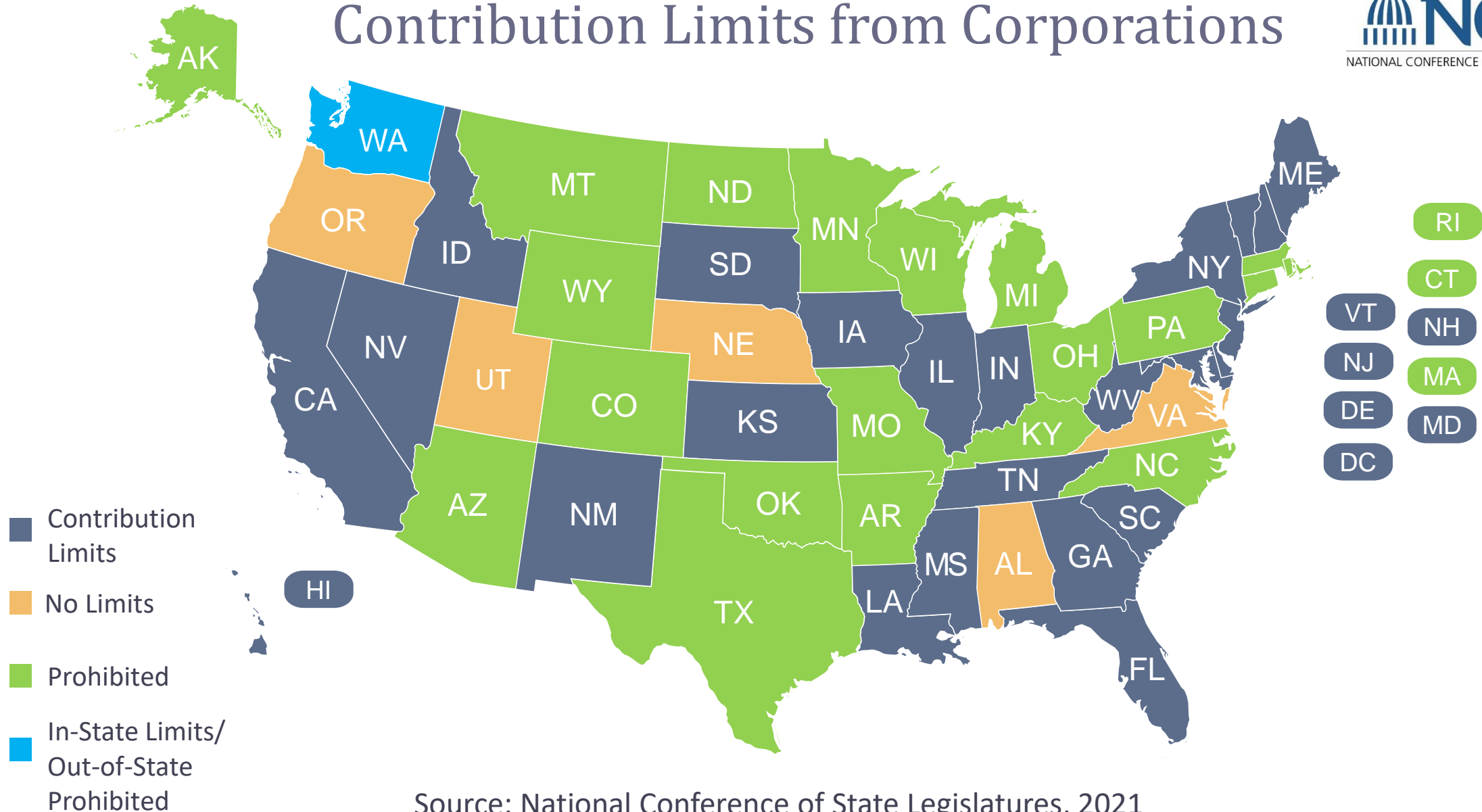
Source: National Conference of State Legislatures, 2021

# Contribution Limits from PACs



Source: National Conference of State Legislatures, 2021

# Contribution Limits from Corporations



Source: National Conference of State Legislatures, 2021





# Public Finance

# State Public Financing Programs

- Clean Elections
- Matching Fund Programs
- No option



# Public Finance

Law applies to these types of candidates

## Governor/Lieutenant Governor

- Arizona
- Connecticut
- Florida
- Hawaii
- Maine
- Maryland
- Massachusetts
- Michigan
- Minnesota
- New Jersey
- Rhode Island
- Vermont

## State Legislative Offices

- Arizona
- Connecticut
- Hawaii
- Maine
- Minnesota

## State Supreme Court/Other

- New Mexico
- West Virginia





# Campaign Finance Enforcement



# Enforcement



## State Overview

- No state enforcement system is the same
- Who's in charge: secretaries of state, commissions, boards, or attorney generals
- Violations: civil, criminal, both or none

## Virginia

- Agencies handling campaign finance issues: State Board of Elections, local general registrar, attorney for the Commonwealth
- Agencies with enforcement power: State Board of Elections, local general registrar, attorney for the Commonwealth



# Court Decisions

- ❖ Buckley v. Valeo (1976)
- ❖ Nixon v. Shrink Missouri Government PAC (2000)
- ❖ Randall v. Sorrell (2006)
- ❖ Citizens United v. FEC (2010)
- ❖ McCutcheon v. FEC (2014)



## U.S. Supreme Court

Decisions

# *BUCKLEY V. VALEO*

424 U.S. 1 (1976)

**Significance:** Contribution limits are constitutional and expenditure limits are not.

## Holding:

- Contribution limits in the FECA was constitutional and concluded that they "serve[d] the basic governmental interest in safeguarding the integrity of the electoral process without directly impinging upon the rights of individual citizens and candidates to engage in political debate and discussion."
- The Court found that the expenditure ceiling in the FECA imposed "direct and substantial restraints on the quantity of political speech" and invalidated three expenditure limitations as violations of the First Amendment.



# *Nixon v. Shrink Missouri Government PAC*

528 U.S. 377 (2000)

**Significance:** States can limit the amount of money that any one individual or group can contribute to a state campaign.

## Holding:

- State limits may be placed on contributions to state political candidates, where such state regulation is comparable to the federal regulation of federal campaign contribution limits approved in *Buckley v Valeo*.
- To determine the validity, under the First Amendment, of statutory limits on contributions, the test is “whether there was any showing that the limits were so low as to impede the ability of candidates to amass the resources necessary for effective advocacy”

# *Randall v. Sorrell*

548 U.S. 230 (2006)

**Significance:** States cannot limit independent expenditures and must ensure any contribution limits are high enough to enable candidates to run effective campaigns.

## Holding

- The expenditure limits violated the First Amendment and the primary justification for imposing the expenditure limits was not significantly different from Congress' rationale for the Buckley limits, preventing corruption and its appearance.
- Contribution limits that are too low also can harm the electoral process by preventing challengers from mounting effective campaigns against incumbent officeholders, thereby reducing democratic accountability.

# *Citizens United v. FEC*

558 U.S. 310 (2010)

**Significance:** States cannot place limits on the amount of money corporations, unions, or PACs use for electioneering communications, as long as the group does not directly align itself with a candidate.

## Holding

- The ban on corporate independent expenditures violated the First Amendment because the Government could not suppress political speech and are subject to strict scrutiny, which requires the Government to prove that the restriction furthers a compelling interest and is narrowly tailored to achieve that interest.
- The disclaimer and disclosure requirements may burden the ability to speak, but they impose no ceiling on campaign activities and do not prevent anyone from speaking.

# *McCutcheon v. Federal Election Commission*

572 U.S. 185 (2014)

**Significance:** States can place a limit on how much any individual or group contributes to any one campaign, but cannot impose aggregate limits on how much and individual or group contributes to all campaigns during an election cycle.

## Holding

- Aggregate limits do little, if anything, to address the concern of combating corruption, while seriously restricting participation in the democratic process and are invalid under the First Amendment.

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# NCSL Campaign Finance Resources



[Campaign Finance Legislation | 2015 Onward Database](#)

[State Limits on Contributions to Candidates](#)

[Public Financing of Campaigns: Overview](#)

[Campaign Finance Enforcement](#)

[Digital Political Ads](#)



Christi Zamarripa  
Policy Associate

Reach out anytime!

Email

[christi.zamarripa@ncsl.org](mailto:christi.zamarripa@ncsl.org)

Phone

303-856-1419 (o)

720-296-4352 (c)