



2016 Disclosure Bill Provisions

Strengthens disclosure of third party political spending

Requires disclosure by entities making political disbursements in the aggregate of more than \$1,000 in a calendar year. This includes disbursements for independent expenditures and electioneering communications, as well as “covered transfers,” which are defined as any transfer or payment of funds by a covered organization to another person for the purpose of making or paying for campaign-related disbursements.

As we have made disclosure requirements more robust, new methods of avoiding disclosure have developed. The “covered transfer” provision attempts to address this: Big donor A gives \$25,000 to shell corporation B, which in turn passed the money on to Super PAC C, which then spends the money on a political ad. Under our current, disclosure laws, even if PAC C must report its donors, only the immediate underlying donor - shell corporation B - will appear on Super PAC C’s reports; big donor A is never revealed. The purpose is to require disclosure by secretive organizations established for the purpose of funneling money to Super PACs.

Maintains long-standing prohibition on direct corporate contributions to candidates, and prohibits direct contributions from “membership organizations” such as labor unions.

Corporations and “membership organizations” could still form political action committees.

Changes reporting requirements for independent expenditures:

Adds language that says that federal committees that make state level independent expenditures or electioneering communications are not exempt from filing financial disclosures with the Secretary of State.

Changes to reporting requirements for candidates and political action committees:

1. Pre-primary and pre-general reports would be filed later. The period covered by the reports would be extended by five days to cover all financial transactions that have taken place before the tenth day before an election.
2. Adds State Senate, House of Delegates, circuit court judge and family court judge to the list of offices that must submit financial disclosures online, although they may file in person or via FAX or other electronic means until contributions received exceed \$10,000 in an election cycle.
3. Requires the Secretary of State to maintain an online, searchable database of contribution and expenditure information submitted by candidates and political action committees.

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