

Fact Sheet on SB622 dealing with Campaign Financing in WV

Say YES to Transparency in WV Elections, and NO to More Money

We need more disclosure of political spending in our elections, not more money.

SB 622 increases campaign contribution limits from \$1,000 to \$2,800 for candidates, to \$5,000 for PACs, and to \$10,000 per year for party committees. Ordinary working West Virginians don't have that kind of money to donate to campaigns, so the overall effect of the bill would be disastrous for constituents who struggle to have their voices heard above the special interests that they perceive as trying to buy our elections.

SB 622 does increase disclosure in some small ways, like requiring PACs and entities making independent expenditures to file reports electronically. However, if this legislation passes, then our state and local elections will begin to take on the worst aspects of the big-money congressional elections, turning off voters.

This is because **SB 622 completely fails to address the flood of secret money in our elections.**

During the 2018 general election, independent expenditure political action committees registered in West Virginia spent more than \$5.4 million to meddle in House of Delegates, Senate and Supreme Court races—twice the amount spent by outside groups to influence state level races during the 2014 midterm.

Although the spending itself was disclosed, the source of the money was most often hidden behind loopholes and money transfers. Many groups spending money on our elections listed no other contributors on their financial disclosures other than the sponsoring organization, while others filled our mailboxes and airwaves without filing a single report with either the Secretary of State or the Federal Election Commission.

Unfortunately, Republicans in both the House and Senate rejected an amendment that would have **put an end to big money funneled through groups with secret donors** and required disclosure of dark money by closing the “covered transfers” loophole. This loophole will continue to allow wealthy donors and special interests to funnel money through multiple PACs and organizations in order to obscure its origin.

Opponents of the amendment suggested that requiring this level of disclosure would not be constitutional. This is not accurate. **Disclosure of political contributions and spending is indisputably constitutional under U.S. Supreme Court precedent.** In *Citizens United*, an 8-1 majority of the Court held that disclosure is constitutional, saying that “disclosure requirements may burden the ability to speak, but impose no ceiling on campaign related activities and do not prevent anyone from speaking.” Disclosure, the Court said, “enables the electorate to make informed decisions and give proper weight to different speakers and messages.”

If the Legislature wants to discourage negative attack ads, give candidates the ability to respond, and inform voters about who is trying to influence their votes, the best thing to do is to support transparency and require those who are spending money on our elections to disclose the source of the money.

Strengthen the transparency provisions of SB 622, and say NO to more money in West Virginia elections.

SB 622 strengthens campaign finance law in the following ways:

- Clarifies that expenditures made in coordination with a candidate or party are a contribution.
- Creates a thorough coordination standard similar to the federal standard.
- Makes clear that the reporting exemption for federal committees does not apply to state level and local spending on independent expenditures and electioneering communications.
- Requires electronic reporting for all independent expenditures and electioneering communications, and all financial statements filed by political action committees.
- Requires candidates and political committees to file quarterly reports every year, as well as, pre-election reports 11 days before the primary and general during an election year, and eliminates existing waivers for filing financial statements.
- Prohibits “foreign nationals” from contributing, directly or indirectly, anything of value to influence state or local elections.
- Reduces penalty for non-filing or inaccurate filing of financial statements from \$25 per day to \$10 per day, *but* makes the assessment of the fine mandatory, and requires Secretary of State to publish a list of late filers online.

SB 622 weakens campaign finance law by:

- Repealing the \$1,000 contribution limit to candidates, PACs, and parties, and increasing the limits to:
 - \$2,800 to a candidate in an election
 - \$5,000 to a political action committee (PAC) in an election
 - \$10,000 to party committees in a calendar year
- Allowing candidates to receive (but not spend) contributions for the general election before they have been nominated. Supporters of the bill argued that the purpose of the bill was to make state campaign finance laws more in line with those at the federal level. However, federal law requires candidates to return general election funds raised in the primary if they do not win their parties nomination. SB 622 contains no “pay back” provisions for these early contributions.
- Increasing the spending thresholds that trigger disclosure of last-minute independent expenditures from \$1,000 to \$5,000 in any statewide, legislative, or multi-county judicial election.

We need more disclosure of political spending in our elections, not more money.

However, SB 622 fails to close loopholes in our laws that make it possible for groups that spend money on political ads to hide the identity of our donors.

West Virginia voters deserve to know who is trying to influence their votes and their elected officials, not be left in the dark.