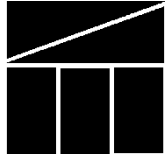


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes¹ Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



Virginia Department of Planning and Budget Economic Impact Analysis

1 VAC 20-90 Campaign Finance and Political Advertisements
Virginia Department of Elections
Town Hall Action/Stage: 5363/8725
October 23, 2019

Summary of the Proposed Amendments to Regulation

The State Board of Elections (Board) seeks to eliminate section 1 VAC 20-90-20 (Filing Fee) for campaign finance reports that are not filed electronically. This section was promulgated when campaign committees had the option to file nonelectronic campaign finance reports, upon payment of a \$25 administrative fee to the Department of Elections to have the report transcribed. However, the Board has since transitioned to using electronic submissions exclusively, making the fee redundant.

Background

Section 24.2-947.5 of the Code of Virginia contains the campaign finance reporting requirements, including electronic submissions. The language in 1 VAC 20-90-20 directs campaign committees that file a nonelectronic campaign finance report with the Board under §24.2-947.5 to pay a \$25 administrative fee per report to the Board. It further says that the fee shall be paid by the filing deadline or upon filing the report, whichever is later, and that committees that are indigent may request a waiver from the Board.

¹ Adverse impact is indicated if there is any increase in net cost or reduction in net revenue for any entity, even if the benefits exceed the costs for all entities combined.

The 2018 Acts of Assembly (Chapter 538) revised the Code of Virginia such that all regulants who would be required to file the report with the Board would have to do so electronically. Specifically, §24.2-947.5 now says that candidates for statewide office and the General Assembly, as well as candidates for a local or constitutional office in any locality whose population exceeds 70,000, shall file campaign finance reports with the Board electronically. Candidates for local or constitutional offices in localities with fewer than 70,000 people may file electronically with the Board or file paper reports with the general registrar of the locality in which the candidate resides. Since candidates no longer have the option to file paper copies of the required reports with the Board, any associated administrative fees no longer apply. Hence the Board seeks to repeal the fee.

Estimated Benefits and Costs

The proposed amendment appears to benefit the public by aligning the Virginia Administrative Code with the Code of Virginia, and potentially reducing confusion for readers of the regulation. The proposed amendment does not create any new initial or ongoing cost to the public.

Businesses and Other Entities Affected

The proposed amendment does not appear to particularly affect any business or other entities.

Localities² Affected³

The proposed amendment does not appear to affect particular localities or introduce new costs for local governments. Accordingly, no additional funds would be required.

Projected Impact on Employment

The proposed amendment does not appear to affect total employment.

Effects on the Use and Value of Private Property

The proposed amendment has no effect on the use and value of private property, nor does it affect real estate development costs.

² “Locality” can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulatory change are most likely to occur.

³ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.

Adverse Effect on Small Businesses⁴:

The proposed amendment does not adversely affect small businesses.

Legal Mandates

General: The Department of Planning and Budget has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order 14 (as amended, July 16, 2018). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

Adverse impacts: Pursuant to Code § 2.2-4007.04(D): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance within the 45-day period.

If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.

⁴ Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”