



General Assembly

February Session, 2000

Raised Bill No. 1

LCO No. 957

Referred to Committee on Government Administration and Elections

Introduced by:
(GAE)

An Act Concerning Campaign Spending Limits And Voluntary Campaign Financing.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) As used in sections 1 to 7, inclusive, of this act:
- 2 (1) "Commission" means the State Elections Enforcement
3 Commission.
- 4 (2) "Contribution" means "contribution", as defined in section 9-333b
5 of the general statutes.
- 6 (3) "Expenditure" means "expenditure", as defined in section 9-333c
7 of the general statutes.
- 8 (4) "General election campaign" means (A) in the case of a candidate
9 nominated at a primary, the period beginning on the day following the
10 primary and ending on the date the campaign treasurer files the final
11 statement for such campaign pursuant to section 9-333j of the general
12 statutes, or (B) in the case of a candidate nominated without a primary,
13 the period beginning on the date the candidate begins soliciting or

14 receiving contributions or making expenditures or giving the
15 candidate's consent to any other person to solicit or receive
16 contributions or make expenditures with the intent to bring about the
17 candidate's election and ending on the date the campaign treasurer
18 files the final statement for such campaign pursuant to said section 9-
19 333j.

20 (5) "Major party" means "major party", as defined in section 9-372 of
21 the general statutes.

22 Sec. 2. (NEW) (a) No candidates for election to the offices of
23 Governor and Lieutenant Governor who are nominated by the same
24 major party may make or incur expenditures for such candidates'
25 general election campaign for election in 2002, or thereafter in excess of
26 a total combined amount of five million dollars.

27 (b) No major party candidate may make or incur expenditures for
28 the candidate's general election campaign for election in 2002, or
29 thereafter to the office of (1) Attorney General, State Comptroller,
30 Secretary of the State or State Treasurer, in excess of seven hundred
31 fifty thousand dollars, (2) state senator, in excess of one hundred and
32 five thousand dollars, or (3) state representative, in excess of forty
33 thousand dollars.

34 (c) Each expenditure limit imposed in subsection (a) or (b) of this
35 section shall apply to the total combined expenditures made or
36 incurred by a candidate and the candidate committee established by
37 such candidate. The expenditure limits shall apply to expenditures
38 derived from matching grants received by a candidate committee
39 pursuant to section 6 of this act.

40 (d) On January 15, 2004, and biennially thereafter, the commission
41 shall adjust each such expenditure limit in accordance with any change
42 during the preceding two calendar years in the Consumer Price Index
43 for all urban consumers as published by the United States Department
44 of Labor, Bureau of Labor Statistics.

45 Sec. 3. (NEW) There is established, within the General Fund, a
46 separate, nonlapsing account to be known as the "Fair Elections Fund".
47 The fund may contain any moneys required by law to be deposited in
48 the fund. Investment earnings credited to the assets of the fund shall
49 become part of the assets of the fund. The fund shall be administered
50 by the State Treasurer. All moneys deposited in the fund shall be used
51 for the purposes of section 6 of this act.

52 Sec. 4. (NEW) (a) (1) Any taxpayer filing a return under chapter 229
53 of the general statutes for taxable years commencing on or after
54 January 1, 2000, may contribute all or part of a refund under said
55 chapter 229 or all or part of a state tax rebate to the Fair Elections Fund,
56 established in section 3 of this act, by indicating on the tax return the
57 amount to be contributed to the fund.

58 (2) Any taxpayer filing a return under chapter 229 of the general
59 statutes for taxable years commencing on or after January 1, 2000, may
60 contribute to the Fair Elections Fund by designating on such return a
61 contribution of (A) five dollars or, in the case of a husband and wife
62 filing a joint return, ten dollars, or (B) any greater amount. Any
63 contribution made pursuant to this subdivision shall be in addition to
64 the amount of tax reported to be due on such return and shall be paid
65 at the same time as the tax due on such return is paid and in the
66 manner prescribed by the Commissioner of Revenue Services.

67 (b) A contribution made pursuant to this section shall be irrevocable
68 upon the filing of the return. A taxpayer making a contribution
69 pursuant to this subsection shall so indicate on the tax return in a
70 manner provided for by the Commissioner of Revenue Services
71 pursuant to subsection (c) of this section.

72 (c) The Commissioner of Revenue Services shall revise the income
73 tax return form to implement the provisions of subsection (a) of this
74 section. Such form shall include (1) a space on the return in which
75 taxpayers may indicate their intention to make a contribution in
76 accordance with this section, including for contributions under

77 subdivision (2) of subsection (a) of this section, two boxes with
78 suggested dollar amounts of five dollars for an individual taxpayer
79 and ten dollars for a husband and wife filing jointly and one additional
80 box for greater whole dollar amounts, and (2) instructions for payment
81 of any contribution under subdivision (2) of subsection (a) of this
82 section. The commissioner shall include in the instructions
83 accompanying the tax return a description of the purposes for which
84 the Fair Elections Fund was established.

85 (d) A contribution of all or part of a refund shall be made in the full
86 amount indicated if the refund found due the taxpayer upon the initial
87 processing of the return, and after any deductions required by chapter
88 229 of the general statutes, is greater than or equal to the indicated
89 contribution. If the refund due, as determined upon initial processing,
90 and after any deductions required by said chapter 229, is less than the
91 indicated contribution, the contribution shall be made in the full
92 amount of the refund. The Commissioner of Revenue Services shall
93 subtract the amount of any contribution of all or part of a refund from
94 the amount of the refund initially found due the taxpayer and shall
95 certify (1) the amount of the refund initially found due the taxpayer,
96 (2) the amount of any such contribution, and (3) the amount of the
97 difference to the Secretary of the Office of Policy and Management and
98 the State Treasurer for payment to the taxpayer in accordance with
99 said chapter 229. For the purposes of any subsequent determination of
100 the taxpayer's net tax payment, such contribution shall be considered a
101 part of the refund paid to the taxpayer.

102 (e) The Commissioner of Revenue Services, after notification of and
103 approval by the Secretary of the Office of Policy and Management,
104 may deduct and retain from the moneys collected under subsections
105 (a) to (d), inclusive, of this section an amount equal to the costs of
106 administering this section, but not to exceed seven and one-half per
107 cent of such moneys collected in any fiscal year. The Commissioner of
108 Revenue Services shall deposit the remaining moneys collected in the
109 Fair Elections Fund.

110 (f) There shall be allowed as a deduction against the determination
111 of income under chapter 229 of the general statutes, in any income
112 year, an amount equal to the total amount contributed by the taxpayer
113 under subsection (a) of this section in such year.

114 Sec. 5. (NEW) Any individual may contribute to the Fair Elections
115 Fund. Any such contribution shall be made by check or money order.
116 The commission shall immediately transmit all contributions received
117 pursuant to this section to the State Treasurer for deposit in the Fair
118 Elections Fund. There shall be allowed as a deduction against the
119 determination of income under chapter 229 of the general statutes, in
120 any income year, an amount equal to the total amount contributed by
121 the taxpayer under this section in such year.

122 Sec. 6. (NEW) (a) There is established a Fair Elections Matching
123 Grant Program under which the candidate committee of a candidate
124 for election to the office of Governor, Lieutenant Governor, Attorney
125 General, State Comptroller, State Treasurer or Secretary of the State
126 shall be eligible to receive grants from the Fair Elections Fund for the
127 candidate's general election campaign for such office, if such candidate
128 is the nominee of a major party whose candidate for Governor
129 received at least fifteen per cent of the whole number of votes cast for
130 all candidates for Governor at the preceding election for Governor.
131 Such program shall apply to campaigns for election to the offices of
132 Governor and Lieutenant Governor in 2002, and in succeeding election
133 years for such offices. Such program shall apply to campaigns for
134 election to the offices of Attorney General, State Comptroller, State
135 Treasurer and Secretary of the State in 2006, or in such election year
136 when there are sufficient funds available in the Fair Elections Fund,
137 and in succeeding election years for such offices. Each such grant shall
138 match an equal amount of contributions received during the general
139 election campaign by the candidate committee established by such
140 candidate. In the case of candidates for election to the offices of
141 Governor and Lieutenant Governor who are nominated by the same
142 major party, each such grant shall match an equal amount of

143 contributions received during the general election campaign in the
144 aggregate by the candidate committees established by such candidates
145 and shall be made for the joint use of said candidates.

146 (b) The amount of each such matching grant shall be ten per cent of
147 the applicable expenditure limit set forth in section 2 of this act for
148 such candidate. The maximum amount of all such matching grants
149 that a candidate committee established by a candidate may receive
150 shall be fifty per cent of such expenditure limit.

151 (c) A candidate may apply for any such grant by submitting an
152 application to the State Elections Enforcement Commission, in a form
153 established by the commission, certifying under penalty of false
154 statement that the candidate committee established by the candidate
155 has received an amount of contributions equal to an increment of ten
156 per cent of the applicable expenditure limit set forth in section 2 of this
157 act for such candidate. Not later than five days following receipt of any
158 such application, the commission shall review the application,
159 determine whether the candidate committee has received the
160 qualifying amount of contributions and, if so, notify the candidate and
161 the State Comptroller of its determination and the amount of the
162 matching grant. Not later than five days following notification by the
163 commission, the State Comptroller shall draw an order on the State
164 Treasurer for payment of such amount to the candidate committee.

165 (d) If a major party candidate makes or incurs expenditures in
166 excess of the applicable expenditure limit set forth in section 2 of this
167 act, the candidate committee established by said candidate shall (1)
168 repay to the State Elections Enforcement Commission, for deposit in
169 the Fair Elections Fund, an amount equal to the full amount of all
170 matching grants made under this section to said candidate committee,
171 and (2) shall not receive any additional matching grants. In addition,
172 the commission shall make a supplemental grant to the candidate
173 committee of each major party candidate who is seeking election to the
174 same office at such election as the candidate who made or incurred

175 excess expenditures and qualifies for matching grants under this
176 section. Such supplemental grant shall be equal to one half of the
177 maximum amount of all matching grants that a candidate may receive
178 as set forth in subsection (b) of this section, and shall be in addition to
179 said maximum amount. Notwithstanding the provisions of section 2 of
180 this act, any expenditures by a candidate committee established by a
181 candidate which are derived from a supplemental grant received
182 under this subsection shall not be subject to the expenditure limit set
183 forth in section 2 of this act.

184 Sec. 7. (NEW) (a) (1) No candidate for the office of Governor or
185 Lieutenant Governor shall solicit contributions, on behalf of a
186 candidate committee established by a candidate for nomination or
187 election to any public office or on behalf of any political committee or
188 party committee, or accept contributions, from any individual who is
189 an officer, director, owner, limited or general partner or holder of stock
190 constituting five per cent or more of the total outstanding stock of any
191 class of a business which has a contract with the state valued at two
192 hundred fifty thousand dollars or more or from a political committee
193 established by such business.

194 (2) No such individual from such business and no political
195 committee established by such business shall make a contribution to
196 any candidate committee established by a candidate for the office of
197 Governor or Lieutenant Governor, during the term of such contract. If
198 any such individual or political committee makes such a contribution,
199 the business shall be prohibited from being awarded a state contract
200 for one year after the election for which such contribution is made.

201 (b) (1) No candidate for the office of Attorney General, State
202 Comptroller or Secretary of the State shall solicit contributions, on
203 behalf of a candidate committee established by a candidate for
204 nomination or election to any public office or on behalf of any political
205 committee or party committee, or accept contributions, from any
206 individual who is an officer, director, owner, limited or general partner

207 or holder of stock constituting five per cent or more of the total
208 outstanding stock of any class of a business which has a contract with
209 such official's office valued at two hundred fifty thousand dollars or
210 more or from a political committee established by such business.

211 (2) No such individual from such business and no political
212 committee established by such business shall make a contribution to
213 any candidate committee established by a candidate for the office with
214 which the business has a contract, during the term of such contract. If
215 any such individual or political committee makes such a contribution,
216 the business shall be prohibited from being awarded a contract from
217 such office for one year after the election for which such contribution is
218 made.

219 (3) The provisions of this subsection shall also apply to the State
220 Treasurer to the extent such provisions are not inconsistent with
221 existing statutory restrictions relating to the State Treasurer.

222 (c) (1) No candidate for the office of state senator or state
223 representative shall solicit contributions, on behalf of a candidate
224 committee established by a candidate for nomination or election to any
225 public office or on behalf of any political committee or party
226 committee, or accept contributions, from any individual who is an
227 officer, director, owner, limited or general partner or holder of stock
228 constituting five per cent or more of the total outstanding stock of any
229 class of a business which has a contract with the General Assembly
230 valued at two hundred fifty thousand dollars or more or from a
231 political committee established by such business.

232 (2) No such individual from such business and no political
233 committee established by such business shall make a contribution to
234 any candidate committee established by a candidate for the office of
235 state senator or state representative, during the term of such contract.
236 If any such individual or political committee makes such a
237 contribution, the business shall be prohibited from being awarded a
238 contract by the General Assembly for one year after the election for

239 which such contribution is made.

240 Sec. 8. Subdivision (2) of subsection (a) of section 9-7b of the general
241 statutes is repealed and the following is substituted in lieu thereof:

242 (2) To levy a civil penalty not to exceed (A) two thousand dollars
243 per offense against any person the commission finds to be in violation
244 of any provision of chapter 145, part V of chapter 146, part I of chapter
245 147, chapter 148, section 9-12, subsection (a) of section 9-17, section 9-
246 19b, 9-19e, 9-19g, 9-19h, 9-19i, 9-20, 9-21, 9-23a, 9-23g, 9-23h, 9-23j to 9-
247 23o, inclusive, 9-26, 9-31a, 9-32, 9-35, 9-35b, 9-35c, 9-40a, 9-42, 9-43, 9-
248 50a, 9-56, 9-59, 9-168d, 9-170, 9-171, 9-172, 9-409, 9-410, 9-412, 9-436, 9-
249 436a, 9-453e to 9-453h, inclusive, 9-453k, [or] 9-453o or sections 1 to 7,
250 inclusive, of this act, or (B) two thousand dollars per offense or twice
251 the amount of any improper payment or contribution, whichever is
252 greater, against any person the commission finds to be in violation of
253 any provision of chapter 150. The commission may levy a civil penalty
254 against any person under subparagraph (A) or (B) of this subdivision
255 only after giving the person an opportunity to be heard at a hearing
256 conducted in accordance with sections 4-176e to 4-184, inclusive. In the
257 case of failure to pay any such penalty levied pursuant to this
258 subsection within thirty days of written notice sent by certified or
259 registered mail to such person, the superior court for the judicial
260 district of Hartford, on application of the commission, may issue an
261 order requiring such person to pay the penalty imposed and such
262 court costs, sheriff's fees and attorney's fees incurred by the
263 commission as the court may determine. Any such civil penalty
264 imposed for a violation of sections 1 to 7, inclusive, of this act shall be
265 deposited in the Fair Elections Fund established in section 3 of this act.

266 Sec. 9. Subsection (a) of section 9-333y of the general statutes is
267 repealed and the following is substituted in lieu thereof:

268 (a) Any person who knowingly and wilfully violates any provision
269 of this chapter or sections 1 to 7, inclusive, of this act shall be fined not
270 more than five thousand dollars or imprisoned not more than five

271 years or both. The Secretary of the State or the town clerk shall notify
272 the State Elections Enforcement Commission of any such violation of
273 which said secretary or such town clerk may have knowledge. Any
274 fine for a violation of said sections 1 to 7, inclusive, shall be deposited
275 in the Fair Elections Fund established in section 3 of this act.

276 Sec. 10. This act shall take effect July 1, 2000, and section 4 shall be
277 applicable to taxable years commencing on or after January 1, 2000.

Statement of Purpose:

To establish statutory spending caps for general election campaigns for state-wide and legislative offices, provide for public financing of state-wide general election campaigns and prohibit state-wide and legislative candidates from conducting campaign fundraising for themselves and other candidates from anyone conducting state business with the office to which the candidate is seeking election or reelection.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]