



House of Representatives

General Assembly

File No. 466

January Session, 2003

Substitute House Bill No. 6653

House of Representatives, April 22, 2003

The Committee on Government Administration and Elections reported through REP. O'ROURKE of the 32nd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT PROPOSING COMPREHENSIVE CAMPAIGN FINANCE REFORM FOR STATE-WIDE CONSTITUTIONAL OFFICES AND THE GENERAL ASSEMBLY.

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

1 Section 1. (NEW) (*Effective July 1, 2003, and applicable to convention,*
2 *primary and general election campaigns for elections in 2006, and thereafter*)
3 As used in sections 1 to 4, inclusive, 6 to 24, inclusive, and 38 and 39 of
4 this act:

5 (1) "Commission" means the State Elections Enforcement
6 Commission.

7 (2) "Convention" means "convention", as defined in section 9-372 of
8 the general statutes.

9 (3) "Depository account" means the single checking account at the
10 depository institution designated as the depository for the candidate

11 committee's moneys in accordance with the provisions of subsection
12 (a) of section 9-333f of the general statutes.

13 (4) "Elector" means any person possessing the qualifications
14 prescribed by the constitution and duly admitted to, and entitled to
15 exercise, the privileges of an elector in a town.

16 (5) "Fund" means the Citizens' Election Fund established in section 2
17 of this act.

18 (6) "Lobbyist" has the same meaning as "lobbyist", as defined in
19 section 1-91 of the general statutes.

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

22 (8) "Minor party" means "minor party" as defined in section 9-372 of
23 the general statutes.

24 (9) "Permitted expenditure amount" means the aggregate of (A) the
25 amount of qualifying contributions permitted in section 9 of this act,
26 (B) the applicable amount of contributions that a candidate committee
27 receives from party committees in accordance with the provisions of
28 section 9-333s of the general statutes, as amended by this act, and (C)
29 the amount of grants that a candidate committee receives from the
30 Citizens' Election Fund.

31 (10) "Qualified candidate committee" means a candidate committee
32 (A) established to aid or promote the success of any candidate for
33 nomination or election on or after January 1, 2006, to a state office, and
34 (B) which is approved by the commission to receive a grant from the
35 Citizens' Election Fund under section 12 of this act.

36 (11) "State office" means the office of Governor, Lieutenant
37 Governor, Attorney General, State Comptroller, State Treasurer or
38 Secretary of the State.

39 (12) "State office election" means the election for state offices held on

40 the first Tuesday after the first Monday in November in every fourth
41 year in accordance with the provisions of the Constitution of
42 Connecticut.

43 (13) "Associated business" has the same meaning as "business with
44 which he is associated", as defined in section 9-333a, of the general
45 statutes, as amended.

46 Sec. 2. (NEW) (*Effective July 1, 2003, and applicable to convention,*
47 *primary and general election campaigns for elections in 2006, and thereafter*)
48 There is established, within the General Fund, a separate, nonlapsing
49 account to be known as the "Citizens' Election Fund". The fund may
50 contain any moneys required by law to be deposited in the fund.
51 Investment earnings credited to the assets of the fund shall become
52 part of the assets of the fund. All moneys deposited in the fund shall
53 be used for the purposes of sections 1 to 4, inclusive, 6 to 24, inclusive,
54 and 38 and 39 of this act. The State Elections Enforcement Commission
55 may deduct and retain from the moneys in the fund an amount equal
56 to the costs incurred by the commission in administering the
57 provisions of said sections 1 to 4, inclusive, 6 to 24, inclusive, and 38
58 and 39, provided said amount shall not exceed three per cent of the
59 moneys deposited in the fund in any fiscal year. Any portion of said
60 three per cent allocation which exceeds said costs incurred by the
61 commission in any fiscal year shall continue to be available for any
62 said costs incurred by the commission in subsequent fiscal years.

63 Sec. 3. (NEW) (*Effective July 1, 2003, and applicable to taxable years*
64 *commencing on or after January 1, 2003*) (a) (1) Any taxpayer filing a
65 return under chapter 229 of the general statutes for taxable years
66 commencing on or after January 1, 2003, may contribute all or part of a
67 refund under said chapter 229 to the Citizens' Election Fund
68 established in section 2 of this act, by indicating on the tax return the
69 amount to be contributed to the fund. Subject to the limit set forth in
70 subdivision (4) of this subsection, the maximum amount of any such
71 contribution shall be five thousand dollars per calendar year, except
72 that, in the case of a husband and wife filing a joint tax return, the

73 maximum amount of any such contribution shall be ten thousand
74 dollars per calendar year.

75 (2) Any taxpayer filing a return under chapter 229 of the general
76 statutes for taxable years commencing on or after January 1, 2003,
77 whose income tax liability for the taxable year, before applying any
78 credit under section 12-704c of the general statutes, is five dollars or
79 more, may designate that five dollars of such tax liability shall be paid
80 over to the fund by so indicating on the tax return. In the case of a
81 husband and wife filing a joint return with an income tax liability of
82 ten dollars or more, each spouse may designate that five dollars of
83 such tax liability shall be paid over to the fund by so indicating on the
84 tax return. Any designation made pursuant to this subdivision shall
85 not increase the taxpayer's income tax liability.

86 (3) Any taxpayer filing a return under chapter 229 of the general
87 statutes may contribute an additional amount to the Citizens' Election
88 Fund established in section 2 of this act, by indicating on the tax return
89 the amount to be contributed to the fund. Subject to the limit set forth
90 in subdivision (4) of this subsection, the maximum amount of any such
91 contribution shall be five thousand dollars per calendar year, except
92 that, in the case of a husband and wife filing a joint tax return, the
93 maximum amount of any such contribution shall be ten thousand
94 dollars per calendar year. Any contribution made pursuant to this
95 subdivision shall be in addition to the amount of tax reported to be
96 due on such return and shall be paid at the same time as the tax due on
97 such return is paid and in the manner prescribed by the Commissioner
98 of Revenue Services.

99 (4) The total combined contributions that a taxpayer may make
100 under subdivisions (1) and (3) of this subsection shall be five thousand
101 dollars per calendar year, except that, in the case of a husband and
102 wife filing a joint tax return, the total combined contributions that such
103 husband and wife may make under subdivisions (1) and (3) of this
104 subsection shall be ten thousand dollars per calendar year.

105 (b) A contribution or designation made pursuant to this section shall

106 be irrevocable upon the filing of the return. A taxpayer making a
107 contribution or designation pursuant to this subsection shall so
108 indicate on the tax return in a manner provided for by the
109 Commissioner of Revenue Services pursuant to subsection (c) of this
110 section.

111 (c) The Commissioner of Revenue Services shall revise the income
112 tax return form to implement the provisions of subsection (a) of this
113 section. Such form shall include (1) a space on the return in which
114 taxpayers may indicate their intention to make a contribution or
115 designation in accordance with this section, and (2) instructions for
116 payment of any contribution under subdivision (3) of subsection (a) of
117 this section. The commissioner shall include in the instructions
118 accompanying the tax return a description of the purposes for which
119 the Citizens' Election Fund was established.

120 (d) A contribution of all or part of a refund shall be made in the full
121 amount indicated if the refund found due the taxpayer upon the initial
122 processing of the return, and after any deductions required by chapter
123 229 of the general statutes, is greater than or equal to the indicated
124 contribution. If the refund due, as determined upon initial processing,
125 and after any deductions required by said chapter 229, is less than the
126 indicated contribution, the contribution shall be made in the full
127 amount of the refund. The Commissioner of Revenue Services shall
128 subtract the amount of any contribution of all or part of a refund from
129 the amount of the refund initially found due the taxpayer and shall
130 certify (1) the amount of the refund initially found due the taxpayer,
131 (2) the amount of any such contribution, and (3) the amount of the
132 difference to the Secretary of the Office of Policy and Management and
133 the State Treasurer for payment to the taxpayer in accordance with
134 said chapter 229. For the purposes of any subsequent determination of
135 the taxpayer's net tax payment, such contribution shall be considered a
136 part of the refund paid to the taxpayer.

137 (e) The Commissioner of Revenue Services, after notification of and
138 approval by the Secretary of the Office of Policy and Management,

139 may deduct and retain from the moneys collected under subsections
140 (a) to (d), inclusive, of this section an amount equal to the costs of
141 administering this section, but not to exceed four per cent of such
142 moneys collected in any fiscal year. The Commissioner of Revenue
143 Services shall deposit the remaining moneys collected in the Citizens'
144 Election Fund.

145 (f) An amount equal to the amount contributed by a taxpayer under
146 subdivisions (1) and (3) of subsection (a) of this section with respect to
147 the preceding taxable year of the taxpayer shall be subtracted from the
148 adjusted gross income of the taxpayer for the purposes of determining
149 the Connecticut adjusted gross income of the taxpayer in section 12-
150 701 of the general statutes, as amended.

151 Sec. 4. (NEW) (*Effective July 1, 2003, and applicable to taxable years*
152 *commencing on or after January 1, 2003*) (a) (1) Any taxpayer filing a
153 return under chapter 208 of the general statutes for taxable years
154 commencing on or after January 1, 2003, may contribute all or part of a
155 refund under said chapter 208 to the Citizens' Election Fund
156 established in section 2 of this act, by indicating on the tax return the
157 amount to be contributed to the fund. Subject to the limit set forth in
158 subdivision (4) of this subsection, the maximum amount of any such
159 contribution shall be ten thousand dollars per calendar year.

160 (2) Any taxpayer filing a return under chapter 208 of the general
161 statutes for taxable years commencing on or after January 1, 2003,
162 whose income tax liability for the taxable year, before applying any
163 credits under chapter 208 of the general statutes, is five dollars or
164 more, may designate that two hundred dollars of such tax liability or,
165 if such tax liability is less than two hundred dollars, the full amount of
166 such tax liability, shall be paid over to the Citizens' Election Fund
167 established in section 2 of this act, by so indicating on the tax return.
168 Any designation made pursuant to this subdivision shall not increase
169 the taxpayer's income tax liability.

170 (3) Any taxpayer filing a return under chapter 208 of the general
171 statutes may contribute an additional amount to the Citizens' Election

172 Fund established in section 2 of this act, by indicating on the tax return
173 the amount to be contributed to the fund. Subject to the limit set forth
174 in subdivision (4) of this subsection, the maximum amount of any such
175 contribution shall be ten thousand dollars per calendar year. Any
176 contribution made pursuant to this subdivision shall be in addition to
177 the amount of tax reported to be due on such return and shall be paid
178 at the same time as the tax due on such return is paid and in the
179 manner prescribed by the Commissioner of Revenue Services.

180 (4) The total combined contributions that a taxpayer may make
181 under subdivisions (1) and (3) of this subsection shall be ten thousand
182 dollars per calendar year.

183 (b) A contribution or designation made pursuant to this section shall
184 be irrevocable upon the filing of the return. A taxpayer making a
185 contribution or designation pursuant to this subsection shall so
186 indicate on the tax return in a manner provided for by the
187 Commissioner of Revenue Services pursuant to subsection (c) of this
188 section.

189 (c) The Commissioner of Revenue Services shall revise the income
190 tax return form to implement the provisions of subsection (a) of this
191 section. Such form shall include (1) a space on the return in which
192 taxpayers may indicate their intention to make a contribution or
193 designation in accordance with this section, and (2) instructions for
194 payment of any contribution under subdivision (3) of subsection (a) of
195 this section. The commissioner shall include in the instructions
196 accompanying the tax return a description of the purposes for which
197 the Citizens' Election Fund was established.

198 (d) A contribution of all or part of a refund shall be made in the full
199 amount indicated if the refund found due the taxpayer upon the initial
200 processing of the return, and after any deductions required by chapter
201 208 of the general statutes, is greater than or equal to the indicated
202 contribution. If the refund due, as determined upon initial processing
203 and after any deductions required by said chapter 208, is less than the
204 indicated contribution, the contribution shall be made in the full

205 amount of the refund. The Commissioner of Revenue Services shall
206 subtract the amount of any contribution of all or part of a refund from
207 the amount of the refund initially found due the taxpayer and shall
208 certify (1) the amount of the refund initially due the taxpayer, (2) the
209 amount of any such contribution, and (3) the amount of the difference
210 to the Secretary of the Office of Policy and Management and the State
211 Treasurer for payment to the taxpayer in accordance with said chapter
212 208. For the purposes of any subsequent determination of the
213 taxpayer's net tax payment, such contribution shall be considered a
214 part of the refund paid to the taxpayer.

215 (e) The Commissioner of Revenue Services, after notification of and
216 approval by the Secretary of the Office of Policy and Management,
217 may deduct and retain from the moneys collected under subsections
218 (a) to (d), inclusive, of this section an amount equal to the costs of
219 administering this section, but not to exceed four per cent of such
220 moneys collected in any fiscal year. The Commissioner of Revenue
221 Services shall deposit the remaining moneys collected in the Citizens'
222 Election Fund.

223 (f) An amount equal to the amount contributed by a taxpayer under
224 subdivisions (1) and (3) of subsection (a) of this section with respect to
225 the preceding taxable year of the taxpayer shall be deducted from the
226 gross income of the taxpayer in arriving at net income as defined in
227 section 12-213 of the general statutes.

228 Sec. 5. Subsection (e) of section 9-333j of the general statutes is
229 repealed and the following is substituted in lieu thereof (*Effective July*
230 *1, 2003, and applicable to convention, primary and general election*
231 *campaigns for elections in 2006, and thereafter*):

232 (e) (1) Notwithstanding any provisions of this chapter to the
233 contrary, in the event of a surplus the campaign treasurer of a
234 candidate committee or of a political committee, other than a political
235 committee formed for ongoing political activities or an exploratory
236 committee shall distribute or expend such surplus [within] not later
237 than ninety days after a primary which results in the defeat of the

238 candidate, an election or referendum, in the following manner:

239 (A) Such committees may distribute their surplus to a party
240 committee, or a political committee organized for ongoing political
241 activities, return such surplus to all contributors to the committee on a
242 prorated basis of contribution, distribute all or any part of such surplus
243 to the Citizens' Election Fund established in section 2 of this act or
244 distribute such surplus to any charitable organization which is a tax-
245 exempt organization under Section 501(c)(3) of the Internal Revenue
246 Code of 1986, or any subsequent corresponding internal revenue code
247 of the United States, as from time to time amended, provided (i) no
248 candidate committee may distribute such surplus to a committee
249 which has been established to finance future political campaigns of the
250 candidate, (ii) a candidate committee which received moneys from the
251 Citizens' Election Fund shall distribute such surplus to such fund, and
252 (iii) a candidate committee formed to aid or promote the success of a
253 candidate for nomination or election to the office of Lieutenant
254 Governor, the candidate of which campaigns jointly with a candidate
255 for nomination or election to the office of Governor shall distribute
256 such surplus in accordance with the provisions of section 15 of this act;

257 (B) Each such political committee established by an organization
258 which received its funds from the organization's treasury shall return
259 its surplus to its sponsoring organization;

260 (C) (i) Each political committee formed solely to aid or promote the
261 success or defeat of any referendum question, which does not receive
262 contributions from a business entity or an organization, shall distribute
263 its surplus to a party committee, to a political committee organized for
264 ongoing political activities, to a national committee of a political party,
265 to all contributors to the committee on a prorated basis of contribution,
266 to state or municipal governments or agencies or to any organization
267 which is a tax-exempt organization under Section 501(c)(3) of the
268 Internal Revenue Code of 1986, or any subsequent corresponding
269 internal revenue code of the United States, as from time to time
270 amended. [(ii) each] (ii) Each political committee formed solely to aid

271 or promote the success or defeat of any referendum question, which
272 receives contributions from a business entity or an organization, shall
273 distribute its surplus to all contributors to the committee on a prorated
274 basis of contribution, to state or municipal governments or agencies, or
275 to any organization which is tax-exempt under said provisions of the
276 Internal Revenue Code;

277 (D) The campaign treasurer of the candidate committee of a
278 candidate who is elected to office may, upon the authorization of such
279 candidate, expend surplus campaign funds to pay for the cost of
280 clerical, secretarial or other office expenses necessarily incurred by
281 such candidate in preparation for taking office; except such surplus
282 shall not be distributed for the personal benefit of any individual or to
283 any organization; and

284 (E) The campaign treasurer of a candidate committee, or of a
285 political committee, other than a political committee formed for
286 ongoing political activities or an exploratory committee, shall, prior to
287 the dissolution of such committee, either (i) distribute any equipment
288 purchased, including but not limited to computer equipment, to any
289 recipient as set forth in subparagraph (A) of this subdivision, or (ii) sell
290 any equipment purchased, including but not limited to computer
291 equipment, to any person for fair market value and then distribute the
292 proceeds of such sale to any recipient as set forth in said subparagraph
293 (A).

294 (2) Notwithstanding any provisions of this chapter to the contrary,
295 the campaign treasurer of the candidate committee of a candidate who
296 has withdrawn from a primary or election may, prior to the primary or
297 election, distribute its surplus to any organization which is tax-exempt
298 under Section 501(c)(3) of the Internal Revenue Code of 1986, or any
299 subsequent corresponding internal revenue code of the United States,
300 as from time to time amended, or return such surplus to all
301 contributors to the committee on a prorated basis of contribution.

302 (3) [Within] Not later than seven days after such distribution or
303 [within] not later than seven days after all funds have been expended

304 in accordance with subparagraph (D) of subdivision (1) of this
305 subsection, the campaign treasurer shall file a supplemental statement,
306 sworn under penalty of false statement, with the proper authority,
307 identifying all further contributions received since the previous
308 statement and explaining how any surplus has been distributed or
309 expended in accordance with this section. No surplus may be
310 distributed or expended until after the election, primary or
311 referendum.

312 (4) In the event of a deficit the campaign treasurer shall file a
313 supplemental statement ninety days after the election, primary or
314 referendum with the proper authority and, thereafter, on the seventh
315 day of each month following if on the last day of the previous month
316 there was an increase or decrease in the deficit in excess of five
317 hundred dollars from that reported on the last statement filed. The
318 campaign treasurer shall file such supplemental statements as required
319 until the deficit is eliminated. If any such committee does not have a
320 surplus or a deficit, the statement required to be filed [within] not later
321 than forty-five days following any election or referendum or [within]
322 not later than thirty days following any primary shall be the last
323 required statement.

324 Sec. 6. (NEW) (*Effective July 1, 2003, and applicable to convention,*
325 *primary and general election campaigns for elections in 2006, and thereafter*)
326 (a) All payments of civil penalties or late fees imposed by the State
327 Elections Enforcement Commission or the Secretary of the State under
328 title 9 of the general statutes or the state ethics commission under
329 chapter 10 of the general statutes, which are received after the effective
330 date of this section, shall be immediately transmitted to the State
331 Treasurer for deposit in the Citizens' Election Fund established in
332 section 2 of this act.

333 (b) Any person, business entity, organization, party committee or
334 political committee, as defined in section 9-333a of the general statutes,
335 as amended, may contribute to the Citizens' Election Fund. Any such
336 contribution shall be made by check or money order. The commission

337 shall immediately transmit all contributions received pursuant to this
338 section to the State Treasurer for deposit in the Citizens' Election Fund.

339 Sec. 7. (NEW) (*Effective July 1, 2003, and applicable to convention,*
340 *primary and general election campaigns for elections in 2006, and thereafter*)

341 (a) As used in this section:

342 (1) "Beverage" means beer or other malt beverages and mineral
343 waters, soda water and similar carbonated soft drinks in liquid form
344 and intended for human consumption;

345 (2) "Beverage container" means the individual, separate, sealed
346 glass, metal or plastic bottle, can, jar or carton containing a beverage;

347 (3) "Consumer" means every person who purchases a beverage in a
348 beverage container for use or consumption;

349 (4) "Dealer" means every person who engages in the sale of
350 beverages in beverage containers to a consumer;

351 (5) "Distributor" means every person who engages in the sale of
352 beverages in beverage containers to a dealer in this state including any
353 manufacturer who engages in such sale and includes a dealer who
354 engages in the sale of beverages in beverage containers on which no
355 deposit has been collected prior to retail sale;

356 (6) "Manufacturer" means every person bottling, canning or
357 otherwise filling beverage containers for sale to distributors or dealers;

358 (7) "Use or consumption" includes the exercise of any right or power
359 over a beverage incident to the ownership thereof, other than the sale
360 or the keeping or retention of a beverage for the purposes of sale; and

361 (8) "Deposit initiator" means the first distributor who is not a
362 manufacturer to sell a beverage container in this state or a
363 manufacturer who sells a beverage container to a person who sells a
364 beverage container.

365 (b) Each deposit initiator shall open a special interest-bearing

366 account with a national bank, state bank and trust company or
367 federally chartered savings bank or state or federally chartered savings
368 and loan association to the credit of the deposit initiator. Each deposit
369 initiator shall invest in such account an amount equal to the refund
370 value established pursuant to subsection (a) of section 22a-244 of the
371 general statutes for each beverage container sold by such deposit
372 initiator. Such investment shall be made not more than three days after
373 the date such beverage container was sold. All interest, dividends and
374 returns earned on the special account shall be paid directly into such
375 account. Such moneys shall be kept separate and apart from all other
376 moneys in the possession of the deposit initiator.

377 (c) Any reimbursement of the refund value for a redeemed beverage
378 container shall be paid from the deposit initiator's special account in
379 the manner prescribed in the accounting system established by the
380 Commissioner of Revenue Services.

381 (d) Each deposit initiator shall submit a report on October 31, 2003,
382 for the immediately preceding calendar quarter and one month after
383 the close of each calendar quarter thereafter, to the Commissioner of
384 Revenue Services, on a form prescribed by the commissioner and with
385 such information the commissioner deems necessary, including, but
386 not limited to: (1) The balance in the special account at the beginning of
387 the quarter for which the report is prepared; (2) a list of all deposits
388 credited to such account during such quarter, including all refund
389 values paid to the deposit initiator and all interest, dividends or
390 returns received on the account; (3) a list of all withdrawals from such
391 account during such quarter, all service charges and overdraft charges
392 on the account and all payments made pursuant to subsection (e) of
393 this section; and (4) the balance in the account at the close of the
394 quarter for which the report is prepared.

395 (e) The balance outstanding in the special account shall be paid by
396 the deposit initiator one month after the close of the calendar quarter
397 to the Commissioner of Revenue Services for deposit in the Citizens'
398 Election Fund established in section 2 of this act. If the amount of the

399 required payment pursuant to this subsection is not paid within seven
400 days after it is due, a penalty of ten per cent of the amount due shall be
401 added to the amount due and an additional five per cent penalty shall
402 be added for each day thereafter that such payment is not submitted.
403 Such penalties shall not be paid from funds maintained in the special
404 account.

405 (f) If moneys deposited in the special account are insufficient to pay
406 for withdrawals authorized pursuant to subsection (c) of this section,
407 such deficiency shall be added, with interest, to the succeeding
408 payment due pursuant to subsection (e) of this section.

409 (g) The State Treasurer may, independently or upon request of the
410 Commissioner of Revenue Services, examine the accounts and records
411 of any deposit initiator referring to accounts and records maintained
412 under sections 22a-243 to 22a-245, inclusive, of the general statutes,
413 including receipts, disbursements and such other items as the State
414 Treasurer deems appropriate. The State Treasurer may assess a
415 surcharge in the amount of ten per cent per annum for any audit
416 adjustments to accounts or records maintained under said sections
417 22a-243 to 22a-245, inclusive, and this section, during any fiscal year,
418 and ten per cent per annum, together with interest, for any
419 underpayment of the payment established by subsection (e) of this
420 section. Such penalties shall not be paid from funds maintained in the
421 special account.

422 (h) The Attorney General may, independently or upon complaint of
423 the Commissioner of Revenue Services, institute any appropriate
424 action or proceeding to enforce any provision of this section or any
425 regulation adopted pursuant to section 22a-245 of the general statutes
426 to implement the provisions of this section.

427 Sec. 8. (NEW) (*Effective July 1, 2003, and applicable to convention,*
428 *primary and general election campaigns for elections in 2006, and thereafter*)
429 There is established a Citizens' Election Program under which the
430 candidate committee of a candidate for nomination or election to a
431 state office may receive grants from the Citizens' Election Fund for the

432 candidate's campaign for such office. Any such candidate is eligible to
433 receive such grants if (1) the candidate's candidate committee receives
434 the required amount of qualifying contributions described in section 9
435 of this act, (2) the candidate's candidate committee returns all
436 contributions that are not qualifying contributions as described in
437 section 9 of this act, (3) the candidate's exploratory committee, if any,
438 returns all contributions that do not meet the criteria for qualifying
439 contributions to a candidate committee as described in section 9 of this
440 act, (4) the candidate agrees to limit campaign expenditures to not
441 more than the aggregate of (A) the amount of qualifying contributions
442 permitted in section 9 of this act, (B) the applicable amount of
443 contributions that the candidate committee receives from party
444 committees in accordance with the provisions of section 9-333s of the
445 general statutes, as amended by this act, and (C) the amount of such
446 grant or grants, and (5) the candidate complies with the requirements
447 of section 12 of this act.

448 Sec. 9. (NEW) (*Effective July 1, 2003, and applicable to convention,*
449 *primary and general election campaigns for elections in 2006, and thereafter*)
450 (a) The amount of qualifying contributions which the candidate
451 committee of a candidate needs to receive in order to be eligible for
452 grants from the Citizens' Election Fund shall be:

453 (1) In the case of a candidate for nomination or election to the office
454 of Governor, contributions from individuals in the aggregate amount
455 of five hundred thousand dollars, of which four hundred fifty
456 thousand dollars or more is contributed by individuals residing in the
457 state, provided (A) the candidate committee shall return the portion of
458 any contribution or contributions from an individual other than such
459 candidate that exceeds two hundred fifty dollars, and such excess
460 portion shall not be considered in calculating such amounts, and (B) all
461 contributions received by an exploratory committee that meet the
462 criteria for qualifying contributions to candidate committees under this
463 section shall be considered in calculating such amounts; and

464 (2) In the case of a candidate for nomination or election to the office

465 of Lieutenant Governor, Attorney General, State Comptroller, State
466 Treasurer or Secretary of the State, contributions from individuals in
467 the aggregate amount of seventy-five thousand dollars, of which sixty-
468 seven thousand five hundred dollars or more is contributed by
469 individuals residing in the state, provided (A) the candidate committee
470 shall return the portion of any contribution or contributions from an
471 individual other than such candidate that exceeds one hundred fifty
472 dollars, and such excess portion shall not be considered in calculating
473 such amounts, and (B) all contributions received by an exploratory
474 committee that meet the criteria for qualifying contributions to
475 candidate committees under this section shall be considered in
476 calculating such amounts.

477 (b) Each individual who makes a contribution to a candidate
478 committee established to aid or promote the success of a participating
479 candidate for nomination or election to a state office shall include with
480 the contribution a certification that (1) neither the individual nor the
481 individual's spouse is a lobbyist, and (2) neither the individual, the
482 individual's spouse nor an associated business of the individual or the
483 individual's spouse has a contract with the state. A contribution from
484 (A) a lobbyist or the spouse of a lobbyist, or (B) an individual who has
485 a contract with the state, said individual's spouse or an individual
486 whose associated business or spouse's associated business has a
487 contract with the state shall not be deemed to be a qualifying
488 contribution under subsection (a) of this section and shall be returned
489 by the candidate committee.

490 (c) Each individual who makes a contribution to a candidate
491 committee established to aid or promote the success of a participating
492 candidate for nomination or election to a state office shall include the
493 individual's name and address with the contribution. A contribution
494 (1) from an individual that does not include such information, or (2)
495 from an individual who does not reside in the state, in excess of the
496 applicable limit on contributions from nonresidents in subsection (a) of
497 this section, shall not be deemed to be a qualifying contribution under
498 said subsection (a) and shall be returned by the candidate committee.

499 Sec. 10. (NEW) (*Effective July 1, 2003, and applicable to convention,*
500 *primary and general election campaigns for elections in 2006, and thereafter*)
501 (a) Except as provided in sections 17 and 18 of this act, the total
502 amount of grants from the Citizens' Election Fund which a qualified
503 candidate committee of a candidate for the office of Governor shall be
504 eligible to receive for the entire campaign for nomination and election
505 to such office shall be three million three hundred twenty-five
506 thousand dollars.

507 (b) The qualified candidate committee of a major party or minor
508 party candidate for the office of Governor, who does not have a
509 primary for nomination to such office, shall be eligible to receive a
510 grant for each portion of the campaign in the following percentage
511 amounts of the total amount in subsection (a) of this section: (1)
512 Selection and support of delegates to a convention, twenty per cent; (2)
513 convention vote, five per cent; and (3) general election, seventy-five
514 per cent.

515 (c) The qualified candidate committee of a major party or minor
516 party candidate for the office of Governor, who has a primary for
517 nomination to such office, shall be eligible to receive a grant for each
518 portion of the campaign in the following percentage amounts of the
519 total amount in subsection (a) of this section: (1) Selection and support
520 of delegates to a convention, twenty per cent; (2) convention vote, five
521 per cent; (3) primary for nomination, twenty-five per cent; and (4)
522 general election, fifty per cent. In addition, such candidate shall receive
523 a supplemental grant for the general election campaign equal to ten
524 per cent of the total amount in subsection (a) of this section.

525 (d) The qualified candidate committee of a petitioning party
526 candidate for the office of Governor shall be eligible to receive a grant
527 for each portion of the campaign in the following percentage amounts
528 of the total amount in subsection (a) of this section: (1) Petitioning for
529 ballot access, thirty-five per cent; and (2) general election, sixty-five per
530 cent.

531 (e) Not later than January 15, 2007, and annually thereafter, the

532 commission shall compute an increase in the monetary amount under
533 subsection (a) of this section. The percentage of such increase shall
534 equal the percentage increase in the average of the bulk mail rates of
535 the United States Postal Service during the preceding calendar year.

536 Sec. 11. (NEW) (*Effective July 1, 2003, and applicable to convention,*
537 *primary and general election campaigns for elections in 2006, and thereafter*)

538 (a) The total amount of grants from the Citizens' Election Fund which a
539 qualified candidate committee of a candidate for the office of Attorney
540 General, State Comptroller, State Treasurer or Secretary of the State
541 shall be eligible to receive for the entire campaign for nomination and
542 election to such office shall be four hundred eighteen thousand dollars.

543 (b) The qualified candidate committee of a major party or minor
544 party candidate for the office of Attorney General, State Comptroller,
545 State Treasurer or Secretary of the State, who does not have a primary
546 for nomination to such office, shall be eligible to receive a grant for
547 each portion of the campaign in the following percentage amounts of
548 the total amount in subsection (a) of this section: (1) Selection and
549 support of delegates to a convention, twenty per cent; (2) convention
550 vote, five per cent; and (3) general election, seventy-five per cent.

551 (c) The qualified candidate committee of a major party or minor
552 party candidate for the office of Attorney General, State Comptroller,
553 State Treasurer or Secretary of the State, who has a primary for
554 nomination to such office, shall be eligible to receive a grant for each
555 portion of the campaign in the following percentage amounts of the
556 total amount in subsection (a) of this section: (1) Selection and support
557 of delegates to a convention, twenty per cent; (2) convention vote, five
558 per cent; (3) primary for nomination, twenty-five per cent; and (4)
559 general election, fifty per cent. In addition, such candidate shall receive
560 a supplemental grant for the general election campaign equal to ten
561 per cent of the total amount in subsection (a) of this section.

562 (d) The qualified candidate committee of a petitioning party
563 candidate for the office of Attorney General, State Comptroller, State
564 Treasurer or Secretary of the State shall be eligible to receive a grant for

565 each portion of the campaign in the following percentage amounts of
566 the total amount in subsection (a) of this section: (1) Petitioning for
567 ballot access, thirty-five per cent; and (2) general election, sixty-five per
568 cent.

569 (e) The qualified candidate committee of a candidate for the office of
570 Lieutenant Governor shall be eligible to receive grants from the
571 Citizens' Election Fund for the selection and support of delegates to a
572 convention, convention vote, primary for nomination and petitioning
573 for ballot access, in the same amounts as the grants for such campaigns
574 for qualified candidate committees of candidates for the offices of
575 Attorney General, State Comptroller, State Treasurer and Secretary of
576 the State. The qualified candidate committee of a candidate for the
577 office of Lieutenant Governor shall not receive a grant for the general
578 election campaign.

579 (f) Not later than January 15, 2007, and annually thereafter, the
580 commission shall compute an increase in the monetary amount under
581 subsection (a) of this section. The percentage of such increase shall
582 equal the percentage increase in the average of the bulk mail rates of
583 the United States Postal Service during the preceding calendar year.

584 Sec. 12. (NEW) *(Effective July 1, 2003, and applicable to convention,*
585 *primary and general election campaigns for elections in 2006, and thereafter)*

586 (a) A candidate whose candidate committee has not received moneys
587 from the Citizens' Election Fund may apply to the State Elections
588 Enforcement Commission for moneys from the fund for one of the
589 following campaigns, during the applicable period: (1) A campaign for
590 the selection and support of delegates to a convention, after January
591 first in the year in which the election is being held for the office that the
592 candidate is seeking; (2) a petitioning campaign for ballot access, after
593 January first in the year in which the election is being held for the
594 office that the candidate is seeking; (3) a campaign for the convention
595 vote, the sixty-day period before the scheduled convening of the
596 convention; (4) a primary campaign, after the close of the state
597 convention of the candidate's party that is called for the purpose of

598 choosing candidates for nomination for the office that the candidate is
599 seeking, if said party endorses the candidate for the office that the
600 candidate is seeking or the candidate receives at least fifteen per cent
601 of the votes of the convention delegates present and voting on any roll-
602 call vote taken on the endorsement or proposed endorsement of a
603 candidate for the office the candidate is seeking; or (5) a general
604 election campaign, (A) after the close of the state convention of the
605 candidate's party that is called for the purpose of choosing candidates
606 for nomination for the office that the candidate is seeking, if (i) said
607 party endorses said candidate for the office that the candidate is
608 seeking and no other candidate of said party either receives at least
609 fifteen per cent of the votes of the convention delegates present and
610 voting on any roll-call vote taken on the endorsement or proposed
611 endorsement of a candidate for said office or files a certificate of
612 candidacy with the Secretary of the State in accordance with the
613 provisions of section 9-400 of the general statutes, or (ii) the candidate
614 receives at least fifteen per cent of the votes of the convention delegates
615 present and voting on any roll-call vote taken on the endorsement or
616 proposed endorsement of a candidate for the office the candidate is
617 seeking and no other candidate for such office at such convention
618 either receives the party endorsement or said percentage of said votes
619 for said endorsement or files a certificate of endorsement with the
620 Secretary of the State in accordance with the provisions of section 9-388
621 of the general statutes or a certificate of candidacy with the Secretary
622 of the State in accordance with the provisions of section 9-400 of the
623 general statutes, (B) after any primary held by such party for
624 nomination for such office, if the Secretary of the State declares that the
625 candidate is the party nominee in accordance with the provisions of
626 section 9-440 of the general statutes, or (C) in the case of a petitioning
627 party candidate, after approval by the Secretary of the State of such
628 candidate's nominating petition pursuant to subsection (c) of section 9-
629 453o of the general statutes.

630 (b) The application shall include a written certification that:

631 (1) The candidate committee has received the required amount of

632 qualifying contributions;

633 (2) The candidate committee has repaid all moneys borrowed on
634 behalf of the campaign, as required by subsection (b) of section 16 of
635 this act;

636 (3) The candidate committee has returned the portion of any
637 contribution or contributions from an individual that exceeds (A) two
638 hundred fifty dollars, if the candidate committee is established to aid
639 or promote the success of a candidate for nomination or election to the
640 office of Governor, or (B) one hundred fifty dollars, if the candidate
641 committee is established to aid or promote the success of a candidate
642 for nomination or election to the office of Lieutenant Governor,
643 Attorney General, State Comptroller, State Treasurer or Secretary of
644 the State;

645 (4) The candidate committee has returned all contributions which
646 make the committee's aggregate amount of contributions received total
647 more than the amount of qualifying contributions;

648 (5) The candidate committee has returned any contribution received
649 from (A) a lobbyist or the spouse of a lobbyist, (B) an individual who
650 has a contract with the state, said individual's spouse, or an individual
651 whose associated business or spouse's associated business has a
652 contract with the state, or (C) a political committee;

653 (6) The candidate committee has returned any contribution from an
654 individual who (A) does not include the individual's name and
655 address with the contribution, or (B) does not reside in the state, if said
656 contribution is in excess of the applicable limit on contributions from
657 nonresidents in subsection (a) of section 9 of this act;

658 (7) The candidate's exploratory committee, if any, has returned all
659 contributions that do not meet the criteria for qualifying contributions
660 to a candidate committee as described in section 9 of this act;

661 (8) The candidate committee shall refuse to accept any additional
662 contributions, except for contributions from party committees in

663 accordance with the provisions of section 9-333s of the general statutes,
664 as amended by this act;

665 (9) The campaign treasurer of the candidate committee shall comply
666 with the provisions of sections 1 to 4, inclusive, 6 to 22, inclusive, and
667 38 and 39 of this act;

668 (10) All moneys received from the fund shall be deposited upon
669 receipt into the depository account of the candidate committee;

670 (11) The campaign treasurer of the candidate committee shall
671 expend all moneys received from the fund in accordance with the
672 provisions of subsection (g) of section 9-333i of the general statutes;

673 (12) All individuals making qualifying contributions to the
674 candidate committee of the candidate have made the certifications
675 required in subsection (b) of section 9 of this act and the candidate has
676 no knowledge that any such certification is false;

677 (13) The campaign treasurer of the candidate committee of the
678 candidate has, and will continue to, file in electronic form all financial
679 disclosure statements required by section 9-333j of the general statutes.
680 The form of such electronic filing shall comply with the provisions of
681 section 9-348ee of the general statutes;

682 (14) If the candidate withdraws from the campaign, becomes
683 ineligible or dies during the campaign, the candidate committee of the
684 candidate shall return to the commission, for deposit in the fund, all
685 moneys received from the fund pursuant to sections 1 to 4, inclusive, 6
686 to 22, inclusive, and 38 and 39 of this act which said candidate
687 committee has not spent as of the date of such occurrence; and

688 (15) In the case of a candidate for the office of Lieutenant Governor,
689 that such candidate is not deemed to be aiding or promoting the
690 success of the campaign for Lieutenant Governor and the success of a
691 candidate for nomination or election to the office of Governor jointly as
692 described in subsection (a) of section 15 of this act.

693 (c) The application shall be accompanied by a cumulative itemized
694 accounting of all funds received, expenditures made and expenses
695 incurred but not yet paid by the candidate committee as of three days
696 before the date that the application is signed. Such accounting shall be
697 sworn to under penalty of false statement by the campaign treasurer of
698 the candidate committee. The commission shall prescribe the form of
699 the application and the cumulative itemized accounting, after
700 consulting with the Secretary of the State. The form for such
701 accounting shall conform to the requirements of section 9-333j of the
702 general statutes. Both the candidate and the campaign treasurer of the
703 candidate committee shall sign the application. The application shall
704 also be accompanied by a bond, with surety, in the amount which the
705 applicant candidate is eligible to receive initially from the fund. The
706 commission shall adopt regulations, in accordance with the provisions
707 of chapter 54 of the general statutes, implementing such requirement
708 of a bond.

709 (d) Not later than five business days following receipt of any such
710 application, the commission shall review the application, determine
711 whether the candidate committee for the applicant (1) has received the
712 required qualifying contributions, and (2) in the case of an application
713 for moneys from the fund for a primary or general election campaign,
714 the applicant has met the applicable condition under subsection (a) of
715 this section for applying for such moneys and, if so, determine the
716 amount of moneys payable to the candidate committee from the fund
717 and notify the State Comptroller and the candidate of such candidate
718 committee, of such amount. Not later than three business days
719 following notification by the commission, the State Comptroller shall
720 draw an order on the State Treasurer for payment of such amount to
721 the qualified candidate committee from the fund.

722 Sec. 13. (NEW) (*Effective July 1, 2003, and applicable to convention,*
723 *primary and general election campaigns for elections in 2006, and thereafter*)
724 (a) Following the initial deposit of moneys from the fund into the
725 depository account of a qualified candidate committee, no
726 contribution, loan, amount of the candidate's own moneys or any other

727 moneys received by the candidate or the campaign treasurer on behalf
728 of the committee shall be deposited into said depository account,
729 except (1) grants from the fund, (2) contributions from party
730 committees in accordance with the provisions of section 9-333s of the
731 general statutes, as amended by this act, and (3) any additional
732 moneys from the fund as provided in sections 17 and 18 of this act.

733 (b) A qualified candidate committee for a candidate for nomination
734 or election to a state office, which receives moneys from the fund, shall
735 not make expenditures or incur expenses in excess of the applicable
736 permitted expenditure amount.

737 Sec. 14. (NEW) (*Effective July 1, 2003, and applicable to convention,*
738 *primary and general election campaigns for elections in 2006, and thereafter*)

739 (a) A qualified candidate committee that received moneys from the
740 Citizens' Election Fund for the selection and support of delegates to a
741 convention or for the convention vote and whose candidate is
742 endorsed for nomination to the office that the candidate is seeking at
743 the party's state convention shall receive moneys from the fund for a
744 primary campaign if one or more other candidates for such
745 nomination receive at least fifteen per cent of the votes of the
746 convention delegates present and voting on any roll call vote taken on
747 the endorsement or proposed endorsement of a candidate for said
748 office. Upon the close of the convention and determining that such
749 conditions have been met, the State Elections Enforcement
750 Commission shall notify the State Comptroller of the amount due said
751 candidate. Not later than three business days following notification by
752 the commission, the State Comptroller shall draw an order on the State
753 Treasurer for payment of a primary campaign grant to the qualified
754 candidate committee from the fund. If no primary is held for such
755 nomination, any unspent moneys from such primary campaign grant
756 shall be returned to the commission and deposited in the fund or used
757 by the candidate committee to reduce the amount of the general
758 election campaign grant.

759 (b) A qualified candidate committee that received moneys from the

760 Citizens' Elections Fund for the selection and support of delegates to a
761 convention or for the convention vote and whose candidate receives at
762 least fifteen per cent of the votes of the convention delegates present
763 and voting on any roll call vote taken on the endorsement or proposed
764 endorsement of a candidate for said office shall receive moneys from
765 the fund for a primary campaign if (1) another candidate is endorsed
766 for nomination to the office that the candidate is seeking at the party's
767 state convention, or (2) one or more other candidates for such
768 nomination receive at least fifteen per cent of the votes of the
769 convention delegates present and voting on any roll call vote taken on
770 the endorsement or proposed endorsement of a candidate for said
771 office. Upon the close of the convention and determining that such
772 conditions have been met, the State Elections Enforcement
773 Commission shall notify the State Comptroller of the amount due said
774 candidate. Not later than three business days following notification by
775 the commission, the State Comptroller shall draw an order on the State
776 Treasurer for payment of a primary campaign grant to the qualified
777 candidate committee from the fund. If no primary is held for such
778 nomination, any unspent moneys from such primary campaign grant
779 shall be returned to the commission and deposited in the fund or used
780 by the candidate committee to reduce the amount of the general
781 election campaign grant.

782 (c) If a scheduled primary is cancelled pursuant to section 9-429 of
783 the general statutes, a qualified candidate committee which received
784 moneys from the fund for a primary and whose candidate is deemed
785 to have been lawfully nominated pursuant to said section 9-429 shall
786 receive moneys from the fund for a general election campaign. Upon
787 receiving verification from the Secretary of the State that a scheduled
788 primary has not been held and that the candidate of a qualified
789 candidate committee has been deemed to have been lawfully
790 nominated in accordance with the provisions of said section 9-429, the
791 commission shall notify the State Comptroller of the amount payable
792 to said qualified candidate committee and the State Comptroller shall
793 draw an order on the State Treasurer for payment of the general
794 election campaign grant to said committee from the fund, provided the

795 amount of such general election grant shall be reduced by the amount
796 of the primary campaign grant which said candidate committee has
797 not spent as of the date of cancellation of the primary.

798 (d) A qualified candidate committee that received moneys from the
799 Citizens' Election Fund for the selection and support of delegates to a
800 convention or for the convention vote shall receive moneys from the
801 fund for a general election campaign if the candidate who established
802 such committee (1) is endorsed for nomination to the office that the
803 candidate is seeking at the party's state convention and no other
804 candidate receives at least fifteen per cent of the votes of the
805 convention delegates present and voting on any roll call vote taken on
806 the endorsement or proposed endorsement of a candidate for said
807 office, or (2) receives at least fifteen per cent of the votes of the
808 convention delegates present and voting on any roll call vote taken on
809 the endorsement or proposed endorsement of a candidate for said
810 office and no other candidate is (A) endorsed for nomination to the
811 office that the candidate is seeking at the party's state convention, or
812 (B) receives at least fifteen per cent of the votes of the convention
813 delegates present and voting on any roll call vote taken on the
814 endorsement or proposed endorsement of a candidate for said office.
815 Upon the close of the convention and determining that such conditions
816 have been met, the State Elections Enforcement Commission shall
817 notify the State Comptroller of the amount due said candidate. Not
818 later than three business days following notification by the
819 commission, the State Comptroller shall draw an order on the State
820 Treasurer for payment of a general election campaign grant to the
821 qualified candidate committee from the fund.

822 (e) A qualified candidate committee which received moneys from
823 the fund for a primary campaign and whose candidate is the party
824 nominee shall receive moneys from the fund for a general election
825 campaign. Upon receiving verification from the Secretary of the State
826 of the declaration by the Secretary of the State in accordance with the
827 provisions of section 9-440 of the general statutes, of the results of the
828 votes cast at the primary, the commission shall notify the State

829 Comptroller of the amount payable to such qualified candidate
830 committee. Not later than three business days following notification by
831 the commission, the State Comptroller shall draw an order on the State
832 Treasurer for payment of the general election campaign grant to said
833 committee from said fund.

834 (f) A qualified candidate committee which received moneys from
835 the fund for a petition campaign for ballot access and whose
836 candidate's nominating petition has been approved by the Secretary of
837 the State pursuant to subsection (c) of section 9-453o of the general
838 statutes shall receive moneys from the fund for a general election
839 campaign. Upon receiving notification from the Secretary of the State
840 of such approval, the commission shall notify the State Comptroller of
841 the amount payable to such qualified candidate committee. Not later
842 than three business days following notification by the commission, the
843 State Comptroller shall draw an order on the State Treasurer for
844 payment of the general election campaign grant to said committee
845 from said fund.

846 (g) Not later than twenty-four hours after any event under this
847 section which entitles a candidate to receive moneys from the fund for
848 a primary campaign or a general election campaign, the Secretary of
849 the State shall notify the commission of such event.

850 Sec. 15. (NEW) (*Effective July 1, 2003, and applicable to convention,*
851 *primary and general election campaigns for elections in 2006, and thereafter*)
852 (a) For purposes of this section, expenditures made for purposes of the
853 permitted expenditure amount to aid or promote the success of both a
854 candidate for nomination or election to the office of Governor and a
855 candidate for nomination or election to the office of Lieutenant
856 Governor jointly, shall be considered expenditures made to aid or
857 promote the success of a candidate for nomination or election to the
858 office of Governor. The party-endorsed candidate for nomination or
859 election to the office of Lieutenant Governor and the party-endorsed
860 candidate for nomination or election to the office of Governor shall be
861 deemed to be aiding or promoting the success of both candidates

862 jointly upon the earliest of the following: (1) The primary, whether
863 held for the office of Governor, the office of Lieutenant Governor, or
864 both; (2) if no primary is held for the office of Governor or Lieutenant
865 Governor, the convention; or (3) a declaration by the party-endorsed
866 candidates that they shall campaign jointly. Any other candidate for
867 nomination or election to the office of Lieutenant Governor shall be
868 deemed to be aiding or promoting the success of such candidacy for
869 the office of Lieutenant Governor and the success of a candidate for
870 nomination or election to the office of Governor jointly upon a
871 declaration by the candidates that they shall campaign jointly.

872 (b) The candidate committee formed to aid or promote the success
873 of a candidate for nomination or election to the office of Lieutenant
874 Governor, the candidate of which campaigns jointly with a candidate
875 for nomination or election to the office of Governor, shall be dissolved
876 as of the applicable date set forth in subsection (a) of this section. Not
877 later than fifteen days after the applicable date set forth in subsection
878 (a) of this section, the campaign treasurer of the candidate committee
879 formed to aid or promote the success of said candidate for nomination
880 or election to the office of Lieutenant Governor shall file a statement
881 with the proper authority under section 9-333e of the general statutes,
882 as amended by this act, identifying all contributions received or
883 expenditures made by the committee since the previous statement and
884 the balance on hand or deficit, as the case may be. Not later than thirty
885 days after the applicable date set forth in subsection (a) of this section,
886 (1) the campaign treasurer of a qualified candidate committee formed
887 to aid or promote the success of said candidate for nomination or
888 election to the office of Lieutenant Governor shall distribute any
889 surplus to the fund, and (2) the campaign treasurer of a nonqualified
890 candidate committee formed to aid or promote the success of said
891 candidate for nomination or election to the office of Lieutenant
892 Governor shall return such surplus to all contributors on a prorated
893 basis of contribution or distribute such surplus to any charitable
894 organization which is a tax-exempt organization under Section
895 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent
896 corresponding internal revenue code of the United States, as from time

897 to time amended.

898 Sec. 16. (NEW) (*Effective July 1, 2003, and applicable to convention,*
899 *primary and general election campaigns for elections in 2006, and thereafter*)

900 (a) A qualified candidate committee may borrow moneys on behalf of
901 a campaign for the selection and support of delegates to a convention,
902 a primary or a general election from one or more financial institutions,
903 as defined in section 36a-41 of the general statutes, as amended in an
904 aggregate amount not to exceed one thousand dollars. The amount
905 borrowed shall not constitute a qualifying contribution. No individual,
906 political committee or party committee, except the candidate or, in a
907 general election, the state central committee of a political party, shall
908 endorse or guarantee such a loan in an aggregate amount in excess of
909 two hundred fifty dollars. An endorsement or guarantee of such a loan
910 shall constitute a contribution by such individual or committee for so
911 long as the loan is outstanding. The amount endorsed or guaranteed
912 by such individual or committee shall cease to constitute a
913 contribution upon repayment of the amount endorsed or guaranteed.

914 (b) All such loans shall be repaid in full prior to the date a candidate
915 committee applies for the moneys from the fund pursuant to section 12
916 of this act. The candidate shall certify to the commission that such
917 loans were repaid. A candidate who fails to repay such loans or fails to
918 certify such repayment to the commission shall not be eligible to
919 receive and shall not receive moneys from the fund.

920 Sec. 17. (NEW) (*Effective July 1, 2003, and applicable to convention,*
921 *primary and general election campaigns for elections in 2006, and thereafter*)

922 (a) (1) A qualified candidate committee which receives moneys from
923 the fund pursuant to section 12 of this act and makes expenditures in
924 excess of the permitted expenditure amount (A) shall repay to the fund
925 the amount of expenditures in excess of the applicable permitted
926 expenditure amount, and (B) shall not receive any additional moneys
927 from the fund for the remainder of the election cycle.

928 (2) In addition, a candidate of a qualified candidate committee
929 which receives moneys from the fund pursuant to section 12 of this act

930 and makes expenditures that, with the intent of said candidate, exceed
931 the applicable permitted expenditure amount by more than one per
932 cent shall (A) be liable to the fund for the amount of such excess
933 expenditures, and (B) be guilty of a class D felony.

934 (b) Additional moneys from the fund shall be paid to a qualified
935 candidate committee which received moneys from the fund if the
936 committee of an opposing candidate makes expenditures in excess of
937 the applicable permitted expenditure amount. Such additional moneys
938 from the fund shall be paid to a qualified candidate committee which
939 received moneys from the fund (1) regardless of whether the candidate
940 committee which makes expenditures in excess of the applicable
941 permitted expenditure amount has received moneys from the fund, (2)
942 in an amount equal to the greatest amount of expenditures in excess of
943 the applicable permitted expenditure amount which the committee of
944 an opposing candidate has made expenditures, but not more than one
945 hundred per cent of the amount of moneys which the qualified
946 candidate committee has received from the fund, and (3) immediately
947 following the commission's verification that the committee of an
948 opposing candidate has made expenditures in excess of the applicable
949 permitted expenditure amount. In the case of the candidate committee
950 of a nonparticipating candidate making such excess expenditures,
951 additional moneys shall not be paid to a qualified candidate committee
952 under this subsection until the general election campaign. No qualified
953 candidate committee which expends moneys in excess of the permitted
954 expenditure amount shall receive additional moneys from the fund
955 pursuant to this subsection.

956 (c) If a nonparticipating candidate makes or incurs the obligation to
957 make an excess expenditure more than twenty days before the day of a
958 convention, primary or election, the candidate shall file a declaration of
959 excess expenditures not later than forty-eight hours after making or
960 incurring the expenditure. If a nonparticipating candidate makes or
961 incurs the obligation to make an excess expenditure twenty days or
962 less before the day of a convention, primary or election, the candidate
963 shall file a declaration of excess expenditures not later than twenty-

964 four hours after making or incurring the expenditure. The commission
965 may determine whether any expenditure by a nonparticipating
966 candidate shall be deemed an excess expenditure.

967 Sec. 18. (NEW) (*Effective July 1, 2003, and applicable to convention,*
968 *primary and general election campaigns for elections in 2006, and thereafter*)
969 (a) Any person who makes or obligates to make an independent
970 expenditure, as defined in section 9-333a of the general statutes, as
971 amended, intended to promote the success or defeat of a candidate for
972 nomination or election to a state office, which exceeds five hundred
973 dollars, in the aggregate, during the period for the selection and
974 support of delegates to a convention, a primary campaign period or an
975 election campaign period, shall file a report of such independent
976 expenditure to the State Elections Enforcement Commission. If the
977 person makes or obligates to make such independent expenditure
978 more than twenty days before the day of a convention, primary or
979 election, the person shall file such report not later than forty-eight
980 hours after such payment or obligation. If the person makes or
981 obligates to make such independent expenditure twenty days or less
982 before the day of a convention, primary or election, the person shall
983 file such report not later than twenty-four hours after such payment or
984 obligation. The report shall be filed under penalty of false statement.

985 (b) The independent expenditure report shall include a statement (1)
986 identifying the candidate for whom the independent expenditure is
987 intended to promote the success or defeat, (2) affirming that the
988 expenditure is totally independent and involves no cooperation or
989 coordination with or direction from a candidate or a political party,
990 and (3) affirming that the individual making the expenditure has not
991 served or does not serve as treasurer, deputy treasurer or chairperson
992 of the candidate committee during the same election cycle.

993 (c) Any person may file a complaint with the commission upon the
994 belief that (1) any such independent expenditure report or statement is
995 false, or (2) any person who is required to file an independent
996 expenditure report under subsection (a) of this section has failed to do

997 so. The commission shall make a prompt determination on such a
998 complaint.

999 (d) Upon the receipt of a report that such an independent
1000 expenditure has been made or obligated to be made, the commission
1001 shall immediately notify the State Comptroller that additional money,
1002 equal to the amount of the independent expenditure, shall be paid to
1003 the qualifying candidate committees of each participating candidate
1004 whom the independent expenditure is intended to oppose or defeat.
1005 Not later than three business days following notification by the
1006 commission, the State Comptroller shall draw an order on the State
1007 Treasurer for payment of such amount to each such qualified
1008 candidate committee from the fund. The provisions of this subsection
1009 shall be subject to the following:

1010 (1) The maximum aggregate amount of funding that the qualified
1011 candidate committee of a participating candidate shall receive to
1012 match the independent expenditures made or obligated to be made on
1013 behalf of an opposing participating candidate shall not be greater than
1014 one hundred per cent of the total moneys that said candidate
1015 committee has received from the fund.

1016 (2) The maximum aggregate amount of funding that the qualified
1017 candidate committee of a participating candidate shall receive to
1018 match the independent expenditures and the excess expenditures of a
1019 nonparticipating candidate shall not be greater than two hundred per
1020 cent of the total moneys that said candidate committee has received
1021 from the fund.

1022 (3) Such additional funding shall be granted to the qualified
1023 candidate committee of a participating candidate opposed by a
1024 nonparticipating candidate only if the nonparticipating candidate's
1025 campaign expenditures, combined with the amount of the
1026 independent expenditures, exceed the applicable permitted
1027 expenditure amount for the participating candidate, during the general
1028 election campaign.

1029 Sec. 19. (NEW) (*Effective July 1, 2003, and applicable to convention,*
1030 *primary and general election campaigns for elections in 2006, and thereafter*)
1031 On the second Tuesday in July in any year in which a state office
1032 election is held, and on each subsequent Tuesday until and including
1033 the fourth Tuesday in October in such year, the campaign treasurer of
1034 each candidate committee organized to aid or promote the success of a
1035 candidate for nomination or election to a state office at such election
1036 shall file with the Secretary of the State and the commission a
1037 statement, sworn under penalty of false statement, of itemized receipts
1038 and expenditures for the preceding seven calendar days. If a campaign
1039 treasurer fails to file any statement required by this section (1) within
1040 the time required, or (2) with both the Secretary of the State and the
1041 commission, such campaign treasurer shall be subject to a civil penalty
1042 imposed by the commission, of not more than one thousand dollars for
1043 each such failure under subdivision (1) or (2) of this section.

1044 Sec. 20. (NEW) (*Effective July 1, 2003, and applicable to convention,*
1045 *primary and general election campaigns for elections in 2006, and thereafter*)
1046 The Secretary of the State shall provide in electronic format, free of
1047 charge, to each committee which receives moneys from the Citizens'
1048 Election Fund pursuant to section 12 of this act, a copy of the
1049 centralized computer list of registered voters in the state established
1050 pursuant to the plan authorized under section 1 of special act 91-45.

1051 Sec. 21. (NEW) (*Effective July 1, 2003, and applicable to convention,*
1052 *primary and general election campaigns for elections in 2006, and thereafter*)
1053 A candidate of a candidate committee which receives moneys from the
1054 Citizens' Elections Fund under sections 8 to 20, inclusive, of this act
1055 may expend personal moneys in an aggregate amount not exceeding
1056 one thousand dollars to aid or promote the success of such candidate's
1057 campaign for nomination or election to a state office. Any such
1058 expenditure shall be made and reported in accordance with the
1059 provisions of sections 9-333i and 9-333j of the general statutes and shall
1060 be considered a qualifying contribution for the purposes of section 9 of
1061 this act.

1062 Sec. 22. (NEW) (*Effective July 1, 2003, and applicable to convention,*
1063 *primary and general election campaigns for elections in 2006, and thereafter*)
1064 (a) Not later than March first in the year before any year in which a
1065 state office election is to be held, the commission shall determine
1066 whether the amount of moneys in the fund is sufficient to carry out the
1067 purposes of sections 1 to 4, inclusive, 6 to 24, inclusive, and 38 and 39
1068 of this act, based on the information available to the commission at
1069 such time. If the commission determines at such time that the amount
1070 of moneys in the fund is not sufficient to carry out such purposes, the
1071 commission shall immediately issue a report. The General Assembly
1072 may authorize alternative sources of funding sufficient to carry out the
1073 purposes of sections 1 to 4, inclusive, 6 to 24, inclusive, and 38 and 39
1074 of this act.

1075 (b) Not later than January first in any year in which a state office
1076 election is to be held, the commission shall determine whether the
1077 amount of moneys in the fund is sufficient to carry out the purposes of
1078 sections 1 to 4, inclusive, 6 to 24, inclusive, and 38 and 39 of this act. If
1079 the commission determines that such amount is not sufficient to carry
1080 out such purposes, the commission shall, not later than three days after
1081 such later determination, (1) determine the percentage of the fund's
1082 obligations that can be met for such election, (2) (A) recalculate the
1083 amount of each payment that a qualified candidate committee is
1084 entitled to receive under section 10 or 11 of this act by multiplying
1085 such percentage by the amount that the committee would have been
1086 entitled to receive under section 10 or 11 of this act if there were a
1087 sufficient amount of moneys in the fund, and (B) recalculate the
1088 amount of each payment that a candidate committee of a participating
1089 candidate for a General Assembly office is entitled to receive under
1090 section 24 of this act when a nonparticipating candidate exceeds the
1091 expenditure limit in section 23 of this act, by multiplying such
1092 percentage by the amount that the committee would have been
1093 entitled to receive under section 24 of this act if there were a sufficient
1094 amount of moneys in the fund, and (3) notify each applicant for
1095 moneys from the fund of such insufficiency, percentage and applicable
1096 recalculation. After a qualified candidate committee first receives any

1097 such recalculated payment, the committee may resume accepting
1098 contributions and making expenditures from such contributions,
1099 provided no qualified candidate committee which receives such
1100 recalculated payments from the fund shall accept contributions in
1101 excess of the amount of moneys which the committee was entitled to
1102 receive from the fund but did not receive from the fund. After a
1103 candidate committee of a candidate for a General Assembly office first
1104 receives any such recalculated payment, the committee may exceed the
1105 expenditure limit in section 23 of this act, provided the sum of such
1106 excess spending and such recalculated payment shall not exceed the
1107 total amount of any excess spending by the nonparticipating candidate
1108 and any independent expenditures made or obligated to be made with
1109 the intent to promote the defeat of said candidate. The commission
1110 shall also issue a report on said determination. The General Assembly
1111 may authorize alternative sources of funding sufficient to carry out the
1112 purposes of sections 1 to 4, inclusive, 6 to 24, inclusive, and 38 and 39
1113 of this act. If the commission issues such determination at a time when
1114 the General Assembly is not in session, the commission shall notify the
1115 president pro tempore of the Senate and the speaker of the House of
1116 Representatives who may call a special session of the General
1117 Assembly, in accordance with section 2-7 of the general statutes, to
1118 consider authorizing such alternative sources of funding.

1119 (c) The commission shall establish a reserve account in the fund. The
1120 first twenty-five thousand dollars deposited in the fund during any
1121 year shall be placed in said account. The commission shall use moneys
1122 in the reserve account only during the seven days preceding an
1123 election for payments to candidates (1) whose payments were reduced
1124 under subsection (b) of this section, or (2) who are entitled to funding
1125 to match independent expenditures pursuant to section 18 of this act
1126 during said seven-day period.

1127 Sec. 23. (NEW) (*Effective July 1, 2003, and applicable to primary and*
1128 *general election campaigns for elections in 2006, and thereafter*) (a) As used
1129 in this section and section 24 of this act:

1130 (1) "Election period" means the period beginning on the date that a
1131 candidate files either a committee statement under subsection (a) of
1132 section 9-333f of the general statutes or a certification under subsection
1133 (b) of said section 9-333f, and ending on the day the campaign
1134 treasurer files the final statement for the election campaign pursuant to
1135 section 9-333j of the general statutes.

1136 (2) "Primary period" means the period beginning on the first day of
1137 the election period and ending on the day that a primary is held for
1138 nomination to an office pursuant to section 9-423 of the general
1139 statutes.

1140 (b) There is established a program of voluntary campaign
1141 expenditure limits for major party, minor party and eligible petitioning
1142 party candidates for election to the office of state representative or
1143 state senator in 2006, and thereafter. Any such candidate who agrees to
1144 limit the amount of expenditures made or incurred by the candidate
1145 committee for such candidate during the election period and, in the
1146 event of a primary, during the primary period, shall be eligible to
1147 receive moneys from the Citizens' Election Fund, if a candidate for
1148 election to the same office in said year does not agree to said limits and
1149 exceeds either the election period limit or, in the event of a primary,
1150 the primary period limit.

1151 (c) (1) The voluntary election period expenditure limits for the
1152 election held in 2006, shall be:

1153 (A) For a candidate for election to the office of state representative,
1154 fifty thousand dollars, adjusted for inflation in accordance with
1155 subdivision (2) of this subsection; and

1156 (B) For a candidate for election to the office of state senator, one
1157 hundred thirty thousand dollars, adjusted for inflation in accordance
1158 with subdivision (2) of this subsection.

1159 (2) On January 15, 2006, the State Elections Enforcement
1160 Commission shall adjust the expenditure limits in subdivision (1) of

1161 this subsection in accordance with any change, during the period
1162 beginning on January 1, 2003, and ending on December 31, 2005, in the
1163 Consumer Price Index for all urban consumers as published by the
1164 United States Department of Labor, Bureau of Labor Statistics.

1165 (3) The voluntary election period campaign expenditure limits for
1166 elections held in 2008, and thereafter, shall be the limits under
1167 subdivision (1) of this subsection, adjusted for inflation under
1168 subdivision (4) of this subsection.

1169 (4) On January 15, 2008, and biennially thereafter, the State Elections
1170 Enforcement Commission shall adjust the expenditure limits in
1171 subdivision (1) of this subsection, in accordance with any change
1172 during the period beginning on January 1, 2003, and ending on
1173 December thirty-first in the year preceding the year in which said
1174 adjustment is to be made, in the Consumer Price Index for all urban
1175 consumers as published by the United States Department of Labor,
1176 Bureau of Labor Statistics.

1177 (5) The voluntary primary period expenditure limits for a primary
1178 held in 2006, or thereafter, shall be fifty per cent of the applicable
1179 election period expenditure limit under this subsection. Campaign
1180 expenditures during a primary period shall also be counted as election
1181 period expenditures for purposes of the election period campaign
1182 expenditure limit.

1183 Sec. 24. (NEW) (*Effective July 1, 2003, and applicable to primary and*
1184 *general election campaigns for elections in 2006, and thereafter*) (a) Each
1185 candidate for election to the office of state representative or state
1186 senator in 2006, or thereafter, shall file an affidavit with the State
1187 Elections Enforcement Commission at the same time that the candidate
1188 files either a committee statement under subsection (a) of section 9-333f
1189 of the general statutes or a certification under subsection (b) of said
1190 section 9-333f. The affidavit shall include a written certification that the
1191 candidate either intends to abide by the applicable expenditure limits
1192 under subsection (c) of section 23 of this act or does not intend to abide
1193 by said limits. If the candidate does intend to abide by said limits, the

1194 affidavit shall also include written certifications that (1) the campaign
1195 treasurer of the candidate committee for said candidate shall expend
1196 any moneys received from the fund in accordance with the provisions
1197 of subsection (g) of section 9-333i of the general statutes, and (2) the
1198 candidate shall repay to the fund any such moneys which are not
1199 expended in accordance with subsection (g) of said section 9-333i. A
1200 candidate who so certifies the candidate's intent to abide by said limits
1201 shall be referred to in this section as a "participating candidate" and a
1202 candidate who so certifies the candidate's intent to not abide by said
1203 limits shall be referred to in this section as a "nonparticipating
1204 candidate". The commission shall prepare a list of the participating
1205 candidates and a list of the nonparticipating candidates and shall make
1206 such lists available for public inspection.

1207 (b) The campaign treasurer of the candidate committee for each
1208 candidate for the office of state representative or state senator shall file
1209 campaign finance statements with the office of the Secretary of the
1210 State (1) according to the same schedule as required of a campaign
1211 treasurer of a candidate committee under section 9-333j of the general
1212 statutes until receiving contributions and receipts totaling seventy-five
1213 per cent of (A) the election period expenditure limit in subsection (c) of
1214 section 23 of this act for the office to which the candidate is seeking
1215 election, or (B) the primary period expenditure limit in said subsection
1216 (c) if a primary is being held for nomination to said office, and (2) then,
1217 notwithstanding said schedule in said section 9-333j, on the second
1218 Thursday of each month between the beginning of the fourth month
1219 preceding the day of the election for said office and the beginning of
1220 the sixth week preceding the election and then on each Thursday until
1221 the day of the election. Said statements shall be prepared in the same
1222 manner as statements required under section 9-333j of the general
1223 statutes.

1224 (c) (1) The commission shall review all statements filed by campaign
1225 treasurers under subsection (b) of this section and under section 9-333j
1226 of the general statutes.

1227 (2) If a primary is being held for nomination to an office and the
1228 commission determines that (A) the candidate committee for a
1229 nonparticipating candidate has made or incurred campaign
1230 expenditures during the primary period that exceed the applicable
1231 primary period expenditure limit under subsection (c) of section 23 of
1232 this act, and (B) the candidate committee for one or more participating
1233 candidates for the same office has not made or incurred such excess
1234 campaign expenditures during the primary period and has received
1235 contributions and receipts totaling twenty-five per cent of the
1236 applicable primary period expenditure limit in subsection (c) of section
1237 23 of this act, the commission shall notify the State Comptroller that
1238 the candidate committee for each said participating candidate shall be
1239 entitled to payment in an amount equaling the amount of the
1240 nonparticipating candidate's excess expenditures. Not later than two
1241 business days following notification by the commission, the State
1242 Comptroller shall draw an order on the State Treasurer for payment of
1243 said amount to each said participating candidate.

1244 (3) If no primary is held for nomination to an office, or after a
1245 primary is held for nomination to an office, the commission determines
1246 that (A) the candidate committee for a nonparticipating candidate has
1247 made or incurred campaign expenditures during the election period
1248 that exceed the applicable election period expenditure limit under
1249 subsection (c) of section 23 of this act, and (B) the candidate committee
1250 for one or more participating candidates for the same office has not
1251 made or incurred such excess campaign expenditures during the
1252 election period and has received contributions and receipts totaling
1253 twenty-five per cent of the applicable election period expenditure limit
1254 in subsection (c) of section 23 of this act, the commission shall notify
1255 the State Comptroller that the candidate committee for each said
1256 participating candidate shall be entitled to payment in an amount
1257 equaling the amount of the nonparticipating candidate's excess
1258 expenditures. Not later than two business days following notification
1259 by the commission, the State Comptroller shall draw an order on the
1260 State Treasurer for payment of said amount to each said participating
1261 candidate.

1262 (4) If the commission subsequently determines that a
1263 nonparticipating candidate under subdivision (2) or (3) of this
1264 subsection has made additional campaign expenditures during the
1265 primary period or the election period that exceed said limit and the
1266 candidate committee for one or more participating candidates for
1267 nomination and election to the same office has not made or incurred
1268 any excess campaign expenditures, the commission shall notify the
1269 State Comptroller that the candidate committee for each said
1270 participating candidate shall be entitled to payment in an amount
1271 equaling the amount of the nonparticipating candidate's additional
1272 excess expenditures for the primary period or election period,
1273 whichever is applicable. Not later than two business days following
1274 notification by the commission, the State Comptroller shall draw an
1275 order on the State Treasurer for payment of said amount to each said
1276 participating candidate.

1277 (d) The following shall not be subject to the expenditure limits
1278 under this section: In-kind contributions from party committees for
1279 coordinated campaign expenditures, including, but not limited to,
1280 phone banks and voter lists, which are made available to all party-
1281 endorsed candidates whose names appear on a ballot.

1282 (e) Upon the receipt of a report under subsection (e) of section 9-
1283 333n of the general statutes, as amended by this act, that an
1284 independent expenditure has been made or obligated to be made, with
1285 the intent to promote the defeat of a participating candidate who has
1286 received contributions and receipts totaling twenty-five per cent of the
1287 applicable expenditure limit for a primary period or an election period
1288 in subsection (c) of section 23 of this act, the commission shall
1289 immediately notify the State Comptroller that additional money, equal
1290 to the amount of the independent expenditure, shall be paid to the
1291 candidate committee for said participating candidate. Not later than
1292 two business days following notification by the commission, the State
1293 Comptroller shall draw an order on the State Treasurer for payment of
1294 such amount to said candidate committee from the fund.

1295 Sec. 25. Section 9-333a of the general statutes is repealed and the
1296 following is substituted in lieu thereof (*Effective July 1, 2003, and*
1297 *applicable to convention, primary and general election campaigns for elections*
1298 *in 2006, and thereafter*):

1299 As used in this chapter and sections 1 to 4, inclusive, 6 to 24,
1300 inclusive, and 38 and 39 of this act:

1301 (1) "Committee" means a party committee, political committee or a
1302 candidate committee organized, as the case may be, for a single
1303 primary, election or referendum, or for ongoing political activities, to
1304 aid or promote the success or defeat of any political party, any one or
1305 more candidates for public office or the position of convention
1306 delegate or town committee member or any referendum question.

1307 (2) "Party committee" means a state central committee or a town
1308 committee. "Party committee" does not mean a party-affiliated or
1309 district, ward or borough committee which receives all of its funds
1310 from the state central committee of its party or from a single town
1311 committee with the same party affiliation. Any such committee so
1312 funded shall be construed to be a part of its state central or town
1313 committee for purposes of this chapter and sections 1 to 4, inclusive, 6
1314 to 24, inclusive, and 38 and 39 of this act.

1315 (3) "Political committee" means (A) a committee organized by a
1316 business entity or organization, (B) persons other than individuals, or
1317 two or more individuals organized or acting jointly conducting their
1318 activities in or outside the state, (C) a committee established by a
1319 candidate to determine the particular public office to which [he] such
1320 candidate shall seek nomination or election, and referred to in this
1321 chapter as an exploratory committee, or (D) a committee established by
1322 or on behalf of a slate of candidates in a primary for the position of
1323 convention delegate, but does not mean a candidate committee or a
1324 party committee.

1325 (4) "Candidate committee" means any committee designated by a
1326 single candidate, or established with the consent, authorization or

1327 cooperation of a candidate, for the purpose of a single primary or
1328 election and to aid or promote [his] such candidate's candidacy alone
1329 for a particular public office or the position of town committee
1330 member, but does not mean a political committee or a party
1331 committee.

1332 (5) "National committee" means the organization which according to
1333 the bylaws of a political party is responsible for the day-to-day
1334 operation of the party at the national level.

1335 (6) "Organization" means all labor organizations, (A) as defined in
1336 the Labor-Management Reporting and Disclosure Act of 1959, as from
1337 time to time amended, or (B) as defined in subdivision (9) of section
1338 31-101, employee organizations as defined in subsection (d) of section
1339 5-270 and subdivision (6) of section 7-467, bargaining representative
1340 organizations for teachers, any local, state or national organization, to
1341 which a labor organization pays membership or per capita fees, based
1342 upon its affiliation or membership, and trade or professional
1343 associations which receive their funds exclusively from membership
1344 dues, whether organized in or outside of this state, but does not mean
1345 a candidate committee, party committee or a political committee.

1346 (7) "Business entity" means the following, whether organized in or
1347 outside of this state: Stock corporations, banks, insurance companies,
1348 business associations, bankers associations, insurance associations,
1349 trade or professional associations which receive funds from
1350 membership dues and other sources, partnerships, joint ventures,
1351 private foundations, as defined in Section 509 of the Internal Revenue
1352 Code of 1986, or any subsequent corresponding internal revenue code
1353 of the United States, as from time to time amended; trusts or estates;
1354 corporations organized under sections 38a-175 to 38a-192, inclusive,
1355 38a-199 to 38a-209, inclusive, and 38a-214 to 38a-225, inclusive, and
1356 chapters 594 to 597, inclusive; cooperatives, and any other association,
1357 organization or entity which is engaged in the operation of a business
1358 or profit-making activity; but does not include professional service
1359 corporations organized under chapter 594a and owned by a single

1360 individual, nonstock corporations which are not engaged in business
1361 or profit-making activity, organizations, as defined in subdivision (6)
1362 of this section, candidate committees, party committees and political
1363 committees as defined in this section. For purposes of this chapter,
1364 corporations which are component members of a controlled group of
1365 corporations, as those terms are defined in Section 1563 of the Internal
1366 Revenue Code of 1986, or any subsequent corresponding internal
1367 revenue code of the United States, as from time to time amended, shall
1368 be deemed to be one corporation.

1369 (8) "Individual" means a human being, a sole proprietorship, or a
1370 professional service corporation organized under chapter 594a and
1371 owned by a single human being.

1372 (9) "Person" means an individual, committee, firm, partnership,
1373 organization, association, syndicate, company trust, corporation,
1374 limited liability company or any other legal entity of any kind but does
1375 not mean the state or any political or administrative subdivision of the
1376 state.

1377 (10) "Candidate" means an individual who seeks nomination for
1378 election or election to public office whether or not such individual is
1379 elected, and for the purposes of this chapter and sections 1 to 4,
1380 inclusive, 6 to 24, inclusive, and 38 and 39 of this act an individual
1381 shall be deemed to seek nomination for election or election if [he] such
1382 individual has (A) been endorsed by a party or become eligible for a
1383 position on the ballot at an election or primary, or (B) solicited or
1384 received contributions or made expenditures or given [his] such
1385 individual's consent to any other person to solicit or receive
1386 contributions or make expenditures with the intent to bring about [his]
1387 such individual's nomination for election or election to any such office.
1388 "Candidate" also means a slate of candidates which is to appear on the
1389 ballot in a primary for the position of convention delegate. For the
1390 purposes of sections 9-333 to 9-333l, inclusive, as amended by this act,
1391 and section 9-333w, "candidate" also means an individual who is a
1392 candidate in a primary for town committee members.

1393 (11) "Campaign treasurer" means the individual appointed by a
1394 candidate or by the [chairman] chairperson of a party committee or a
1395 political committee to receive and disburse funds on behalf of the
1396 candidate or committee.

1397 (12) "Deputy campaign treasurer" means the individual appointed
1398 by the candidate or by the [chairman] chairperson of a committee to
1399 serve in the capacity of the campaign treasurer if the campaign
1400 treasurer is unable to perform [his] the campaign treasurer's duties.

1401 (13) "Solicitor" means an individual appointed by a campaign
1402 treasurer of a committee to receive, but not to disburse, funds on
1403 behalf of the committee.

1404 (14) "Referendum question" means a question to be voted upon at
1405 any election or referendum, including a proposed constitutional
1406 amendment.

1407 (15) "Lobbyist" means a lobbyist as defined in subsection (l) of
1408 section 1-91.

1409 (16) "Business with which he is associated" means any business in
1410 which the contributor is a director, officer, owner, limited or general
1411 partner or holder of stock constituting five per cent or more of the total
1412 outstanding stock of any class. Officer refers only to the president,
1413 executive or senior vice-president or treasurer of such business.

1414 (17) "Independent expenditure" means an expenditure that is made
1415 without the consent, knowing participation, or consultation of, a
1416 candidate or agent of the candidate committee. "Independent
1417 expenditure" does not include an expenditure (A) if there is any
1418 coordination or direction with respect to the expenditure between the
1419 candidate or the treasurer, deputy treasurer or [chairman] chairperson
1420 of [his] such candidate committee and the person making the
1421 expenditure, or (B) if, during the same election cycle, the individual
1422 making the expenditure serves or has served as the treasurer, deputy
1423 treasurer or [chairman] chairperson of the candidate committee.

1424 (18) "Federal account" means a depository account that is subject to
1425 the disclosure and contribution limits provided under the Federal
1426 Election Campaign Act of 1971, as amended from time to time.

1427 (19) "Public funds" means funds belonging to, or under the control
1428 of, the state or a political subdivision of the state.

1429 Sec. 26. Section 9-333b of the general statutes is repealed and the
1430 following is substituted in lieu thereof (*Effective July 1, 2003, and*
1431 *applicable to convention, primary and general election campaigns for elections*
1432 *in 2006, and thereafter*):

1433 (a) As used in this chapter and sections 1 to 4, inclusive, 6 to 24,
1434 inclusive, and 38 and 39 of this act, "contribution" means:

1435 (1) Any gift, subscription, loan, advance, payment or deposit of
1436 money or anything of value, made for the purpose of influencing the
1437 nomination for election, or election, of any person or for the purpose of
1438 aiding or promoting the success or defeat of any referendum question
1439 or on behalf of any political party;

1440 (2) A written contract, promise or agreement to make a contribution
1441 for any such purpose;

1442 (3) The payment by any person, other than a candidate or campaign
1443 treasurer, of compensation for the personal services of any other
1444 person which are rendered without charge to a committee or candidate
1445 for any such purpose;

1446 (4) An expenditure when made by a person with the cooperation of,
1447 or in consultation with, any candidate, candidate committee or
1448 candidate's agent or which is made in concert with, or at the request or
1449 suggestion of, any candidate, candidate committee or candidate's
1450 agent; or

1451 (5) Funds received by a committee which are transferred from
1452 another committee or other source for any such purpose.

1453 (b) As used in this chapter and sections 1 to 4, inclusive, 6 to 24,
1454 inclusive, and 38 and 39 of this act, "contribution" does not mean:

1455 (1) A loan of money made in the ordinary course of business by a
1456 national or state bank;

1457 (2) Any communication made by a corporation, organization or
1458 association to its members, owners, stockholders, executive or
1459 administrative personnel, or their families;

1460 (3) Nonpartisan voter registration and get-out-the-vote campaigns
1461 by any corporation, organization or association aimed at its members,
1462 owners, stockholders, executive or administrative personnel, or their
1463 families;

1464 (4) Uncompensated services provided by individuals volunteering
1465 their time;

1466 (5) The use of real or personal property, and the cost of invitations,
1467 food or beverages, voluntarily provided by an individual to a
1468 candidate or on behalf of a state central or town committee, in
1469 rendering voluntary personal services for candidate or party-related
1470 activities at the individual's residence, to the extent that the cumulative
1471 value of the invitations, food or beverages provided by the individual
1472 on behalf of any single candidate does not exceed two hundred dollars
1473 with respect to any single election, and on behalf of all state central
1474 and town committees does not exceed four hundred dollars in any
1475 calendar year;

1476 (6) The sale of food or beverage for use in a candidate's campaign or
1477 for use by a state central or town committee at a discount, if the charge
1478 is not less than the cost to the vendor, to the extent that the cumulative
1479 value of the discount given to or on behalf of any single candidate does
1480 not exceed two hundred dollars with respect to any single election,
1481 and on behalf of all state central and town committees does not exceed
1482 four hundred dollars in a calendar year;

1483 (7) Any unreimbursed payment for travel expenses made by an

1484 individual who on the individual's own behalf volunteers the
1485 individual's personal services to any single candidate to the extent the
1486 cumulative value does not exceed two hundred dollars with respect to
1487 any single election, and on behalf of all state central or town
1488 committees does not exceed four hundred dollars in a calendar year;

1489 (8) The payment, by a party committee, political committee or an
1490 individual, of the costs of preparation, display, mailing or other
1491 distribution incurred by the committee or individual with respect to
1492 any printed slate card, sample ballot or other printed list containing
1493 the names of three or more candidates;

1494 (9) The donation of any item of personal property by an individual
1495 to a committee for a fund-raising affair, including a tag sale or auction,
1496 or the purchase by an individual of any such item at such an affair, to
1497 the extent that the cumulative value donated or purchased does not
1498 exceed fifty dollars;

1499 (10) The purchase of advertising space which clearly identifies the
1500 purchaser, in a program for a fund-raising affair, provided the
1501 cumulative purchase of such space does not exceed two hundred fifty
1502 dollars from any single candidate or the candidate's committee with
1503 respect to any single election campaign or two hundred fifty dollars
1504 from any single party committee or other political committee in any
1505 calendar year if the purchaser is a business entity or fifty dollars for
1506 purchases by any other person, except that the purchase of advertising
1507 space described in this subdivision shall be deemed to be a
1508 contribution for the purposes of sections 1 to 4, inclusive, 6 to 22,
1509 inclusive, and 38 and 39 of this act;

1510 (11) The payment of money by a candidate to the candidate's
1511 candidate committee;

1512 (12) The donation of goods or services by a business entity to a
1513 committee for a fund-raising affair, including a tag sale or auction, to
1514 the extent that the cumulative value donated does not exceed one
1515 hundred dollars;

1516 (13) The advance of a security deposit by an individual to a
1517 telephone company, as defined in section 16-1, for telecommunications
1518 service for a committee, provided the security deposit is refunded to
1519 the individual;

1520 (14) The provision of facilities, equipment, technical and managerial
1521 support, and broadcast time by a community antenna television
1522 company, as defined in section 16-1, for community access
1523 programming pursuant to section 16-331a, unless (A) the major
1524 purpose of providing such facilities, equipment, support and time is to
1525 influence the nomination or election of a candidate, or (B) such
1526 facilities, equipment, support and time are provided on behalf of a
1527 political party; or

1528 (15) The sale of food or beverage by a town committee to an
1529 individual at a town fair, county fair or similar mass gathering held
1530 within the state, to the extent that the cumulative payment made by
1531 any one individual for such items does not exceed fifty dollars.

1532 Sec. 27. Subsection (a) of section 9-333e of the general statutes is
1533 repealed and the following is substituted in lieu thereof (*Effective July*
1534 *1, 2003, and applicable to convention, primary and general election*
1535 *campaigns for elections in 2006, and thereafter*):

1536 (a) Statements filed by party committees, political committees
1537 formed to aid or promote the success or defeat of a referendum
1538 question proposing a constitutional convention, constitutional
1539 amendment or revision of the constitution, individual lobbyists, and
1540 those political committees and candidate committees formed to aid or
1541 promote the success or defeat of any candidate for the office of
1542 Governor, Lieutenant Governor, Secretary of the State, State Treasurer,
1543 State Comptroller, Attorney General, judge of probate and members of
1544 the General Assembly, shall be filed with the office of the Secretary of
1545 the State. A copy of each statement filed by a candidate committee
1546 formed to aid or promote the success of any candidate for the office of
1547 Governor, Lieutenant Governor, Secretary of the State, State Treasurer,
1548 State Comptroller, Attorney General, state senator or state

1549 representative shall be filed at the same time with the commission. A
1550 copy of each statement filed by a town committee shall be filed at the
1551 same time with the town clerk of the municipality in which the
1552 committee is situated. A political committee formed for a slate of
1553 candidates in a primary for the position of convention delegate shall
1554 file statements with both the Secretary of the State and the town clerk
1555 of the municipality in which the primary is to be held.

1556 Sec. 28. Subsection (a) of section 9-333m of the general statutes is
1557 repealed and the following is substituted in lieu thereof (*Effective July*
1558 *1, 2003, and applicable to convention, primary and general election*
1559 *campaigns for elections in 2006, and thereafter*):

1560 (a) No individual shall make a contribution or contributions to, for
1561 the benefit of, or pursuant to the authorization or request of, a
1562 candidate or a committee supporting or opposing any candidate's
1563 campaign for nomination at a primary, or any candidate's campaign
1564 for election, to the office of (1) Governor, in excess of [two thousand
1565 five hundred] one thousand dollars; (2) Lieutenant Governor,
1566 Secretary of the State, State Treasurer, State Comptroller or Attorney
1567 General, in excess of [one thousand five hundred] seven hundred fifty
1568 dollars; (3) chief executive officer of a town, city or borough, in excess
1569 of one thousand dollars; (4) state senator or probate judge, in excess of
1570 five hundred dollars; or (5) state representative or any other office of a
1571 municipality not [previously] specifically included in this subsection,
1572 in excess of two hundred fifty dollars. [The] Except for contributions
1573 to, or for the benefit of, a candidate's campaign for the office of
1574 Governor, Lieutenant Governor, Secretary of the State, State Treasurer,
1575 State Comptroller or Attorney General, the limits imposed by this
1576 subsection shall be applied separately to primaries and elections.

1577 Sec. 29. Section 9-333n of the general statutes is repealed and the
1578 following is substituted in lieu thereof (*Effective July 1, 2003, and*
1579 *applicable to convention, primary and general election campaigns for elections*
1580 *in 2006, and thereafter*):

1581 (a) No individual shall make a contribution or contributions in any

1582 one calendar year in excess of five thousand dollars to the state central
1583 committee of any party, or for the benefit of such committee pursuant
1584 to its authorization or request; or one thousand dollars to a town
1585 committee of any political party, or for the benefit of such committee
1586 pursuant to its authorization or request; or one thousand dollars to a
1587 political committee other than (1) a political committee formed solely
1588 to aid or promote the success or defeat of a referendum question, (2) an
1589 exploratory committee, (3) a political committee established by an
1590 organization, or for the benefit of such committee pursuant to its
1591 authorization or request or (4) a political committee formed by a slate
1592 of candidates in a primary for the position of delegate to the same
1593 convention. No individual who makes a contribution to a party
1594 committee may direct such committee to contribute or expend any
1595 portion of such contribution to, or for the benefit of, any candidate's
1596 campaign for nomination or election to a state office, as defined in
1597 section 1 of this act.

1598 (b) No individual shall make a contribution to a political committee
1599 established by an organization which receives its funds from the
1600 organization's treasury. With respect to a political committee
1601 established by an organization which has complied with the provisions
1602 of subsection (b) or (c) of section 9-333p, and has elected to receive
1603 contributions, no individual other than a member of the organization
1604 may make contributions to the committee, in which case the individual
1605 may contribute not more than five hundred dollars in any one calendar
1606 year to such committee or for the benefit of such committee pursuant
1607 to its authorization or request.

1608 (c) In no event may any individual make contributions to a
1609 candidate committee and a political committee formed solely to
1610 support one candidate other than an exploratory committee or for the
1611 benefit of a candidate committee and a political committee formed
1612 solely to support one candidate pursuant to the authorization or
1613 request of any such committee, in an amount which in the aggregate is
1614 in excess of the maximum amount which may be contributed to the
1615 candidate.

1616 (d) Any individual may make unlimited contributions or
1617 expenditures to aid or promote the success or defeat of any
1618 referendum question, provided any individual who makes an
1619 expenditure or expenditures in excess of one thousand dollars to
1620 promote the success or defeat of any referendum question shall file
1621 statements according to the same schedule and in the same manner as
1622 is required of a campaign treasurer of a political committee under
1623 section 9-333j.

1624 (e) Any individual acting alone may, independent of any candidate,
1625 agent of the candidate, or committee, make unlimited expenditures to
1626 promote the success or defeat of any candidate's campaign for election,
1627 or nomination at a primary, to any office or position, [provided any]
1628 Except for an individual who is subject to the provisions of subsection
1629 (a) of section 18 of this act, any individual who makes an independent
1630 expenditure or expenditures in excess of one thousand dollars to
1631 promote the success or defeat of any candidate's campaign for election,
1632 or nomination at a primary, to any such office or position shall file
1633 statements according to the same schedule and in the same manner as
1634 [is] required of a campaign treasurer of a candidate committee under
1635 section 9-333j.

1636 (f) (1) As used in this subsection and subsection (f) of section 9-333j,
1637 (A) "investment services" means investment legal services, investment
1638 banking services, investment advisory services, underwriting services,
1639 financial advisory services or brokerage firm services, and (B)
1640 "principal of an investment services firm" means (i) an individual who
1641 is a director of or has an ownership interest in an investment services
1642 firm to which the State Treasurer pays compensation, expenses or fees
1643 or issues a contract, except for an individual who owns less than five
1644 per cent of the shares of an investment services firm which is a
1645 publicly traded corporation, (ii) an individual who is employed by
1646 such an investment services firm as president, treasurer, or executive
1647 or senior vice president, (iii) an employee of such an investment
1648 services firm who has managerial or discretionary responsibilities with
1649 respect to any investment services provided to the State Treasurer, (iv)

1650 the spouse or a dependent child of an individual described in this
1651 subparagraph, or (v) a political committee established by or on behalf
1652 of an individual described in this subparagraph.

1653 (2) No principal of an investment services firm shall make a
1654 contribution to, or solicit contributions on behalf of, an exploratory
1655 committee or candidate committee established by a candidate for
1656 nomination or election to the office of State Treasurer during the term
1657 of office of the State Treasurer who pays compensation, expenses or
1658 fees or issues a contract to such firm.

1659 (3) Neither the State Treasurer, the Deputy State Treasurer, any
1660 unclassified employee of the office of the State Treasurer acting on
1661 behalf of the State Treasurer or Deputy State Treasurer, any candidate
1662 for the office of State Treasurer, any member of the Investment
1663 Advisory Council established under section 3-13b nor any agent of any
1664 such candidate may solicit contributions on behalf of an exploratory
1665 committee or candidate committee established by a candidate for
1666 nomination or election to any public office, a political committee or a
1667 party committee, from a principal of an investment services firm,
1668 except that the prohibition in this subsection shall not apply to an
1669 incumbent State Treasurer who establishes an exploratory committee
1670 or candidate committee for any public office other than State
1671 Treasurer.

1672 (4) No member of the Investment Advisory Council appointed
1673 under section 3-13b shall make a contribution to, or solicit
1674 contributions on behalf of, an exploratory committee or candidate
1675 committee established by a candidate for nomination or election to the
1676 office of State Treasurer.

1677 (5) The provisions of this subsection shall not restrict an individual
1678 from establishing an exploratory or candidate committee for the
1679 individual's own campaign or from soliciting contributions for such
1680 committees from persons not prohibited from making contributions
1681 under this subsection.

1682 Sec. 30. Subsection (d) of section 9-333o of the general statutes is
1683 repealed and the following is substituted in lieu thereof (*Effective July*
1684 *1, 2003, and applicable to convention, primary and general election*
1685 *campaigns for elections in 2006, and thereafter*):

1686 (d) A political committee organized by a business entity shall not
1687 make a contribution or contributions to or for the benefit of any
1688 candidate's campaign for nomination at a primary or any candidate's
1689 campaign for election to the office of: (1) Governor, in excess of [five]
1690 one thousand dollars; (2) Lieutenant Governor, Secretary of the State,
1691 State Treasurer, State Comptroller or Attorney General, in excess of
1692 [three thousand] seven hundred fifty dollars; (3) state senator, probate
1693 judge or chief executive officer of a town, city or borough, in excess of
1694 one thousand dollars; (4) state representative, in excess of five hundred
1695 dollars; [or] (5) any other office of a municipality not included in
1696 subdivision [(3)] (4) of this subsection, in excess of two hundred fifty
1697 dollars; or (6) an exploratory committee, in excess of two hundred fifty
1698 dollars. [The] Except for contributions to, or for the benefit of, a
1699 candidate's campaign for the office of Governor, Lieutenant Governor,
1700 Secretary of the State, State Treasurer, State Comptroller or Attorney
1701 General, the limits imposed by this subsection shall apply separately to
1702 primaries and elections, and contributions by any such committee to
1703 candidates designated in this subsection shall not exceed one hundred
1704 thousand dollars in the aggregate for any single election and primary
1705 preliminary thereto. Contributions to such committees shall also be
1706 subject to the provisions of section 9-333t, as amended by this act, in
1707 the case of committees formed for ongoing political activity or section
1708 9-333u, as amended by this act, in the case of committees formed for a
1709 single election or primary.

1710 Sec. 31. Section 9-333q of the general statutes is repealed and the
1711 following is substituted in lieu thereof (*Effective July 1, 2003, and*
1712 *applicable to convention, primary and general election campaigns for elections*
1713 *in 2006, and thereafter*):

1714 (a) No political committee established by an organization shall

1715 make a contribution or contributions to, or for the benefit of, any
1716 candidate's campaign for nomination at a primary or for election to the
1717 office of: (1) Governor, in excess of [two thousand five hundred] one
1718 thousand dollars; (2) Lieutenant Governor, Secretary of the State, State
1719 Treasurer, State Comptroller or Attorney General, in excess of [one
1720 thousand five hundred] seven hundred fifty dollars; (3) chief executive
1721 officer of a town, city or borough, in excess of one thousand dollars; (4)
1722 state senator or probate judge, in excess of five hundred dollars; or (5)
1723 state representative or any other office of a municipality not
1724 [previously] specifically included in this subsection, in excess of two
1725 hundred fifty dollars.

1726 (b) No such committee shall make a contribution or contributions to,
1727 or for the benefit of, an exploratory committee, in excess of two
1728 hundred fifty dollars. Any such committee may make unlimited
1729 contributions to a political committee formed solely to aid or promote
1730 the success or defeat of a referendum question.

1731 (c) [The] Except for contributions to, or for the benefit of, a
1732 candidate's campaign for the office of Governor, Lieutenant Governor,
1733 Secretary of the State, State Treasurer, State Comptroller or Attorney
1734 General, the limits imposed by subsection (a) of this section shall apply
1735 separately to primaries and elections. [and no] No such committee
1736 shall make contributions to the candidates designated in this section
1737 which in the aggregate exceed fifty thousand dollars for any single
1738 election and primary preliminary thereto.

1739 (d) No political committee established by an organization shall
1740 make contributions in any one calendar year to, or for the benefit of, (1)
1741 the state central committee of a political party, in excess of five
1742 thousand dollars; (2) a town committee, in excess of one thousand
1743 dollars; or (3) any political committee, other than an exploratory
1744 committee or a committee formed solely to aid or promote the success
1745 or defeat of a referendum question, in excess of two thousand dollars.

1746 (e) No political committee established by an organization shall make
1747 contributions to the committees designated in subsection (d) of this

1748 section, which in the aggregate exceed fifteen thousand dollars in any
1749 one calendar year. Contributions to a political committee established
1750 by an organization shall also be subject to the provisions of section
1751 9-333t, as amended by this act, in the case of a committee formed for
1752 ongoing political activity or section 9-333u, as amended by this act, in
1753 the case of a committee formed for a single election or primary.

1754 Sec. 32. Section 9-333s of the general statutes is repealed and the
1755 following is substituted in lieu thereof (*Effective July 1, 2003, and*
1756 *applicable to convention, primary and general election campaigns for elections*
1757 *in 2006, and thereafter*):

1758 (a) A party committee may make unlimited contributions to, or for
1759 the benefit of, any of the following: (1) Another party committee; (2) a
1760 candidate committee other than a candidate committee established to
1761 aid or promote the success of one candidate for nomination at a
1762 primary or election to the office of Governor, Lieutenant Governor,
1763 Secretary of the State, State Treasurer, State Comptroller or Attorney
1764 General; (3) a national committee of a political party; (4) a committee of
1765 a candidate for federal or out-of-state office; or (5) a political
1766 committee.

1767 (b) (1) No state central committee shall make a contribution in
1768 excess of (A) fifty thousand dollars to a candidate committee
1769 established to aid or promote the success of one candidate for
1770 nomination at a primary or election to the office of Governor, and (B)
1771 ten thousand dollars to a candidate committee established to aid or
1772 promote the success of one candidate for nomination at a primary or
1773 election to the office of Lieutenant Governor, Secretary of the State,
1774 State Treasurer, State Comptroller or Attorney General.

1775 (2) No town committee shall make a contribution in excess of (A)
1776 one thousand dollars to a candidate committee established to aid or
1777 promote the success of one candidate for nomination at a primary or
1778 election to the office of Governor, and (B) five hundred dollars to a
1779 candidate committee established to aid or promote the success of one
1780 candidate for nomination at a primary or election to the office of

1781 Lieutenant Governor, Secretary of the State, State Treasurer, State
1782 Comptroller or Attorney General.

1783 (3) The limits imposed by this subsection shall not apply separately
1784 to primaries and elections.

1785 (c) (1) No candidate committee of a candidate for nomination or
1786 election to the office of Governor shall receive more than (A) fifty
1787 thousand dollars, in total, from state central committees, and (B)
1788 seventy-five thousand dollars, in total, from town committees.

1789 (2) No candidate committee of a candidate for nomination or
1790 election to the office of Lieutenant Governor, Attorney General, State
1791 Comptroller, State Treasurer or Secretary of the State shall receive
1792 more than (A) ten thousand dollars, in total, from state central
1793 committees, and (B) twenty thousand dollars, in total, from town
1794 committees.

1795 (3) The limits imposed by this subsection shall not apply separately
1796 to primaries and elections.

1797 (d) A party committee may also make contributions to a charitable
1798 organization which is a tax-exempt organization under Section
1799 501(c)(3) of the Internal Revenue Code, as from time to time amended,
1800 or make memorial contributions.

1801 [(b)] (e) A party committee may receive contributions from a federal
1802 account of a national committee of a political party, but may not
1803 receive contributions from any other account of a national committee
1804 of a political party or from a committee of a candidate for federal or
1805 out-of-state office, for use in the election of candidates subject to the
1806 provisions of this chapter.

1807 Sec. 33. Section 9-333t of the general statutes is repealed and the
1808 following is substituted in lieu thereof (Effective July 1, 2003, and
1809 applicable to convention, primary and general election campaigns for elections
1810 in 2006, and thereafter):

1811 (a) No political committee organized for ongoing political activities
1812 shall make contributions to, or for the benefit of, any candidate's
1813 campaign for nomination at a primary or for election to the office of:
1814 (1) Governor, in excess of one thousand dollars; or (2) Lieutenant
1815 Governor, Secretary of the State, State Treasurer, State Comptroller or
1816 Attorney General, in excess of seven hundred fifty dollars. The limits
1817 imposed by this subsection shall not apply separately to primaries and
1818 elections.

1819 [(a)] (b) A political committee organized for ongoing political
1820 activities may make unlimited contributions to, or for the benefit of, a
1821 party committee; any national committee of a political party; a
1822 candidate committee other than a candidate committee established to
1823 aid or promote the success of one candidate for nomination at a
1824 primary or election to the office of Governor, Lieutenant Governor,
1825 Attorney General, Secretary of the State, State Treasurer or State
1826 Comptroller; or a committee of a candidate for federal or out-of-state
1827 office. No such political committee shall make a contribution or
1828 contributions in excess of two thousand dollars to another political
1829 committee in any calendar year except that a political committee
1830 organized by a business entity may make unlimited contributions to,
1831 or for the benefit of, another political committee organized by a
1832 business entity. No political committee organized for ongoing political
1833 activities shall make a contribution in excess of two hundred fifty
1834 dollars to an exploratory committee. If such an ongoing committee is
1835 established by an organization or a business entity, its contributions
1836 shall be subject to the limits imposed by sections 9-333o to 9-333q,
1837 inclusive, as amended by this act. A political committee organized for
1838 ongoing political activities may make contributions to a charitable
1839 organization which is a tax-exempt organization under Section
1840 501(c)(3) of the Internal Revenue Code, as from time to time amended,
1841 or make memorial contributions.

1842 [(b)] (c) A political committee organized for ongoing political
1843 activities may receive contributions from the federal account of a
1844 national committee of a political party, but may not receive

1845 contributions from any other account of a national committee of a
1846 political party or from a committee of a candidate for federal or
1847 out-of-state office.

1848 Sec. 34. Section 9-333u of the general statutes is repealed and the
1849 following is substituted in lieu thereof (*Effective July 1, 2003, and*
1850 *applicable to convention, primary and general election campaigns for elections*
1851 *in 2006, and thereafter*):

1852 (a) No political committee established for a single primary or
1853 election shall make contributions to, or for the benefit of, any
1854 candidate's campaign for nomination at a primary or for election to the
1855 office of: (1) Governor, in excess of one thousand dollars; or (2)
1856 Lieutenant Governor, Secretary of the State, State Treasurer, State
1857 Comptroller or Attorney General, in excess of seven hundred fifty
1858 dollars. The limits imposed by this subsection shall not apply
1859 separately to primaries and elections.

1860 [(a)] (b) A political committee established for a single primary or
1861 election may make unlimited contributions to, or for the benefit of, a
1862 party committee or a candidate committee other than a candidate
1863 committee established to aid or promote the success of one candidate
1864 for nomination at a primary or election to the office of Governor,
1865 Lieutenant Governor, Attorney General, Secretary of the State, State
1866 Treasurer or State Comptroller, but no such political committee shall
1867 make contributions to a national committee, or a committee of a
1868 candidate for federal or out-of-state office. If such a political committee
1869 is established by an organization or a business entity, its contributions
1870 shall also be subject to the limitations imposed by sections 9-333o to
1871 9-333q, inclusive, as amended by this act. No political committee
1872 formed for a single election or primary shall, with respect to such
1873 election or primary make a contribution or contributions in excess of
1874 two thousand dollars to another political committee, provided no such
1875 political committee shall make a contribution in excess of two hundred
1876 fifty dollars to an exploratory committee.

1877 [(b)] (c) A political committee established for a single primary or

1878 election shall not receive contributions from a committee of a
1879 candidate for federal or out-of-state office or from a national
1880 committee.

1881 Sec. 35. Subsection (b) of section 9-333y of the general statutes is
1882 repealed and the following is substituted in lieu thereof (*Effective July*
1883 *1, 2003, and applicable to convention, primary and general election*
1884 *campaigns for elections in 2006, and thereafter*):

1885 (b) If any campaign treasurer or lobbyist fails to file the statements
1886 required by section 9-333j or subsection (g) of section 9-333l, as the case
1887 may be, within the time required, [he] the campaign treasurer or
1888 lobbyist shall pay a late filing fee of fifty-five dollars. In the case of a
1889 statement that is required to be filed with the Secretary of the State, the
1890 secretary shall, within ten days after the filing deadline, notify by
1891 certified mail, return receipt requested, the person required to file that,
1892 if such statement is not filed within twenty-one days after the deadline,
1893 the person is in violation of said section or subsection. If the person
1894 does not file such statement within twenty-one days after the deadline,
1895 the secretary shall notify the State Elections Enforcement Commission
1896 within twenty-eight days after the deadline. In the case of a copy of a
1897 statement that is required to be filed with the State Elections
1898 Enforcement Commission, the commission shall, not later than ten
1899 days after the filing deadline, notify by certified mail, return receipt
1900 requested, the person required to file that if such statement is not filed
1901 within twenty-one days after the deadline the person is in violation of
1902 section 9-333j. In the case of a statement that is required to be filed with
1903 a town clerk, the town clerk shall forthwith after the filing deadline
1904 notify by certified mail, return receipt requested, the person required
1905 to file that, if such statement is not filed within seven days after
1906 receiving such notice, the town clerk shall notify the State Elections
1907 Enforcement Commission that the person is in violation of said section
1908 or subsection. The penalty for any violation of said section or
1909 subsection shall be a fine of not more than one thousand dollars or
1910 imprisonment for not more than one year or both.

1911 Sec. 36. Section 9-7b of the general statutes is repealed and the
1912 following is substituted in lieu thereof (*Effective July 1, 2003, and*
1913 *applicable to convention, primary and general election campaigns for elections*
1914 *in 2006, and thereafter*):

1915 (a) The State Elections Enforcement Commission shall have the
1916 following duties and powers:

1917 (1) To make investigations on its own initiative or with respect to
1918 statements filed with the commission by the Secretary of the State or
1919 any town clerk, or upon written complaint under oath by any
1920 individual, with respect to alleged violations of any provision of the
1921 general statutes or sections 1 to 4, inclusive, 6 to 24, inclusive, and 38
1922 and 39 of this act, relating to any election or referendum, any primary
1923 held pursuant to section 9-423, 9-424, 9-425 or 9-464 or any primary
1924 held pursuant to a special act, and to hold hearings when the
1925 commission deems necessary to investigate violations of any
1926 provisions of the general statutes or sections 1 to 4, inclusive, 6 to 24,
1927 inclusive, and 38 and 39 of this act, relating to any such election,
1928 primary or referendum, and for the purpose of such hearings the
1929 commission may administer oaths, examine witnesses and receive oral
1930 and documentary evidence, and shall have the power to subpoena
1931 witnesses under procedural rules the commission shall adopt, to
1932 compel their attendance and to require the production for examination
1933 of any books and papers which the commission deems relevant to any
1934 matter under investigation or in question. In connection with its
1935 investigation of any alleged violation of any provision of chapter 145,
1936 or of any provision of section 9-359 or section 9-359a, the commission
1937 shall also have the power to subpoena any municipal clerk and to
1938 require the production for examination of any absentee ballot, inner
1939 and outer envelope from which any such ballot has been removed,
1940 depository envelope containing any such ballot or inner or outer
1941 envelope as provided in sections 9-150a and 9-150b and any other
1942 record, form or document as provided in section 9-150b, in connection
1943 with the election, primary or referendum to which the investigation
1944 relates. In case of a refusal to comply with any subpoena issued

1945 pursuant to this subsection or to testify with respect to any matter
1946 upon which that person may be lawfully interrogated, the superior
1947 court for the judicial district of Hartford, on application of the
1948 commission, may issue an order requiring such person to comply with
1949 such subpoena and to testify; failure to obey any such order of the
1950 court may be punished by the court as a contempt thereof. In any
1951 matter under investigation which concerns the operation or inspection
1952 of or outcome recorded on any voting machine, the commission may
1953 issue an order to the municipal clerk to impound such machine until
1954 the investigation is completed;

1955 (2) To levy a civil penalty not to exceed (A) two thousand dollars
1956 per offense against any person the commission finds to be in violation
1957 of any provision of chapter 145, part V of chapter 146, part I of chapter
1958 147, chapter 148, section 9-12, subsection (a) of section 9-17, section
1959 9-19b, 9-19e, 9-19g, 9-19h, 9-19i, 9-20, 9-21, 9-23a, 9-23g, 9-23h, 9-23j to
1960 9-23o, inclusive, 9-26, 9-31a, 9-32, 9-35, 9-35b, 9-35c, 9-40a, 9-42, 9-43,
1961 9-50a, 9-56, 9-59, 9-168d, 9-170, 9-171, 9-172, 9-409, 9-410, 9-412, 9-436,
1962 9-436a, 9-453e to 9-453h, inclusive, 9-453k, [or] 9-453o or sections 1 to 4,
1963 inclusive, 6 to 24, inclusive, and 38 and 39 of this act, or (B) two
1964 thousand dollars per offense or twice the amount of any improper
1965 payment or contribution, whichever is greater, against any person the
1966 commission finds to be in violation of any provision of chapter 150.
1967 The commission may levy a civil penalty against any person under
1968 subparagraph (A) or (B) of this subdivision only after giving the
1969 person an opportunity to be heard at a hearing conducted in
1970 accordance with sections 4-176e to 4-184, inclusive. In the case of
1971 failure to pay any such penalty levied pursuant to this subsection
1972 [within] not later than thirty days of written notice sent by certified or
1973 registered mail to such person, the superior court for the judicial
1974 district of Hartford, on application of the commission, may issue an
1975 order requiring such person to pay the penalty imposed and such
1976 court costs, state marshal's fees and attorney's fees incurred by the
1977 commission as the court may determine. Any civil penalties paid,
1978 collected or recovered under subparagraph (B) of this subdivision for a
1979 violation of any provision of chapter 150 applying to the office of the

1980 Treasurer shall be deposited on a pro rata basis in any trust funds, as
1981 defined in section 3-13c, affected by such violation;

1982 (3) (A) To issue an order requiring any person the commission finds
1983 to have received any contribution or payment which is prohibited by
1984 any of the provisions of chapter 150, after an opportunity to be heard
1985 at a hearing conducted in accordance with the provisions of sections
1986 4-176e to 4-184, inclusive, to return such contribution or payment to
1987 the donor or payor, or to remit such contribution or payment to the
1988 state for deposit in the General Fund, whichever is deemed necessary
1989 to effectuate the purposes of chapter 150;

1990 (B) To issue an order when the commission finds that an intentional
1991 violation of any provision of chapter 150 has been committed, after an
1992 opportunity to be heard at a hearing conducted in accordance with
1993 sections 4-176e to 4-184, inclusive, which order may contain one or
1994 more of the following sanctions: (i) Removal of a campaign treasurer,
1995 deputy campaign treasurer or solicitor; or (ii) prohibition on serving as
1996 a campaign treasurer, deputy campaign treasurer or solicitor, for a
1997 period not to exceed four years;

1998 (C) To issue an order revoking any person's eligibility to be
1999 appointed or serve as an election, primary or referendum official or
2000 unofficial checker or in any capacity at the polls on the day of an
2001 election, primary or referendum, when the commission finds such
2002 person has intentionally violated any provision of the general statutes
2003 relating to the conduct of an election, primary or referendum, after an
2004 opportunity to be heard at a hearing conducted in accordance with
2005 sections 4-176e to 4-184, inclusive;

2006 (4) To issue an order to a candidate committee which receives
2007 moneys from the Citizens' Election Fund pursuant to sections 1 to 4,
2008 inclusive, 6 to 24, inclusive, and 38 and 39 of this act, to comply with
2009 the provisions of said sections 1 to 4, inclusive, 6 to 24, inclusive, and
2010 38 and 39, after an opportunity to be heard at a hearing conducted in
2011 accordance with the provisions of sections 4-176e to 4-184, inclusive;

2012 [(4)] (5) To inspect or audit at any reasonable time and upon
2013 reasonable notice the accounts or records of any campaign treasurer or
2014 principal campaign treasurer, as required by chapter 150 and sections 1
2015 to 4, inclusive, 6 to 24, inclusive, and 38 and 39 of this act, and to audit
2016 any such election, primary or referendum held within the state;
2017 provided, it shall not audit any caucus, as defined in subdivision (1) of
2018 section 9-372;

2019 [(5)] (6) To attempt to secure voluntary compliance, [by informal
2020 methods of conference, conciliation and persuasion,] with any
2021 provision of chapters 149 to 153, inclusive, or any other provision of
2022 the general statutes relating to any such election, primary or
2023 referendum by informal methods of conference, conciliation and
2024 persuasion;

2025 [(6)] (7) To consult with the Secretary of the State, the Chief State's
2026 Attorney or the Attorney General on any matter which the commission
2027 deems appropriate;

2028 [(7)] (8) To refer to the Chief State's Attorney evidence bearing upon
2029 violation of any provision of chapters 149 to 153, inclusive, or any
2030 other provision of the general statutes or sections 1 to 4, inclusive, 6 to
2031 24, inclusive, and 38 and 39 of this act, pertaining to or relating to any
2032 such election, primary or referendum;

2033 [(8)] (9) To refer to the Attorney General evidence for injunctive
2034 relief and any other ancillary equitable relief in the circumstances of
2035 subdivision [(7)] (8) of this [section] subsection. Nothing in this
2036 subdivision shall preclude a person who claims that [he] such person is
2037 aggrieved by a violation of any provision of chapter 152 or any other
2038 provision of the general statutes relating to referenda from pursuing
2039 injunctive and any other ancillary equitable relief directly from the
2040 Superior Court by the filing of a complaint;

2041 [(9)] (10) To refer to the Attorney General evidence pertaining to any
2042 ruling which the commission finds to be in error made by election
2043 officials in connection with any election, primary or referendum. Those

2044 remedies and procedures available to parties claiming to be aggrieved
2045 under the provisions of sections 9-323, 9-324, as amended by this act,
2046 9-328 and 9-329a shall apply to any complaint brought by the Attorney
2047 General as a result of the provisions of this subdivision;

2048 [(10)] (11) To consult with the United States Department of Justice
2049 and the United States Attorney for Connecticut on any investigation
2050 pertaining to a violation of this section, section 9-12, subsection (a) of
2051 section 9-17 or section 9-19b, 9-19e, 9-19g, 9-19h, as amended, 9-19i,
2052 9-20, 9-21, 9-23a, 9-23g, 9-23h, 9-23j to 9-23o, inclusive, 9-26, 9-31a, 9-32,
2053 9-35, 9-35b, 9-35c, 9-40a, 9-42, 9-43, 9-50a, 9-56 or 9-59 and to refer to
2054 said department and attorney evidence bearing upon any such
2055 violation for prosecution under the provisions of the National Voter
2056 Registration Act of 1993, P.L. 103-31, as amended from time to time;

2057 [(11)] (12) To inspect reports filed with the Secretary of the State and
2058 with town clerks pursuant to chapter 150 and refer to the Chief State's
2059 Attorney evidence bearing upon any violation of law therein if such
2060 violation was committed knowingly and wilfully;

2061 [(12)] (13) To intervene in any action brought pursuant to the
2062 provisions of sections 9-323, 9-324, as amended by this act, 9-328 and
2063 9-329a upon application to the court in which such action is brought
2064 when in the opinion of the court it is necessary to preserve evidence of
2065 possible criminal violation of the election laws;

2066 [(13)] (14) To adopt and publish regulations pursuant to chapter 54
2067 to carry out the provisions of section 9-7a, this section, sections 1 to 4,
2068 inclusive, 6 to 24, inclusive, and 38 and 39 of this act, and chapter 150;
2069 to issue upon request and publish advisory opinions in the
2070 Connecticut Law Journal upon the requirements of chapter 150 and
2071 sections 1 to 4, inclusive, 6 to 24, inclusive, and 38 and 39 of this act,
2072 and to make recommendations to the General Assembly concerning
2073 suggested revisions of the election laws;

2074 [(14)] (15) To the extent that the Elections Enforcement Commission
2075 is involved in the investigation of alleged or suspected criminal

2076 violations of any provision of the general statutes or sections 1 to 4,
2077 inclusive, 6 to 24, inclusive, and 38 and 39 of this act, pertaining to or
2078 relating to any such election, primary or referendum and is engaged in
2079 such investigation for the purpose of presenting evidence to the Chief
2080 State's Attorney, the Elections Enforcement Commission shall be
2081 deemed a law enforcement agency for purposes of subdivision (3) of
2082 subsection (b) of section 1-210, provided nothing in this section shall be
2083 construed to exempt the Elections Enforcement Commission in any
2084 other respect from the requirements of the Freedom of Information
2085 Act, as defined in section 1-200;

2086 [(15)] (16) To enter into such contractual agreements as may be
2087 necessary for the discharge of its duties, within the limits of its
2088 appropriated funds and in accordance with established procedures;
2089 and

2090 [(16)] (17) To provide the Secretary of the State with notice and
2091 copies of all decisions rendered by the commission in contested cases,
2092 advisory opinions and declaratory judgments, at the time such
2093 decisions, judgments and opinions are made or issued.

2094 (b) In the case of a refusal to comply with an order of the
2095 commission issued pursuant to subdivision (3) of subsection (a) of this
2096 section, the superior court for the judicial district of Hartford, on
2097 application of the commission, may issue a further order to comply.
2098 Failure to obey such further order may be punished by the court as a
2099 contempt thereof.

2100 Sec. 37. Section 9-324 of the general statutes is repealed and the
2101 following is substituted in lieu thereof (*Effective July 1, 2003, and*
2102 *applicable to convention, primary and general election campaigns for elections*
2103 *in 2006, and thereafter*):

2104 Any elector or candidate who claims that [he] such elector or
2105 candidate is aggrieved by any ruling of any election official in
2106 connection with any election for Governor, Lieutenant Governor,
2107 Secretary of the State, State Treasurer, Attorney General, State

2108 Comptroller, or judge of probate, held in [his] such elector or
2109 candidate's town, or that there has been a mistake in the count of the
2110 votes cast at such election for candidates for said offices or any of
2111 them, at any voting district in [his] such elector or candidate's town, or
2112 any candidate for such an office who claims that [he] such candidate is
2113 aggrieved by a violation of any provision of [sections] section 9-355,
2114 9-357 to 9-361, inclusive, 9-364, 9-364a or 9-365 in the casting of
2115 absentee ballots at such election or any candidate for the office of
2116 Governor, Lieutenant Governor, Secretary of the State, State Treasurer,
2117 Attorney General or State Comptroller, who claims that such candidate
2118 is aggrieved by a violation of any provision of sections 1 to 4, inclusive,
2119 6 to 22, inclusive, and 38 and 39 of this act, may bring [his] such elector
2120 or candidate's complaint to any judge of the Superior Court, in which
2121 [he] such elector or candidate shall set out the claimed errors of such
2122 election official, the claimed errors in the count or the claimed
2123 violations of said sections. In any action brought pursuant to the
2124 provisions of this section, the complainant shall send a copy of the
2125 complaint by first-class mail, or deliver a copy of the complaint by
2126 hand, to the State Elections Enforcement Commission. If such
2127 complaint is made prior to such election, such judge shall proceed
2128 expeditiously to render judgment on the complaint and shall cause
2129 notice of the hearing to be given to the Secretary of the State and the
2130 State Elections Enforcement Commission. If such complaint is made
2131 subsequent to the election, it shall be brought [within] not later than
2132 fourteen days of the election and such judge shall forthwith order a
2133 hearing to be had upon such complaint, upon a day not more than five
2134 nor less than three days from the making of such order, and shall cause
2135 notice of not less than three nor more than five days to be given to any
2136 candidate or candidates whose election may be affected by the decision
2137 upon such hearing, to such election official, the Secretary of the State,
2138 the State Elections Enforcement Commission and to any other party or
2139 parties whom such judge deems proper parties thereto, of the time and
2140 place for the hearing upon such complaint. Such judge shall, on the
2141 day fixed for such hearing and without unnecessary delay, proceed to
2142 hear the parties. If sufficient reason is shown, [he] such judge may

2143 order any voting machines to be unlocked or any ballot boxes to be
2144 opened and a recount of the votes cast, including absentee ballots, to
2145 be made. Such judge shall thereupon, in case [he] such judge finds any
2146 error in the rulings of the election official, any mistake in the count of
2147 the votes or any violation of said sections, certify the result of [his]
2148 such judge's finding or decision to the Secretary of the State before the
2149 fifteenth day of the next succeeding December. Such judge may order a
2150 new election or a change in the existing election schedule. Such
2151 certificate of such judge of [his] such judge's finding or decision shall
2152 be final and conclusive upon all questions relating to errors in the
2153 rulings of such election officials, to the correctness of such count, and,
2154 for the purposes of this section only, such claimed violations, and shall
2155 operate to correct the returns of the moderators or presiding officers,
2156 so as to conform to such finding or decision, unless the same is
2157 appealed from as provided in section 9-325.

2158 Sec. 38. (NEW) (*Effective July 1, 2003, and applicable to convention,*
2159 *primary and general election campaigns for elections in 2006, and thereafter*)
2160 (a) Not later than May 15, 2006, and annually thereafter, the State
2161 Elections Enforcement Commission shall submit a report on the status
2162 of the Citizens' Election Fund during the previous calendar year to the
2163 joint standing committee of the General Assembly having cognizance
2164 of matters relating to elections. Such report shall include the amount of
2165 moneys deposited in the fund, the sources of moneys received by
2166 category, the number of contributions, the number of contributors, the
2167 amount of moneys expended by category, the recipients of moneys
2168 distributed from the fund and an accounting of the costs incurred by
2169 the commission in administering the provisions of sections 1 to 4,
2170 inclusive, 6 to 24, inclusive, and 38 and 39 of this act. Not later than
2171 May 1, 2006, and annually thereafter, the Commissioner of Revenue
2172 Services shall submit to the commission the information in the
2173 possession of the commissioner which the commission needs to
2174 complete such report.

2175 (b) Not later than June 1, 2006, and annually thereafter, the joint
2176 standing committee of the General Assembly having cognizance of

2177 matters relating to elections shall submit a report to the General
 2178 Assembly on the implementation of the provisions of this act. The
 2179 report shall include (1) a summary of the report on the status of the
 2180 fund submitted to the committee under subsection (a) of this section,
 2181 and (2) any recommendations for amending the provisions of this act,
 2182 including, but not limited to, extending the provisions of sections 1 to
 2183 4, inclusive, 6 to 24, inclusive, and 38 and 39 of this act to other elected
 2184 offices. The report submitted not later than June 1, 2007, and every two
 2185 years thereafter, shall also include a review of the implementation of
 2186 the provisions of this act with regard to the election held during the
 2187 preceding calendar year.

2188 Sec. 39. (NEW) (*Effective July 1, 2003, and applicable to convention,*
 2189 *primary and general election campaigns for elections in 2006, and thereafter*)
 2190 If a court of competent jurisdiction determines that any provision of
 2191 this act is unconstitutional, such action shall not affect the
 2192 implementation of all remaining provisions of this act.

This act shall take effect as follows:	
Section 1	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 2	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 3	<i>July 1, 2003, and applicable to taxable years commencing on or after January 1, 2003</i>
Sec. 4	<i>July 1, 2003, and applicable to taxable years commencing on or after January 1, 2003</i>
Sec. 5	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 6	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 7	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>

Sec. 8	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 9	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 10	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 11	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 12	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 13	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 14	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 15	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 16	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 17	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 18	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 19	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 20	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 21	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>

Sec. 22	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 23	<i>July 1, 2003, and applicable to primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 24	<i>July 1, 2003, and applicable to primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 25	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 26	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 27	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 28	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 29	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 30	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 31	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 32	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 33	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 34	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 35	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 36	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>

Sec. 37	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 38	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>
Sec. 39	<i>July 1, 2003, and applicable to convention, primary and general election campaigns for elections in 2006, and thereafter</i>

Statement of Legislative Commissioners:

In subsection (a) of section 38, the reference to "the joint standing committee of the General Assembly having cognizance of matters relating to elections" was inserted for consistency with the provisions of subsection (b) of section 38.

GAE *Joint Favorable Subst.-LCO*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Elect. Enforcement Com.; Secretary of the State; Ethics Com.; Revenue Serv., Dept.	GF - Revenue Loss	3.2 - 6.8 million	3.2 - 6.8 million
Revenue Serv., Dept.; Comptroller Misc. Accounts (Fringe Benefits); Secretary of the State	GF - Cost	528,000	363,000
Revenue Serv., Dept.; Elect. Enforcement Com.	Citizens' Election Fund - Cost	765,000	625,000
Elect. Enforcement Com.	Citizens' Election Fund - Revenue Gain	18.5 - 28.6 million	18.5 - 28.6 million

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill establishes a system of public financing for election campaigns for candidates for statewide elected offices and for legislative candidates beginning in 2006. The bill establishes the Citizens' Election Fund, a separate nonlapsing fund within the General Fund, which provides state grants to state office candidates and legislative candidates who comply with certain program requirements. The Citizens' Election Fund (CEF) is financed through (1) income and corporate tax check-offs and add-ons, (2) voluntary contributions, (3) donations of candidate or certain political committee surpluses, (4) penalties and late fees for election and ethics law violations imposed by State Elections Enforcement Commission, the Secretary of State, and the Ethics Commission¹, (5) unclaimed beverage container deposits, and (6) the fund's investment earnings.

The bill is anticipated to result in a revenue gain to the CEF of between \$18.5 - \$28.6 million per year, starting in FY 04. A portion of revenue is anticipated to come from the personal and corporate income check-offs. The check-off provisions earmark revenue that currently, along with the penalties and fees collected by the State Election Enforcement Commission (SEEC), the Secretary of the State (SOTS), and certain penalties collected by the Ethics Commission, is deposited into the General Fund where it is combined with other revenue sources to fund the programs of the General Fund. Therefore, these provisions have the effect of transferring unrestricted General Fund revenue to a restricted account within the General Fund, thus reducing the revenue available to balance the General Fund budget. All other revenue sources (unclaimed bottle deposits, various donations, and interest earnings) have no impact on the state's current revenue stream. The following table shows the anticipated revenue sources of the CEF.

¹ Penalties for ethics law violations involving the Treasurer's office are deposited in funds the Treasurer manages.

Estimated Citizens' Election Fund Revenue	
Source	Annual Revenue
Personal Income Tax Check-Off ²	\$0.6 - \$1.7 million
Corporate Income Tax Check-Off ³	\$2.5 - \$5 million
Penalties and Fees ⁴	\$155,000
Total - Transfers to CEF from GF Unrestricted Revenue	\$3.2 - \$6.8 million
Unclaimed Deposits on Beverage Containers ⁵	\$15 - \$20 million
Other Revenue Sources (Various Donations and Interest Earnings) ⁶	\$0.3 - \$1.8 million
TOTAL REVENUE to CEF	\$18.5 - \$28.6 million

By March in the year before a state election year, the SEEC must determine if there are insufficient monies in the CEF to provide grants to all qualifying candidates. The bill, permits, but does not require the General Assembly to authorize alternative sources of funding sufficient to implement the program. In January of a state election year, the SEEC must determine if the fund can cover its obligations to participating candidates. If there are insufficient monies in the fund, the SEEC must distribute the remaining money in equal shares to all participating candidates, and the candidates can resume accepting

² The lower range (\$0.6 million) is based on a check-off rate of 7.7%, the average of other states political check-off participation rates, according to a national study. The upper range (\$1.7 million) is based on Connecticut's participation rate of 21.7% in the 2000 Presidential Election Fund program (latest IRS data available).

³ Since no other states have a check-off for business tax filers, it was assumed that at the low end (\$2.5 million) that at least 25% of eligible filers would participate and designate the maximum check-off of \$200 and at the high end (\$5 million) 50% of the eligible filers would participate.

⁴ Under current law, the SOTS assessed penalties averaging \$20,000 over the last two fiscal years, the SEEC imposed penalties averaging \$68,680 over the last three fiscal years, and the Ethics Commission deposited \$44,000 in civil and late filing penalties from 1999 - 2002 into the General Fund. An estimated increase of \$25,000 in penalties is anticipated under the bill.

⁵ The estimate is based on Massachusetts' experience adjusted for the difference in Connecticut's population. Massachusetts currently receives approximately \$35 million per year from escheated bottle deposits.

⁶ The range is based on other states experience with add-ons and various voluntary contributions.

contributions and spend up to the program limit.

The SEEC is required to report that there are insufficient monies in the fund and that candidates have been permitted to raise additional money. Again, the bill permits, but does not require, the General Assembly to authorize other sources of funding to meet the program’s obligations. If the General Assembly is not in session when the SEEC issues its report, the bill permits the President pro Tempore of the Senate and the Speaker of House to call a special session to consider authorizing alternative funding sufficient to implement this program. In the event that a special session is called the Office of Legislative Management will incur minimal costs for legislative mileage reimbursement and printing expenses. It is anticipated that any such costs that result can be handled within the normal operating resources of the agency.

Citizens’ Election Fund (CEF) Grants to Candidates

To estimate whether the revenues of the CEF are sufficient to fund grant obligations, it is assumed that there would be two qualifying candidates for each state office, with each candidate receiving the maximum grant.

Combined Maximum Grants from the Citizens' Election Fund (CEF) for Campaigns for Each State Office⁷							
	Governor	Lt. Gov.	Sec. of State	Comptroller	Attorney General	Treasurer	TOTAL
No Primaries	\$6,650,000	\$209,000	\$836,000	\$836,000	\$836,000	\$836,000	\$10,203,000
One Primary	\$8,645,000	\$522,500	\$1,086,800	\$1,086,800	\$1,086,800	\$1,086,800	\$13,514,700
Two Primaries	\$10,640,000	\$836,000	\$1,337,600	\$1,337,600	\$1,337,600	\$1,337,600	\$16,826,400

It is anticipated that there will be a small number of participating legislative candidates who will be eligible to receive CEF grants,

⁷ Assumes each qualifying candidate receives the maximum grant for delegate selection, convention, primary, and general election (Under the bill, Lt. Governor candidates are not eligible for grants for the general election). Unsuccessful participating primary candidates receive the maximum grant only through the primary.

resulting in a minimal cost to the CEF⁸. Under the bill, a participating legislative candidate must have had an independent expenditure used to promote his defeat or his nonparticipating opponent exceed the program spending limit before receiving a CEF grant. In 2000, four Senate candidates spent more than the bill's total election period voluntary spending limit of \$130,000, and one House candidate spent more than the bill's total election period voluntary spending limit of \$50,000.

The CEF starts collecting revenue, estimated annually at \$18.5 - \$28.6 million, in FY 04. The fund will have raised significant revenue before candidates for the 2004 legislative election will be eligible for grants. It is anticipated that the CEF will have sufficient revenue to fund grants to participating 2004 legislative candidates. Based on the assumption that there will be two qualifying candidates for each state office, it is estimated that the separate, nonlapsing CEF will have sufficient revenue (through annual revenue generated and previous years unused monies) to fund grants to participating state office candidates and participating legislative candidates in the 2006 election.

State Elections Enforcement Commission

The bill charges the SEEC with additional responsibilities, and extends some of the commission's existing responsibilities, to administer and enforce the provisions of the public financing program. The SEEC may retain up to 3% of receipts to the CEF for administration of the program. If the SEEC does not spend 3% of the CEF in a year, it can use the balance to pay expenses in future years. Because the anticipated annual receipts to the CEF varies significantly from \$18.5 - \$28.6 million, the amount the SEEC may receive (3% of CEF receipts) will vary correspondingly between \$555,000 - \$858,000.

⁸ Nebraska has a public financing program for state office candidates that is similar to the bill's legislative grant program provisions regarding candidate spending limits. Nebraska's Campaign Finance Limitation Act, since its enactment in 1996, has never provided a legislative candidate with a grant. No legislative candidate have ever received a grant when his nonparticipating opponent exceeded the program spending limit.

It is anticipated that the SEEC will need three full time staff: a Director for the Public Finance Program with a salary of \$63,356; an Accountant position with a salary of \$47,631; and a paralegal with a salary of \$40,070. The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller. The total fringe benefit reimbursement rate as a percentage of payroll is 40.21%, effective July 1, 2002. However, first year fringe benefit costs for new positions do not include pension costs lowering the rate to 18.81% in FY 03. The state's pension contribution is based upon the prior year's certification by the actuary for the State Employees Retirement System. There will also be one-time start up costs of \$15,000 related to purchasing equipment and supplies for the new employees.

It is anticipated that the SEEC will incur recurring, annual costs only to the extent the CEF can support such costs. It is anticipated that beginning in FY 04, the SEEC will need to direct approximately \$10,000 - \$20,000 of its retained percentage of the CEF to promote the fund and attract additional contributions. The costs are associated with developing public service announcements, promotional materials, printing and production costs, and postage costs.

Additionally, the SEEC will need to direct approximately \$5,000 - \$10,000 of its retained percentage of the fund to support the costs of using the direct link to the Comptroller's accounting system necessary for making timely grants to participating candidates.

Under this bill, the Elections Enforcement Commission may impose new civil penalties for violations. This will result in an estimated revenue gain of \$25,000. The bill directs these revenues to the CEF, rather than the General Fund.

Secretary of the State

This bill will increase the SOTS's workload. The resources of the SOTS have been impacted by layoffs and potential early retirements. It is uncertain at this time if the SOTS will require additional positions or

resources to handle the increased workload from this bill.

The bill increases the number of campaign finance statements that must to be filed with the SOTS. It is estimated that the SOTS will incur costs of \$48,000 to have a vendor scan those campaign finance statements that are filed in paper copy with the SOTS, into the File-It system. Currently, the majority of legislative campaign finance statements are filed in paper copy. If more campaign finance statements were filed electronically, the SOTS would incur less costs on the File-It system. The bill makes several changes that will require modifications to the Campaign Finance Information System (CFIS). It will cost an estimated \$60,000 (a one-time cost) for an outside vendor to recode and reprogram CFIS to be able to distinguish candidates that participate in the program from those who do not, account for the amount of grant funds candidates receive, and track other minor changes the bill requires.

The bill requires an increased number of filing requirements for campaign finance statements. The SOTS will incur increased mailing costs to notify candidates of filing dates. It is anticipated that the increased mailing costs will be less than \$5,000.

The bill requires the SOTS to provide participating candidate committees with a free electronic copy of the statewide computerized voter registry list. Providing this list free of charge will result in a minimal general fund revenue loss. Currently, the Secretary of the State's office charges \$300 for the electronic copy of the list. This fee generated \$4,500 in revenue in FY 02.

Department of Revenue Services

It is anticipated that the Department of Revenue Services (DRS) will have initial one-time costs of \$200,000 in FY 04. This expense includes development, and programming to revise the tax return forms. Annual administrative expenses of \$450,000 are also estimated to result. The annual expenses include the costs of processing, additional postage and printing, and auditing the fund in compliance with the provisions

of the bill. The bill authorizes DRS to retain up to 4% of individual and corporate contributions from check-offs and donations. While the anticipated individual and corporate contributions to the CEF could vary significantly, it is unlikely that 4% of these receipts will be sufficient to cover identified costs in FY 04 and FY 05.

The bill also requires DRS to establish and administer a program to collect unclaimed deposits on beverage containers. It is anticipated that DRS will incur General Fund costs of approximately \$400,000 in FY 04 and \$248,000 in FY 05 for personnel and other expenses (programming, postage, printing tax form design). The costs for FY 04 include one-time costs of \$132,000 for program development and programming expenses.

Criminal Justice System

The bill could also result in a minimal cost and a minimal revenue gain to the criminal justice system by establishing additional activities that would be subject to the penalties for larceny. Any increase in cost is anticipated to be absorbable within the normal budgetary resources of the criminal justice system.

OLR Bill Analysis

HB 6653

AN ACT PROPOSING COMPREHENSIVE CAMPAIGN FINANCE REFORM FOR STATE-WIDE CONSTITUTIONAL OFFICES AND THE GENERAL ASSEMBLY**SUMMARY:**

This bill establishes a two-part system of public financing for election campaigns beginning in 2006, one for candidates for statewide elected offices and the other for legislative candidates. In the first part, candidates for state offices who receive qualifying contributions and agree to limit their spending and comply with other requirements are eligible to receive state grants for their campaigns. State office candidates are those running for governor, lieutenant governor, attorney general, state comptroller, secretary of the state, and state treasurer.

The second part sets up a voluntary spending limit program for the primary and general election that grants state funding to legislative candidates only after (1) a participating candidate's opponent exceeds the spending limit or (2) a participating candidate is the target of an independent expenditure. To participate in the program, a candidate must agree to the spending limits and receive a threshold level of contributions and receipts. For purposes of the new programs, the existing campaign finance laws' definitions apply.

The bill:

1. creates a Citizens' Election Fund to fund the programs;
2. limits campaign spending to the amount of a participating candidate's qualifying contributions, contributions from party committees, and grants from the fund;
3. sets an aggregate contribution amount that qualifies candidates to receive public funds;
4. establishes the amounts a candidate can receive from the fund for four different phases of a campaign;

5. reduces certain contribution limits;
6. provides money from the fund to participating candidates whose opponents exceed the spending limits;
7. establishes additional procedures for reporting independent expenditures in connection with statewide office races and increases grants from the fund to candidates who are subject to independent expenditures over \$500 opposing their nomination or election; and
8. provides incentives and penalties to promote compliance.

Under the bill, the Citizens' Election Fund is funded through (1) income and corporate tax checkoffs and add-ons, (2) voluntary contributions, (3) donations of candidate or certain political committee (PAC) surpluses, (4) penalties and late fees for election and certain ethics law violations, (5) unclaimed beverage container deposits, and (6) the fund's investment earnings.

Qualifying candidates can receive a grant for each portion of the campaign in which they are eligible to run. Major or minor party and petitioning candidates can qualify. A gubernatorial candidate who runs in a primary can receive as much as \$3,657,500; other constitutional officers, \$459,800.

A gubernatorial candidate can qualify by receiving \$500,000 in total contributions of up to \$250 each, \$450,000 of which must come from state residents. Generally, he can apply to receive up to \$3.325 million in installments for (1) convention delegate selection, (2) the party convention, and (3) the general election. Candidates who run in a primary receive a portion of the total for the primary, plus a 10% supplemental grant for the general election campaign.

The bill also establishes the qualifying contribution thresholds and fund payments for each phase of the campaign for candidates for attorney general, comptroller, treasurer, and secretary of the state. Candidates for lieutenant governor can apply for grants for the delegate selection, convention, and primary phases of a campaign or for petition circulating, but not the general election.

In the year before the election year, if the fund balance is insufficient to fully fund all qualifying candidates, the State Elections Enforcement Commission (SEEC) must report that fact. The General Assembly may authorize additional funding. If the SEEC later discovers that the fund cannot cover its obligations to participating candidates, the commission distributes money in equal shares to all of them and the candidates can resume accepting contributions and spend up to the program limits.

The bill establishes procedures for applying for the program's financing and for allocating and distributing funds. A candidate who receives program funds must comply with its restrictions on spending and borrowing money. As soon as it is determined that candidates for governor and lieutenant governor are running together, the gubernatorial candidate's committee handles campaign financing. The lieutenant governor's committee must be dissolved and its surplus funds distributed depending on whether the candidate participated in the program or not.

A participating candidate can receive additional public funds if an opponent exceeds the spending limits or he is the target of independent expenditures over \$500. A program participant receives the additional funding during the general election campaign.

The bill requires all candidate committees for state offices to file (1) copies of their campaign finance statements with the SEEC in addition to the secretary of the state and (2) additional weekly campaign finance statements with both the secretary and the SEEC for three months before the general election. It requires reporting to the commission, rather than to the secretary, the independent expenditures that exceed an aggregate of \$500 made in connection with candidates for statewide office.

The bill creates penalties for violating program requirements and gives participating candidates who are the subject of an SEEC order the opportunity for a hearing. Candidates for state offices can file a complaint in Superior Court if they claim they have been harmed with respect to this program in the same way they may currently complain about other election violations.

The bill requires the secretary of the state to provide participating candidate committees with a free electronic copy of the statewide

computerized voter registry list.

The SEEC is charged with administering and enforcing the new program provisions. It must annually report to the Government Administration and Elections (GAE) Committee on the status of the fund. The GAE Committee must report annually to the General Assembly on the status of the fund and implementation of the program.

The bill includes a severability clause, under which a court ruling that any of its provisions is unconstitutional does not affect the other provisions.

EFFECTIVE DATE: July 1, 2003. The tax provisions apply to tax years beginning January 1, 2003. The Citizens' Election Fund Programs begin with the 2006 state election cycle.

CITIZENS' ELECTION FUND SOURCES (§§ 2-7)

The bill establishes a Citizens' Election Fund from which payments to participating candidates are made. It includes proceeds from (1) income and corporate tax add-ons or refund contributions; (2) income and corporate tax checkoffs; (3) voluntary contributions; (4) contributions of campaign committee surpluses and of certain other committees that dissolve; (5) participating candidates' committee surplus distributions; (6) all civil penalties and late fees the SEEC and the secretary of the state impose for election law violations and those the State Ethics Commission imposes for ethics code violations other than for violations involving the State Treasurer's Office (penalties which, by law, are deposited in trust funds the State Treasurer manages); (7) unclaimed deposits on beverage containers; and (8) the fund's own investment earnings. The fund is a separate, nonlapsing account in the General Fund.

Tax Add-On

The bill creates an income tax and corporation business tax add-on system, which taxpayers can use to contribute to the fund. They can contribute either an amount from their tax refund, an additional amount of money, or both, up to \$5,000 (\$10,000 for a corporation or a husband and wife filing a joint return) by indicating the amount on their tax returns, beginning with tax year 2003. The taxpayer can count

as a deduction in the following year the amount of an add-on or contribution when calculating Connecticut adjusted gross income for state income tax purposes, thus exempting such contributions from state income taxes. Contributions taken from a refund count as a refund when determining a subsequent year's tax obligation.

The Department of Revenue Services (DRS) commissioner must revise the tax return forms and include in accompanying instructions a description of the fund's purposes. He can keep up to 4% of the money contributed in a fiscal year (but no more than his costs) to pay for the department's program implementation costs if the Office of Policy and Management secretary approves.

Tax Checkoff

The bill permits individual income taxpayers to designate a \$5 tax checkoff (\$10 for both husband and wife who file a joint return) for the fund. The taxpayer must have a tax liability of at least \$5 (or \$10) before individuals apply any property tax credit and corporations apply all tax credits. The designation does not increase the amount of taxes due. Corporate taxpayers can designate the full amount of their tax liability to the fund if it is less than \$200. A corporation whose tax liability is \$200 or more can designate a \$200 checkoff to the fund. (Starting with income years beginning on or after January 1, 2002, the minimum corporation tax is \$250 per year.)

Voluntary Contributions

The bill allows a person, firm, corporation, party committee, or PAC to contribute directly to the fund. Contributions must be sent to the SEEC and be paid by check or money order.

Donations of Committee Surplus

Any candidate committee or a political committee, other than an ongoing PAC or an exploratory committee, can contribute some or all of its surplus to the fund when it dissolves. The law requires committee treasurers to spend or distribute surplus funds within 90 days of (1) a primary when a candidate loses, (2) an election, or (3) a referendum. The bill adds the fund to the following current eligible recipients: party committees, ongoing PACs, charitable organizations, or contributors on a prorated basis.

Any candidate committee that receives money from the fund must return any surplus to it. Any surplus of a participating lieutenant governor candidate's committee must be turned over to the fund when the candidate joins a gubernatorial candidate's campaign.

Unclaimed Deposits on Beverage Containers

The bill requires a distributor or manufacturer that sells beverage containers and collects deposits on them under the state's bottle deposit law to place the deposits in a separate, interest-bearing bank account and pay any unclaimed deposits in the accounts to the DRS commissioner every quarter. The commissioner must place the money in the Citizens' Election Fund.

After paying reimbursements from the special account for redeemed beverage containers, the distributor or manufacturer must give the DRS commissioner the balance for deposit in the Citizens' Election Fund. The bill applies to the first distributor to sell a beverage container in the state that is subject to the bottle deposit law and to manufacturers who sell such containers directly to retailers. It requires them to file financial reports on their special accounts with DRS within one month after the end of each calendar quarter. The first report is due October 31, 2003. Payers must transfer unclaimed deposits to DRS within seven days after filing the report, and are subject to penalties for failure to pay on time. They must also follow accounting procedures and other requirements specified in implementing regulations DRS adopts. The bill gives the state treasurer authority to examine a distributor's or manufacturer's records relating to the account and allows the attorney general to institute actions to enforce the bill or its regulations.

INSUFFICIENT FUNDS (§ 22)

By March 1 of the year before a state election year, the SEEC must determine whether the amount of money in the fund is sufficient to provide grants to candidates. If the money is inadequate, it must report that fact. The General Assembly may authorize the use of other funding sources to meet the program's obligations.

If the commission decides by the following January 1 that there is not enough money in the fund to pay for the program, it has three days to recalculate the amount of money qualified candidates can receive and

notify the candidates. After the candidates receive their shares of money from the fund, they can resume accepting contributions up to the amount they would have received from the fund.

The bill requires the SEEC to report on its determination that there has been a shortage permitting candidates to resume raising money. In this case, too, the legislature may authorize the use of other funding for the program. The bill gives the Senate president pro tempore and the House speaker authority to call a special session to consider program funding when there is a shortfall report and the legislature is not in session.

The SEEC must set aside the first \$25,000 deposited in the fund each year in a reserve account. The reserve account must be used during the last week of the campaign for candidates who received partial payments or who are the targets of independent expenditures and entitled to matching funds.

LEGISLATIVE SPENDING LIMIT PROGRAM (§§ 23 AND 24)

The bill establishes a voluntary spending limits program for major, minor, and petitioning party candidates for legislative office campaigns, beginning with the 2006 primary and general election. Under the program, a participating candidate (one who agrees to the spending limit and has met the threshold for qualifying contributions) receives money from the fund when an independent expenditure promotes his defeat or his nonparticipating opponent exceeds the limit.

To qualify, a candidate must have received at least 25% of the spending limit in contributions and receipts, as shown below.

Table 1: Qualifying Contributions

<i>Candidates for</i>	<i>Total Election Period</i>	<i>Primary Election</i>
Senate	\$32,500	\$16,250
House	12,500	6,250

The spending limits are in Table 2.

Table 2: 2006 Spending Limits*

<i>Candidates for</i>	<i>Total Election Period</i>	<i>Primary Election</i>
Senate	\$130,000	\$65,000
House	50,000	25,000

*To be adjusted for inflation (see below).

If there is a primary, a participating candidate must limit his spending for that phase of the election to half of the total spending limit. Spending for a primary is counted toward the total limit.

In-kind contributions from a party committee for coordinated campaign expenditures, such as phone banks and voter lists that are available to all party-endorsed candidates, are excluded from the spending limits.

The SEEC must adjust the spending limits for legislative candidates running in 2006, based on changes in the Consumer Price Index for Urban Consumers (CPI-U) between January 1, 2003 and December 31, 2005. The commission must make similar adjustments on January 15, 2008, and biennially thereafter.

Participation Procedures

Under the bill, when an individual files a statement of candidacy, he must also file an affidavit with the SEEC stating whether he intends to abide by the spending limits. If he intends to abide, he must also include a certification agreeing to guarantee the lawful use of any funds he receives from the state and to personally repay any amount improperly spent. The SEEC must prepare lists of the participating and nonparticipating candidates and make them available to the public.

Every candidate for legislative office must file campaign finance statements with the secretary of the state (1) monthly, once he has received contributions totaling 75% of the spending limit for the primary and again for the election, during the four months before the election and (2) weekly during the six weeks before the election. The SEEC must review them. Before reaching this threshold, the candidate committee must file campaign finance statements with the secretary according to the existing schedule.

Disbursement from the Fund

The SEEC must review all campaign finance statements to determine if and when a nonparticipating candidate exceeds the limit. When that happens and the candidate has a qualified opponent, the commission informs the comptroller who must pay to the participating candidate's campaign an amount equal to the excess spending. The comptroller has two business days to do so. A nonparticipating candidate's subsequent excess spending results in the same award to the participating opponents, following the same procedures.

A participating candidate is eligible for money from the fund when he is the target of an independent expenditure. The SEEC must, immediately upon making such a determination, authorize a payment equal to the independent expenditure, which the comptroller has two business days to pay.

CITIZENS' ELECTION PROGRAM

Eligible Candidates (§ 8)

A candidate who wants to participate in the Citizens' Election Program must have received the required amount of qualifying contributions (see below) and returned all contributions over that threshold. He must have returned all of his exploratory committee's contributions that do not meet the criteria for qualifying contributions. He must agree to limit his campaign spending to no more than the specified cap and comply with program requirements.

Qualifying Contributions (§ 9)

Candidates who want to participate in the program must qualify by raising a specified amount from individual donors, with a minimum coming from individuals who are state residents (at least 90%), in maximum amounts that vary by office (see Table 3). Every contributor must provide his name and address. Neither a contributor nor his spouse may be a registered lobbyist or have a contract with the state or be associated with a business that has a state contract (see BACKGROUND). Contributors must certify their eligibility in this regard. Only the contributions to a candidate's exploratory committee that meet the criteria for qualifying contributions are counted toward the qualifying thresholds.

Table 3: Qualifying Contributions

<i>Candidates for</i>	<i>Qualifying Total</i>	<i>Including Contributions from State Residents of at Least</i>	<i>Counting Amount from Separate Contributions Up To</i>
Governor	\$500,000	\$450,000	\$250
Other state offices	75,000	67,500	150

Grants from the Fund (§§ 10-11)

Candidates who agree to limit spending are entitled to receive grants from the Citizens’ Election Fund (see Table 4). Candidates for lieutenant governor can receive grants for the delegate selection, convention, and primary phases of a campaign or for petitioning for ballot access, but not for the general election when they must run together with a gubernatorial candidate whose committee may participate in the program.

Table 4: Grants from the Citizens’ Election Fund

<i>Governor</i>					
	<i>Delegate Selection</i>	<i>Convention</i>	<i>Primary</i>	<i>General Election</i>	<i>Total</i>
No primary	\$665,000	\$166,250	--	\$2,493,750	\$3,325,000
Primary	665,000	166,250	831,250	1,662,500 +332,500	3,657,500
	<i>Ballot Access</i>				
Petitioning		\$1,163,750		\$2,161,250	\$3,325,000

<i>Other State Offices*</i>					
	<i>Delegate Selection</i>	<i>Convention</i>	<i>Primary</i>	<i>General Election</i>	<i>Total</i>
No primary	\$83,600	\$20,900	--	\$313,500	\$418,000
Primary	83,600	20,900	\$104,500	209,000 +41,800	459,800
	<i>Ballot Access</i>				
Petitioning		\$146,300		\$271,700	\$418,000

*Candidates running for lieutenant governor are eligible for grants for

the delegate selection, convention, primary, and petitioning for ballot access phases only.

Annually, beginning January 15, 2007, the SEEC must calculate and increase the grants by the same percentage as the most recent calendar year's increase in the average bulk mail rates set by the United States Postal Service.

Spending Limits (§ 8)

Generally, a participating candidate's spending is limited to the sum of his qualifying contributions, the amount of the state grant, and the amount of permitted party contributions. Tables 5 and 6 show the limits on total spending for gubernatorial and other state office candidates.

Table 5: Campaign Spending Limits With No Primary

<i>Candidates for</i>	<i>Qualifying Contributions</i>	<i>Fund Grants</i>	<i>Party Contributions</i>	<i>Total</i>
Governor	\$500,000	\$3,325,000	\$125,000	\$3,950,000
Other State Offices	75,000	418,000	30,000	523,000

Table 6: Campaign Spending Limits With A Primary

<i>Candidates for</i>	<i>Qualifying Contributions</i>	<i>Fund Grants</i>	<i>Party Contributions</i>	<i>Total</i>
Governor	\$500,000	\$3,657,500	\$125,000	\$4,282,500
Other State Offices	75,000	456,000	30,000	561,000

Political Party Committee Contributions (§§ 29 and 32)

Current law permits party committees to give unlimited amounts to candidate committees. The bill establishes party committee contribution limits for candidates for statewide offices. It increases the amount of those candidates' permissible expenditures by the amount that parties give them. The limits (and additions to the spending caps) are shown in Table 7.

Table 7: Limits on Party Contributions Participating Candidates Can

Accept

<i>Candidates for</i>	<i>Limits for State Central Committees</i>	<i>Limits for All Town Committees</i>	<i>Total</i>
Governor	\$50,000	\$75,000	\$125,000
Other State Offices	10,000	20,000	30,000

In addition to the limits on what certain candidates can receive, the bill establishes the following limits on what party committees can contribute to those candidates. They are aggregate limits that apply to both a primary and the general election.

Table 8: Party Committee Contribution Limits

<i>To Candidates for</i>	<i>From a State Central Committee</i>	<i>From a Town Committee</i>
Governor	\$50,000	\$1,000
Other State Offices	10,000	500

The bill prohibits an individual from designating any of his party committee contributions for a state office candidate.

Application Process (§§ 12-14)

In the year of the election, a qualified candidate may apply to the SEEC for campaign funds:

1. after January 1 for the delegate selection process,
2. after January 1 for ballot access in a petitioning campaign,
3. 60 days before the convention for the convention vote,
4. after the close of the convention for a primary,
5. after the close of the convention for an endorsed candidate who will not have to run in a primary,
6. after the close of the convention for a candidate who is the only one to qualify for a primary and there is no endorsement,

7. after a primary for the winner, or
8. after the secretary of the state approves the nominating petition for a petitioning candidate.

The commission must review each application and has five business days to determine the amount of funds for which the candidate is eligible and notify the comptroller and the candidate. The comptroller has three business days to issue a check for that amount to the candidate's committee.

The candidate's application must include written certification, signed by both the candidate and the campaign treasurer, that:

1. the candidate's committee has received the required qualifying contributions;
2. the committee has repaid all loans;
3. the committee has returned excess portions of contributions (see below) and those contributions received after it has reached the qualifying threshold;
4. the committee and any exploratory committee have returned contributions from ineligible donors and those without the person's name and address;
5. the committee will refuse to accept additional contributions other than those permitted from party committees;
6. the campaign committee treasurer will comply with the program's requirements;
7. public funds for the candidate committee will be deposited in the committee's bank account as soon as they are received;
8. the treasurer will spend program funds only for items permitted under existing law;
9. each contributor has certified that he and his spouse are not lobbyists or state contractors (and that their businesses have no state contracts);

10. the treasurer will file all campaign finance statements in electronic form; and
11. if the candidate withdraws, becomes ineligible, or dies, his committee will return unspent grants it received from the fund.

A candidate for lieutenant governor must certify that he is not yet running jointly with a gubernatorial candidate.

The bill requires candidates who want to accept funds to return the portion of contributions they have received that exceed the qualifying contribution limit. Thus, candidates for the following offices can accept the qualifying contributions indicated but must return the amount of any contribution over the amount shown.

Table 9: Qualifying Contribution Limits

<i>Candidates for</i>	<i>Contributions Qualify Up To</i>	<i>Return Contribution Amounts Over</i>
Governor	\$250	\$250
Other State Offices	150	150

Along with the application for program funds, the committee must include a sworn cumulative itemized accounting of its receipts and expenditures (those paid and encumbered) for the period up to three days before the application date. The candidate must also file a surety bond in an amount equal to the first installment of the funds he is eligible to receive. The SEEC must adopt regulations relating to the surety bond.

Candidates who run for their party's nomination or in the general election as the party nominee are eligible to receive campaign funds under this program. In addition, a qualified petitioning candidate can apply for funds to circulate petitions and get access to the ballot and for the general election. A party candidate can apply anytime in the process after he receives the qualifying contributions, but he receives subsequent installments automatically if he proceeds successfully from the convention delegate selection phase, through the primary, to the general election. Only successful candidates in each phase of the campaign are entitled to receive funds for a subsequent phase.

When a previously funded candidate receives the party endorsement or at least 15% of the convention vote, the commission must notify the comptroller and the comptroller must make a payment. When the secretary of the state declares the winner of a primary or approves a candidate's nominating petition, the commission notifies the comptroller who must make a payment for the general election.

If the party-endorsed candidate is not challenged and there is no primary, the endorsed candidate receives funds for the general election, minus any he may have already received for a primary. When a scheduled primary is cancelled, a candidate who received funds is eligible to receive funds for the general election if he becomes the party's nominee. The general election grant is reduced by the amount of the primary grant that has not yet been spent.

If there is no primary because no one other than the party-endorsed candidate received the required convention support, a previously funded nominee (or when there is no endorsement, the only candidate to file for the nomination) is eligible to receive program funds for the general election.

Nonparticipating Candidates (§ 17(c))

The bill requires a nonparticipating candidate to file with the SEEC a declaration of excess expenditures within 48 hours of spending or encumbering any amount over the allocation that participating candidates receive from the fund when the spending occurs more than 20 days before a convention, primary, or election. When such spending occurs within the 20 days before these events, he must file with the commission within 24 hours. The commission may determine whether an expenditure is over the limit.

Remedy for an Aggrieved Candidate (§ 37)

The bill permits any state office candidate who claims he has been harmed by a violation of the laws establishing the public financing program to file a complaint in Superior Court.

Restrictions on Participating Candidates

Contributor Certification (§ 9). Anyone contributing to a participating candidate must certify that (1) he and his spouse are not lobbyists and (2) neither he, his spouse, nor any of their associated

businesses have a contract with the state. The bill specifies the content, but not the form, of the certification, which must be included with the contribution. Every contribution must include the donor's name and address.

Spending Limits (§ 13(b)). A candidate who receives program financing can spend only his qualifying contributions, political party contributions (from a state central or town committees), and money received from the Citizens' Election Fund.

Personal Expenditures (§ 21). A candidate who receives public funds can spend up to \$1,000 of his own money in support of his nomination or election. If he chooses to make such a contribution, he must do so before receiving money from the fund. A candidate's own money is considered a qualifying contribution.

Loans (§ 16). A candidate committee that receives funds can borrow up to \$1,000. Other than the candidate or, for a general election, a state central committee, no person or committee can endorse or guarantee more than a \$250 loan, which is the maximum amount considered to be a qualifying contribution to a gubernatorial campaign. As long as the loan is outstanding, the endorsement or guarantee is considered to be a contribution and no additional contribution from the person or committee is allowed. Borrowed funds cannot be included as contributions for the purpose of reaching the qualifying threshold. Repayment of all loans and certification of repayment are required before a candidate is eligible to apply for or receive funds.

No Additional Deposits (§ 13(a)). After a candidate deposits program funds in his campaign account, he cannot deposit any other contribution, loan, personal funds, or other funds into it. But he can deposit party contributions and money he is entitled to because he is the target of an independent expenditure or an opponent exceeds the limit.

Governor and Lieutenant Governor (§ 15)

The bill requires a party's candidates for governor and lieutenant governor to be considered as running jointly for purposes of participating in the gubernatorial financing program as soon as that determination can be made. That occurs as soon as (1) the results of a primary are known, if there is a primary for either or both offices; (2) at

the convention, if there is no primary; or (3) when party-endorsed candidates declare that they will campaign as a single ticket, that is they will run together in the general election so that electors can cast a single vote for both candidates. Candidates other than party-endorsed candidates can also declare that they are campaigning jointly. When filing an application for funds as a candidate for lieutenant governor, a candidate must certify that he is not supporting a joint candidacy with any gubernatorial candidate.

Under the bill, any candidate for lieutenant governor must dissolve his own candidate committee if he is running jointly with a gubernatorial candidate. As soon as the candidates' status determination is made, the treasurer of the lieutenant governor candidate's campaign committee must:

1. within 15 days, file a statement with the secretary of the state listing the committee's contributions and expenditures since the last filed report and showing the balance or deficit and
2. within 30 days, return any surplus to (a) the fund if the candidate participated in the program or (b) contributors on a prorated basis or a charitable organization.

Disregard of Spending Limits (§ 17)

Penalties. The bill penalizes a candidate committee that receives program money and exceeds the spending limits by:

1. requiring it to repay the amount overspent to the fund and
2. prohibiting it from receiving additional program funds for the remainder of the election cycle.

If a candidate intentionally exceeds the spending limit by more than 1% of the permitted amount, he must repay it and is guilty of a class D felony, subject to a fine of up to \$5,000, one to five years in prison, or both.

Opponent Exceeds Spending Limits. A qualified candidate who receives program funds is entitled to additional money from the fund if his opponent exceeds the spending limits (whether his opponent is receiving program funds or financing his campaign from other

sources). The additional money is equal to the excess amount spent by the opponent, up to the amount the participating candidate has received from the fund. The extra funding must be paid as soon as feasible after the commission verifies a violation, but not until the general election campaign. A participating candidate who exceeds the spending limit cannot receive additional payments because his opponent overspends.

Independent Expenditures

When SEEC receives a report that someone has made an independent expenditure in an effort to oppose a participating candidate, it must notify the comptroller and direct her to provide the candidate with additional money equal to the independent expenditure. The candidate can receive up to the total amount of money from the fund that he has already received from it. The additional payments a candidate receives in response to both an opponent's overspending and independent expenditures can be no more than double the amount the participating candidate has received from the fund.

CONTRIBUTION LIMITS

Ad Books (§ 26)

For participating candidates, the bill makes the purchase of advertising space in a campaign fund raising program a campaign contribution. Thus, it prohibits businesses from buying ads and subjects the individuals who buy them to contribution limits and disclosure requirements. Ads that individuals buy are counted toward the qualifying contributions.

Gubernatorial Candidates (§§ 28, 30-31, and 33-34)

The bill reduces to \$1,000 the limit on contributions to all gubernatorial campaign committees. The \$1,000 limit represents a reduction from (1) \$2,500 for an individual, (2) \$5,000 for a business PAC, (3) \$2,500 for a labor PAC, and (4) an unlimited amount for an ongoing PAC and a committee established for a single primary or election.

Other Statewide Office Candidates (§§ 28, 30-31, and 33-34)

The bill reduces the maximum contribution to all candidates for the five constitutional officials other than governor. It establishes a \$750

limit that represents a reduction from: (1) \$1,500 for an individual; (2) \$3,000 for a business PAC; (3) \$1,500 for a labor PAC; and (4) an unlimited amount for an ongoing PAC and a committee established for a single primary or election.

Election Cycle Limit (§§ 28, 30-31, and 33-34)

Current law applies the contribution limits to primaries and elections separately thereby allowing contributions from each contributor up to the limit for both a primary and the election. For example, the current \$2,500 limit means an individual can donate as much as \$5,000 to a gubernatorial candidate who runs in both a primary and the general election. For individuals and those committees for which the bill reduces or sets contribution limits for state office candidates, the bill imposes the limit as an aggregate for the entire election cycle. In effect, taking the example, the bill reduces an individual's contribution limit to a gubernatorial candidate from \$5,000 to \$1,000.

CAMPAIGN FINANCE REPORTS

Candidate Committees (§§ 19 and 27)

The bill requires each candidate for statewide office covered by the bill to file a copy of every campaign finance statement with the commission, in addition to the original that he files with the secretary of the state.

In addition to the campaign finance reports that committee treasurers must file with the secretary of the state and, under the bill, the commission, the bill requires the treasurers of candidate committees for state offices to file sworn weekly statements during the final three and a half months of the campaign. The weekly statements must be filed every Tuesday, from the middle of July until the end of October. They must show the committee's itemized receipts and expenditures for the preceding week. The statements go to the secretary and the SEEC. The committee treasurer is subject to a penalty of up to \$1,000 (imposed by the commission) for failure to file on time.

Independent Expenditures (§ 18)

The bill establishes procedures for reporting independent expenditures over \$500 made to promote the success or defeat of a statewide candidate. It applies to an individual, committee, corporation, or any

other legal entity. It requires the reports of such spending for statewide office campaigns to go to the SEEC rather than to the secretary of the state or town clerks. The person making the payment must file the report within 48 hours of doing so, rather than by the deadlines for candidate committee and PAC statements. Within 20 days of a convention, primary, or election, anyone making an independent expenditure must report it within 24 hours. The report must include a statement (1) identifying the candidate who is the beneficiary or target of the expenditure; (2) affirming that the expenditure is truly independent; and (3) affirming that the spender is not or has not served as the candidate's treasurer, deputy treasurer, or committee chairman during the same election cycle. The person files the statement under penalty for false statement, which is a fine of up to \$2,000, up to one year in prison, or both (the punishment for a class A misdemeanor). Anyone can file a complaint with SEEC alleging a false report or statement or that a report was not filed at all.

The reporting provision applies to spending in a campaign for state offices. The current requirement to report quarterly on an individual's independent spending over \$1,000 remains unchanged, but under the bill applies to independent spending in other campaigns.

SEEC POWERS AND DUTIES (§§ 17 AND 35-36)

The SEEC must decide whether there is enough money in the Citizens' Election Fund to fund state office candidates' campaigns and must report if the amount is insufficient.

The commission must prescribe the program application form and the one used for itemized accounting, after consulting with the secretary of the state. It must receive and process candidates' applications for program funds, make the determination that a candidate is eligible, and notify the comptroller of the amount due and payable to each qualified candidate's committee. Under the bill, the commission is authorized to decide whether a nonparticipating candidate's spending exceeds the spending cap. It can deduct from the fund money to pay its program implementation costs, up to 3% of the funds contribution in a fiscal year. If the commission does not spend 3% of the funds in a year, it can use the balance to pay costs in subsequent years.

The bill extends some of SEEC's existing authority to enforce the provisions of the public financing program. With respect to the

program, the SEEC can (1) investigate complaints and alleged violations and hold hearings, (2) impose civil penalties up to \$2,000, (3) issue an order to a recipient candidate committee to comply with program requirements after granting an opportunity for a hearing under the Uniform Administrative Procedure Act, (4) inspect and audit campaign records and accounts, (5) attempt to secure voluntary compliance with program requirements, (6) adopt regulations, and (7) refer evidence to the chief state's attorney or the attorney general.

It extends the designation of law enforcement agency to the SEEC for its investigations of possible criminal violation of the bill for certain purposes under the Freedom of Information Act.

The bill also gives the SEEC the authority to decide on a complaint alleging failure to file or falsehood in the statement that a person making an independent expenditure must file with the commission. It must notify a committee treasurer who has failed to file the copy of a campaign finance statement with the SEEC that he is in violation of the law if the report is not sent within 21 days of the deadline.

The bill makes the commission responsible for computing an increase in the amount of state grants for future elections. Annually, beginning January 15, 2007, the grants must be increased by the same percentage as the most recent calendar year's increase in the average bulk mail rates set by the United States Postal Service.

REPORTS (§ 38)

Beginning by May 15, 2006, the SEEC must annually report to the GAE Committee on the status of the fund. The report must include an accounting of the deposits, fund sources, number of contributions and contributors, expenditures, fund recipients, and administrative costs. The revenue services commissioner must provide the SEEC the information it needs by May 1 each year, beginning in 2006.

Beginning no later than June 1, 2006, the GAE Committee must report each year to the General Assembly on the public financing program, summarizing the status of the fund, and recommending legislative changes in the program. Beginning June 1, 2007, and every two years thereafter, GAE's report must also include a review of the program's application to state election campaigns in the prior year.

BACKGROUND

Associated Business

The bill defines “associated business” by reference to “business with which he is associated” in the campaign finance law (CGS § 9-333a(16)). That means any business in which a campaign contributor is a director, officer, owner, limited or general partner, or holder of stock constituting at least 5% of the total outstanding stock of any class.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Report

Yea 10 Nay 6