



General Assembly

February Session, 2004

Raised Bill No. 5025

LCO No. 483

00483 _____ GAE

Referred to Committee on Government Administration and Elections

Introduced by:
(GAE)

**AN ACT STRENGTHENING ETHICS LAWS CONCERNING GIFTS,
FINANCIAL DISCLOSURE AND STATE CONTRACTORS.**

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

1 Section 1. Subsection (e) of section 1-79 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2004*):

4 (e) "Gift" means anything of value, which is directly and personally
5 received, unless consideration of equal or greater value is given in
6 return. "Gift" shall not include:

7 (1) A political contribution otherwise reported as required by law or
8 a donation or payment as described in subdivision (9) or (10) of
9 subsection (b) of section 9-333b;

10 (2) Services provided by persons volunteering their time;

11 (3) A commercially reasonable loan made on terms not more
12 favorable than loans made in the ordinary course of business;

13 (4) A gift received from (A) an individual's spouse, fiance or fiancee,
14 (B) the parent, brother or sister of such spouse or such individual, or
15 (C) the child of such individual or the spouse of such child;

16 (5) Goods or services (A) which are provided to the state (i) for use
17 on state property, or (ii) to support an event or the participation by a
18 public official or state employee at an event, and (B) which facilitate
19 state action or functions. As used in this subdivision, "state property"
20 means (i) property owned by the state, or (ii) property leased to an
21 agency in the Executive or Judicial Department of the state;

22 (6) A certificate, plaque or other ceremonial award costing less than
23 one hundred dollars;

24 (7) A rebate, discount or promotional item available to the general
25 public;

26 (8) Printed or recorded informational material germane to state
27 action or functions;

28 (9) Food or beverage or both, costing less than fifty dollars in the
29 aggregate per recipient in a calendar year, and consumed on an
30 occasion or occasions at which the person paying, directly or
31 indirectly, for the food or beverage, or his representative, is in
32 attendance;

33 (10) Food or beverage or both, costing less than fifty dollars per
34 person and consumed at a publicly noticed legislative reception to
35 which all members of the General Assembly are invited and which is
36 hosted not more than once in any calendar year by a lobbyist or
37 business organization. For the purposes of such limit, (A) a reception
38 hosted by a lobbyist who is an individual shall be deemed to have also
39 been hosted by the business organization which he owns or is
40 employed by and (B) a reception hosted by a business organization
41 shall be deemed to have also been hosted by all owners and employees
42 of the business organization who are lobbyists. In making the

43 calculation for the purposes of such fifty-dollar limit, the donor shall
44 divide the amount spent on food and beverage by the number of
45 persons whom the donor reasonably expects to attend the reception;

46 (11) Food or beverage or both, costing less than fifty dollars per
47 person and consumed at a publicly noticed reception to which all
48 members of the General Assembly from a region of the state are
49 invited and which is hosted not more than once in any calendar year
50 by a lobbyist or business organization. For the purposes of such limit,
51 (A) a reception hosted by a lobbyist who is an individual shall be
52 deemed to have also been hosted by the business organization which
53 he owns or is employed by, and (B) a reception hosted by a business
54 organization shall be deemed to have also been hosted by all owners
55 and employees of the business organization who are lobbyists. In
56 making the calculation for the purposes of such fifty-dollar limit, the
57 donor shall divide the amount spent on food and beverage by the
58 number of persons whom the donor reasonably expects to attend the
59 reception. As used in this subdivision, "region of the state" means the
60 established geographic service area of the organization hosting the
61 reception;

62 (12) A gift costing less than one hundred dollars, including but not
63 limited to, food or beverage or both, provided by an individual for the
64 celebration of a major life event;

65 (13) Gifts costing less than one hundred dollars in the aggregate or
66 food or beverage provided at a hospitality suite at a meeting or
67 conference of an interstate legislative association, by a person who is
68 not a registrant or is not doing business with the state of Connecticut;

69 (14) Admission to a charitable or civic event, including food and
70 beverage provided at such event, but excluding lodging or travel
71 expenses, at which a public official or state employee participates in
72 his official capacity, provided such admission is provided by the
73 primary sponsoring entity;

74 (15) Anything of value provided by an employer of (A) a public
75 official, (B) a state employee, or (C) a spouse of a public official or state
76 employee, to such official, employee or spouse, provided such benefits
77 are customarily and ordinarily provided to others in similar
78 circumstances; or

79 (16) Anything having a value of not more than ten dollars, provided
80 the aggregate value of all things provided by a donor to a recipient
81 under this subdivision in any calendar year shall not exceed fifty
82 dollars.

83 Sec. 2. Section 1-83 of the general statutes is repealed and the
84 following is substituted in lieu thereof (*Effective October 1, 2004*):

85 (a) (1) All state-wide elected officers, members of the General
86 Assembly, department heads and their deputies, members of the
87 Gaming Policy Board, the executive director of the Division of Special
88 Revenue within the Department of Revenue Services, members or
89 directors of each quasi-public agency, members of the Investment
90 Advisory Council, state marshals and such members of the Executive
91 Department and such employees of quasi-public agencies as the
92 Governor shall require, shall file, under penalty of false statement, a
93 statement of financial interests for the preceding calendar year with the
94 commission on or before the May first next in any year in which they
95 hold such a position. Any such individual who leaves his or her office
96 or position shall file a statement of financial interests covering that
97 portion of the year during which such individual held his or her office
98 or position. The commission shall notify such individuals of the
99 requirements of this subsection within thirty days after their departure
100 from such office or position. Such individuals shall file such statement
101 within sixty days after receipt of the notification.

102 (2) Each state agency, department, board and commission shall
103 develop and implement, in cooperation with the Ethics Commission,
104 an ethics statement as it relates to the mission of the agency,
105 department, board or commission. The executive head of each such

106 agency, department, board or commission shall be directly responsible
107 for the development and enforcement of such ethics statement and
108 shall file a copy of such ethics statement with the Department of
109 Administrative Services and the Ethics Commission.

110 (b) (1) The statement of financial interests, except as provided in
111 subdivision (2) of this subsection, shall include the following
112 information for the preceding calendar year in regard to the individual
113 required to file the statement and the individual's spouse and
114 dependent children residing in the individual's household: (A) The
115 names of all businesses with which he or she is associated; (B) the
116 category or type of all sources of income in excess of one thousand
117 dollars, without specifying amounts of income; (C) the name of
118 securities in excess of five thousand dollars at fair market value owned
119 by such individual, spouse or dependent children or held in the name
120 of a corporation, partnership or trust for the benefit of such individual,
121 spouse or dependent children; (D) the existence of any known blind
122 trust and the names of the trustees; (E) all real property and its
123 location, whether owned by such individual, spouse or dependent
124 children or held in the name of a corporation, partnership or trust for
125 the benefit of such individual, spouse or dependent children; (F) the
126 names and addresses of creditors to whom the individual, the
127 individual's spouse or dependent children, individually, owed debts of
128 more than ten thousand dollars; [and] (G) any leases or contracts with
129 the state held or entered into by the individual or a business with
130 which he or she was associated; and (H) a description of any
131 partnership, joint ownership or similar business affiliation between (i)
132 a business included under subparagraph (A) of this subdivision with
133 which the individual filing the statement, the individual's spouse or a
134 dependent child of the individual is associated, and (ii) a lobbyist, a
135 person that the individual filing the statement knows or has reason to
136 know is doing business with or seeking to do business with the state or
137 is engaged in activities that are directly regulated by the department or
138 agency in which the individual is employed, or a business with which
139 such lobbyist or person is associated.

140 (2) The statement of financial interests filed by state marshals shall
141 include only amounts and sources of income earned in their capacity
142 as state marshals.

143 (c) The statement of financial interests filed pursuant to this section
144 shall be a matter of public information, except the list of names, filed in
145 accordance with subparagraph (F) of subdivision (1) of subsection (b)
146 of this section shall be sealed and confidential and for the use of the
147 commission only after a complaint has been filed under section 1-82
148 and such complaint has been determined by a vote of the commission
149 to be of sufficient merit and gravity to justify the unsealing of such list
150 or lists and not open to public inspection unless the respondent
151 requests otherwise. If the commission reports its findings to the Chief
152 State's Attorney in accordance with subsection (c) of section 1-88, the
153 commission shall turn over to the Chief State's Attorney such relevant
154 information contained in the statement as may be germane to the
155 specific violation or violations or a prosecutorial official may subpoena
156 such statement in a criminal action. Unless otherwise a matter of
157 public record, the Ethics Commission shall not disclose to the public
158 any such subpoena which would be exempt from disclosure by the
159 issuing agency.

160 (d) Any individual who is unable to provide information required
161 under the provisions of subdivision (1) of subsection (b) of this section
162 by reason of impossibility may petition the commission for a waiver of
163 the requirements.

164 Sec. 3. Subsection (m) of section 1-84 of the general statutes, as
165 amended by section 5 of public act 03-215, is repealed and the
166 following is substituted in lieu thereof (*Effective October 1, 2004*):

167 (m) (1) No Governor, Lieutenant Governor, Attorney General,
168 Comptroller, Secretary of the State, Treasurer, department head, as
169 defined in section 4-5, as amended, or member of the immediate family
170 of the Governor, Lieutenant Governor, Attorney General, Comptroller,
171 Secretary of the State, Treasurer or department head shall knowingly

172 accept, directly or indirectly, any gift from any person such official or
173 person knows or has reason to know: (A) Is doing business with or
174 seeking to do business with any state agency or quasi-public agency;
175 or (B) is prequalified under section 3 of public act 03-215. No person
176 shall knowingly give, directly or indirectly, any gift or gifts in violation
177 of this provision.

178 (2) [No] Except as provided in subdivision (1) of this subsection, no
179 public official or state employee shall knowingly accept, directly or
180 indirectly, any gift, [as defined in subsection (e) of section 1-79,] from
181 any person the official or employee knows or has reason to know: [(1)]
182 (A) Is doing business with or seeking to do business with the
183 department or agency in which the official or employee is employed;
184 [(2)] (B) is engaged in activities which are directly regulated by such
185 department or agency; or [(3)] (C) is prequalified under section 3 of
186 [this act] public act 03-215. No person shall knowingly give, directly or
187 indirectly, any gift or gifts in violation of this provision.

188 Sec. 4. Section 1-84 of the general statutes, as amended by section
189 146 of public act 03-6 of the June 30 special session, is amended by
190 adding subsections (p) and (q) as follows (*Effective October 1, 2004*):

191 (NEW) (p) No public official or state employee or member of the
192 immediate family of a public official or state employee shall knowingly
193 accept, directly or indirectly, any gift costing one hundred dollars or
194 more from a public official or state employee who is under the
195 supervision of such public official or state employee. No public official
196 or state employee shall knowingly give, directly or indirectly, any gift
197 or gifts in violation of this provision.

198 (NEW) (q) No public official or state employee shall knowingly
199 accept, directly or indirectly, any goods or services provided to the
200 state under subdivision (5) of subsection (e) of section 1-79, as
201 amended by this act, by a person prohibited from making gifts to
202 public officials and state employees under this section or section 1-97,
203 without the approval of the commission.

204 Sec. 5. Subsection (g) of section 1-91 of the general statutes is
205 repealed and the following is substituted in lieu thereof (*Effective*
206 *October 1, 2004*):

207 (g) "Gift" means anything of value, which is directly and personally
208 received, unless consideration of equal or greater value is given in
209 return. "Gift" shall not include:

210 (1) A political contribution otherwise reported as required by law or
211 a donation or payment described in subdivision (9) or (10) of
212 subsection (b) of section 9-333b;

213 (2) Services provided by persons volunteering their time;

214 (3) A commercially reasonable loan made on terms not more
215 favorable than loans made in the ordinary course of business;

216 (4) A gift received from (A) the individual's spouse, fiance or
217 fiancee, (B) the parent, brother or sister of such spouse or such
218 individual, or (C) the child of such individual or the spouse of such
219 child;

220 (5) Goods or services (A) which are provided to the state (i) for use
221 on state property, or (ii) to support an event or the participation by a
222 public official or state employee at an event, and (B) which facilitate
223 state action or functions. As used in this subdivision, "state property"
224 means (i) property owned by the state, or (ii) property leased to an
225 agency in the Executive or Judicial Department of the state;

226 (6) A certificate, plaque or other ceremonial award costing less than
227 one hundred dollars;

228 (7) A rebate, discount or promotional item available to the general
229 public;

230 (8) Printed or recorded informational material germane to state
231 action or functions;

232 (9) Food or beverage or both, costing less than fifty dollars in the
233 aggregate per recipient in a calendar year, and consumed on an
234 occasion or occasions at which the person paying, directly or
235 indirectly, for the food or beverage, or his representative, is in
236 attendance;

237 (10) Food or beverage or both, costing less than fifty dollars per
238 person and consumed at a publicly noticed legislative reception to
239 which all members of the General Assembly are invited and which is
240 hosted not more than once in any calendar year by a lobbyist or
241 business organization. For the purposes of such limit, (A) a reception
242 hosted by a lobbyist who is an individual shall be deemed to have also
243 been hosted by the business organization which he owns or is
244 employed by and (B) a reception hosted by a business organization
245 shall be deemed to have also been hosted by all owners and employees
246 of the business organization who are lobbyists. In making the
247 calculation for the purposes of such fifty-dollar limit, the donor shall
248 divide the amount spent on food and beverage by the number of
249 persons whom the donor reasonably expects to attend the reception;

250 (11) Food or beverage or both, costing less than fifty dollars per
251 person and consumed at a publicly noticed reception to which all
252 members of the General Assembly from a region of the state are
253 invited and which is hosted not more than once in any calendar year
254 by a lobbyist or business organization. For the purposes of such limit,
255 (A) a reception hosted by a lobbyist who is an individual shall be
256 deemed to have also been hosted by the business organization which
257 he owns or is employed by, and (B) a reception hosted by a business
258 organization shall be deemed to have also been hosted by all owners
259 and employees of the business organization who are lobbyists. In
260 making the calculation for the purposes of such fifty-dollar limit, the
261 donor shall divide the amount spent on food and beverage by the
262 number of persons whom the donor reasonably expects to attend the
263 reception. As used in this subdivision, "region of the state" means the
264 established geographic service area of the organization hosting the

265 reception;

266 (12) A gift costing less than one hundred dollars, including but not
267 limited to, food or beverage or both, provided by an individual for the
268 celebration of a major life event;

269 (13) Gifts costing less than one hundred dollars in the aggregate or
270 food or beverage provided at a hospitality suite at a meeting or
271 conference of an interstate legislative association, by a person who is
272 not a registrant or is not doing business with the state of Connecticut;

273 (14) Admission to a charitable or civic event, including food and
274 beverage provided at such event, but excluding lodging or travel
275 expenses, at which a public official or state employee participates in
276 his official capacity, provided such admission is provided by the
277 primary sponsoring entity;

278 (15) Anything of value provided by an employer of (A) a public
279 official, (B) a state employee, or (C) a spouse of a public official or state
280 employee, to such official, employee or spouse, provided such benefits
281 are customarily and ordinarily provided to others in similar
282 circumstances; or

283 (16) Anything having a value of not more than ten dollars, provided
284 the aggregate value of all things provided by a donor to a recipient
285 under this subdivision in any calendar year shall not exceed fifty
286 dollars.

287 Sec. 6. (NEW) (*Effective October 1, 2004*) (a) Not later than thirty days
288 after the effective date of this section, each state agency and quasi-
289 public agency shall publish on the agency's web site each existing
290 contract entered into by the agency and having a cost of more than one
291 hundred thousand dollars.

292 (b) Not later than fifteen days after any state agency or quasi-public
293 agency enters into a contract having a cost of more than one hundred
294 thousand dollars, the agency shall publish such contract on the

295 agency's web site.

296 (c) As used in this section, "quasi-public agency" has the same
297 meaning as provided in section 1-79 of the general statutes, as
298 amended by this act.

299 Sec. 7. (NEW) (*Effective October 1, 2004*) (a) No state agency or quasi-
300 public agency shall enter into a contract, lease or amendment to a
301 contract or lease, having a cost of more than one hundred thousand
302 dollars, without the approval of the Attorney General.

303 (b) The Attorney General shall not approve any such contract, lease,
304 or amendment to a contract or lease, unless the agency submits to the
305 Attorney General:

306 (1) An affidavit, signed by the official of the contractor or lessor who
307 executed the contract, lease or amendment, attesting to whether or not
308 such contractor or lessor, any official or employee of the contractor or
309 lessor or any agent of such official, employee, contractor or lessor
310 provided a gift having a value of fifty dollars or more during the ten-
311 year period preceding the execution of the contract, lease or
312 amendment to any public official or state employee of the state agency
313 or quasi-public agency entering into the proposed contract, lease or
314 amendment or any public official or state employee of any other state
315 agency having supervisory or appointing authority over such agency.
316 If any such gift was made under this subdivision, the affidavit shall
317 include a description of the gift and the value and approximate date of
318 the gift; and

319 (2) An affidavit, signed by each public official or state employee of
320 the state agency or quasi-public agency entering into the proposed
321 contract, lease or amendment who is involved with the selection of the
322 contractor or lessor, including but not limited to, members of the
323 contract or lease selection or evaluation committee, attesting to
324 whether or not each such official or employee received a gift having a
325 value of fifty dollars or more during the ten-year period preceding the

326 execution of the contract, lease or amendment from such contractor or
327 lessor, any official or employee of the contractor or lessor or any agent
328 of such official, employee, contractor or lessor. If any such gift was
329 received under this subdivision, the affidavit shall include a
330 description of the gift and the value and approximate date of the gift.

331 (c) As used in this section, (1) "quasi-public agency", "public official"
332 and "state employee" have the same meanings as provided in section 1-
333 79 of the general statutes, as amended by this act, and (2) "gift" has the
334 same meaning as provided in said section, except that the exclusion in
335 subdivision (12) of subsection (e) of said section 1-79 for a gift for the
336 celebration of a major life event shall not apply.

This act shall take effect as follows:	
Section 1	<i>October 1, 2004</i>
Sec. 2	<i>October 1, 2004</i>
Sec. 3	<i>October 1, 2004</i>
Sec. 4	<i>October 1, 2004</i>
Sec. 5	<i>October 1, 2004</i>
Sec. 6	<i>October 1, 2004</i>
Sec. 7	<i>October 1, 2004</i>

Statement of Purpose:

To (1) limit the gift exception for major life events to gifts costing less than one hundred dollars, (2) require state officials to disclose on the annual Statement of Financial Interests the nature and extent of business interests held in common with lobbyists, state contractors or persons regulated by the officials' agencies, (3) extend the prohibition on gifts to a state official from a person doing business or seeking to do business with the official's agency by prohibiting gifts to constitutional officers, department heads and members of their immediate families from any person doing business or seeking to do business with any state agency, (4) expressly prohibit gifts costing one hundred dollars or more to state officials or their immediate families from subordinates of the officials, (5) require the approval of the State Ethics Commission for gifts to the state that are exempt from the prohibitions on gifts to state officials and employees, (6) require each state agency and quasi-public agency to publish on the agency's web site contracts over one

hundred thousand dollars, and (7) prohibit the Attorney General from approving any state or quasi-public agency contract, lease or amendment in excess of one hundred thousand dollars unless the agency files affidavits from the agency and contractor or lessor detailing any gifts of fifty dollars or more to agency officials or employees during the preceding ten years.

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