



Substitute Senate Bill No. 1

Public Act No. 05-183

**AN ACT CREATING THE OFFICE OF STATE ETHICS AND THE
CITIZEN'S ETHICS ADVISORY BOARD.**

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

Section 1. Subsection (d) of section 1-79 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(d) ["Commission" means the State Ethics Commission] "Board" means the Citizen's Ethics Advisory Board established in section 1-80, as amended by this act.

Sec. 2. Section 1-80 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) There shall be [a State Ethics Commission consisting of nine members to be appointed with the advice and consent of the General Assembly. One member] an Office of State Ethics that shall be an independent state agency and shall constitute a successor agency to the State Ethics Commission, in accordance with the provisions of sections 4-38d and 4-39. Such office shall consist of an executive director, general counsel, ethics enforcement officer and such other staff as hired by such executive director. Within the Office of State Ethics,

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there shall be the Citizen's Ethics Advisory Board that shall consist of nine members, appointed as follows: One member shall be appointed by the speaker of the House, one member by the president pro tempore of the Senate, one member by the majority leader of the Senate, one member by the minority leader of the Senate, one member by the majority leader of the House of Representatives, one member by the minority leader of the House of Representatives, and three members by the Governor. Members of the commission shall serve for four-year terms which shall commence on [October first] October 1, 2005, except that members first appointed shall have the following terms: The Governor shall appoint two members for a term of three years and one member for a term of four years; the majority leader of the House [or] of Representatives, minority leader of the House of Representatives and the speaker of the House of Representatives shall each appoint one member for a term of two years; the president pro tempore of the Senate, the majority leader of the Senate and the minority leader of the Senate shall each appoint one member for a term of four years. No individual shall be appointed to more than one four-year term as a member of such [commission] board, provided that members may not continue in office [until a successor has been appointed and qualified] once their term has expired and members first appointed may not be reappointed. No more than five members shall be members of the same political party. The members appointed by the majority leader of the Senate and the majority leader of the House of Representatives shall be selected from a list of nominees proposed by a citizen group having an interest in ethical government. The majority leader of the Senate and the majority leader of the House of Representatives shall each determine the citizen group from which each will accept such nominations. [On and after October 1, 2004, one] One member appointed by the Governor shall be selected from a list of nominees proposed by a citizen group having an interest in ethical government. The Governor shall determine the citizen group from which the Governor will accept such nominations.

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(b) All members shall be electors of the state. No member shall be a state employee. No member or employee of such [commission] board shall (1) hold or campaign for any public office; (2) have held public office or have been a candidate for public office for a three-year period prior to appointment; (3) hold office in any political party or political committee or be a member of any organization or association organized primarily for the purpose of influencing legislation or decisions of public agencies; or (4) be an individual who is a registrant as defined in subsection (q) of section 1-91.

(c) Any vacancy on the [commission] board shall be filled [for the unexpired portion of the term] by the appointing authority having the power to make the original appointment. An individual selected by the appointing authority to fill a vacancy shall be eligible for appointment to one full four-year term thereafter. Any vacancy occurring on the [commission] board shall be filled within thirty days.

(d) The [commission] board shall elect a chairperson who shall, except as provided in subsection (b) of section 1-82, as amended by this act, and subsection (b) of section 1-93, as amended by this act, preside at meetings of the [commission] board and a vice-chairperson to preside in the absence of the chairperson. Six members of the [commission] board shall constitute a quorum. Except as provided in subdivision (3) of subsection (a) of section 1-81, as amended by this act, subsections (a) and (b) of section 1-82, as amended by this act, subsection (b) of section 1-88, as amended by this act, subdivision (5) of section 1-92, as amended by this act, subsections (a) and (b) of section 1-93, as amended by this act, and subsection (b) of section 1-99, a majority vote of the [quorum] members shall be required for action of the [commission] board. The chairperson or any [five] three members may call a meeting.

(e) Any matter before the [commission] board, except hearings held pursuant to the provisions of subsection (b) of section 1-82, as

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amended by this act, or subsection (b) of section 1-93, as amended by this act, may be assigned by the [commission] board to two of its members to conduct an investigation or hearing, as the case may be, to ascertain the facts and report thereon to the [commission] board with a recommendation for action.

(f) Members of the [commission] board shall be compensated at the rate of fifty dollars per day for each day they attend a meeting or hearing and shall receive reimbursement for their necessary expenses incurred in the discharge of their official duties.

(g) The [commission] board shall not be construed to be a board or commission within the meaning of section 4-9a, as amended by this act.

(h) The members and employees of the [State Ethics Commission] Citizen's Ethics Advisory Board and the Office of State Ethics shall adhere to the following code of ethics under which the members and employees shall: (1) Observe high standards of conduct so that the integrity and independence of the [State Ethics Commission] Citizen's Ethics Advisory Board and the Office of State Ethics may be preserved; (2) respect and comply with the law and conduct themselves at all times in a manner which promotes public confidence in the integrity and impartiality of the [commission] board and the Office of State Ethics; (3) be faithful to the law and maintain professional competence in the law; (4) be unswayed by partisan interests, public clamor or fear of criticism; (5) maintain order and decorum in proceedings of the [commission] board and Office of State Ethics; (6) be patient, dignified and courteous to all persons who appear in [commission] board or Office of State Ethics proceedings and with other persons with whom the members and employees deal in their official capacities; (7) refrain from making any statement outside of a [commission] board or Office of State Ethics proceeding, which would have a likelihood of prejudicing a [commission] board or Office of State Ethics proceeding;

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(8) refrain from making any statement outside of a [commission] board or Office of State Ethics proceeding that a reasonable person would expect to be disseminated by means of public communication if the member or employee should know that such statement would have a likelihood of materially prejudicing or embarrassing a complainant or a respondent; (9) preserve confidences of complainants and respondents; (10) exercise independent professional judgment on behalf of the [commission] board and Office of State Ethics; and (11) represent the [commission] board and Office of State Ethics competently.

(i) No member or employee of the board or Office of State Ethics may make a contribution, as defined in section 9-333b, to any person subject to the provisions of this part.

(j) Members of the board shall recuse themselves from participating in any proceeding or matter undertaken pursuant to this chapter that involves the person who appointed such member to the board.

(k) No member of the board may represent any business or person, other than themselves, before the board for a period of one year following the end of such member's service on the board. No business or person that appears before the board shall employ or otherwise engage the services of a former member of the board for a period of one year following the end of such former member's service on the board.

(l) No member of the board may hold any other position in state employment for a period of one year following the end of such member's service on the board, including, but not limited to, service as a member on a state board or commission, service as a judge of the Superior Court or service as a state agency commissioner.

(m) Upon request of any aggrieved party, the board shall delay the

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effect of any decision rendered by such board for a period not to exceed more than seven days following the rendering of such decision.

Sec. 3. Section 1-81 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) The [commission] board and general counsel and staff of the Office of State Ethics shall:

(1) Compile and maintain an index of all reports, advisory opinions, informal staff letters, memoranda filed under the provisions of subsection (f) of section 1-82a and statements filed by and with the [commission] Office of State Ethics to facilitate public access to such reports and advisory opinions, informal staff letters, memoranda statements as provided by this part;

(2) Preserve advisory opinions and informal staff letters, permanently; preserve memoranda filed under subsection (f) of section 1-82a, and statements and reports filed by and with the [commission] board for a period of five years from the date of receipt;

(3) Upon the concurring vote of [five of its members] a majority of the board present and voting, issue advisory opinions with regard to the requirements of this part, upon the request of any person subject to the provisions of this part, and publish such advisory opinions in the Connecticut Law Journal. Advisory opinions rendered by the [commission] board, until amended or revoked, shall be binding on the [commission] board and shall be deemed to be final decisions of the [commission] board for purposes of [section 1-87] appeal to the superior court, in accordance with the provisions of section 4-175 or 4-183. Any advisory opinion concerning the person who requested the opinion and who acted in reliance thereon, in good faith, shall be binding upon the [commission] board, and it shall be an absolute defense in any criminal action brought under the provisions of this

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part, that the accused acted in reliance upon such advisory opinion;

[(4) Report annually, prior to April fifteenth, to the Governor summarizing the activities of the commission; and]

(4) Respond to inquiries and provide advice regarding the code of ethics either verbally or through informal letters;

[(5) Adopt regulations in accordance with chapter 54 to carry out the purposes of this part.]

(5) Provide yearly training to all state employees regarding the code of ethics;

(6) Make legislative recommendations to the General Assembly and report annually, prior to April fifteenth, to the Governor summarizing the activities of the commission; and

(7) Meet not less than once per month with the office's executive director and ethics enforcement officer.

(b) The [commission may] Office of State Ethics shall employ an executive director, [and] general counsel and ethics enforcement officer, each of whom shall be exempt from classified state service. The salary for the executive director, general counsel and the ethics enforcement officer shall be determined by the Commissioner of Administrative Services in accordance with accepted personnel practices. No one person may serve in more than one of the positions described in this subsection. The Office of State Ethics may employ necessary staff within available appropriations. Such necessary staff of the Office of State Ethics shall be in classified state service.

(c) The executive director, described in subsection (b) of this section, shall be appointed by the Citizen's Ethics Advisory Board for an open-ended term. The board shall annually evaluate the performance of

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such executive director, in writing, and may remove the executive director, in accordance with the provisions of chapter 67.

(d) The general counsel and ethics enforcement officer described in subsection (b) of this section, and other staff of the Office of State Ethics shall be appointed by the executive director of the Office of State Ethics. The executive director shall annually evaluate the performance of the general counsel, ethics enforcement officer and such other staff, in writing, and may remove the general counsel or ethics enforcement officer, in accordance with the provisions of chapter 67, or such other staff, in accordance with any applicable collective bargaining agreement.

(e) There shall be a legal division within the Office of State Ethics. The legal division shall provide the board with legal advice on matters before said board and shall represent the board in all matters in which the board is a party, without the assistance of the Attorney General unless the board requests such assistance. The legal division shall, under the direction of the general counsel, provide information and written and verbal opinions to persons subject to the code and to the general public. The general counsel, described in subsection (b) of this section, shall supervise such division. The investigation or instigation of a complaint may not occur solely because of information received by the legal division.

(f) There shall be an enforcement division within the Office of State Ethics. The enforcement division shall be responsible for investigating complaints brought to or by the board. The ethics enforcement officer, described in subsection (b) of this section, shall supervise such division. Such division shall employ such attorneys and investigators, as necessary, within available appropriations, and may refer matters to the office of the Chief State's Attorney, as appropriate.

(g) The Citizen's Ethics Advisory Board shall adopt regulations in

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accordance with chapter 54 to carry out the purposes of this part.

(h) In consultation with the executive director of the Office of State Ethics, the general counsel shall oversee yearly training of all state personnel in the code of ethics, provide training on the code of ethics to other individuals or entities subject to the code and shall make recommendations as to public education regarding ethics.

Sec. 4. Section 1-81a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) Notwithstanding any provision of the general statutes, the appropriations recommended for the [State Ethics Commission] Office of State Ethics, as established in section 1-80, as amended by this act, shall be the estimates of expenditure requirements transmitted to the Secretary of the Office of Policy and Management by the executive director of the [commission] Office of State Ethics and the recommended adjustments and revisions of such estimates shall be the recommended adjustments and revisions, if any, transmitted by said executive director to the Office of Policy and Management.

(b) Notwithstanding any provision of the general statutes, the Governor shall not reduce allotment requisitions or allotments in force concerning the [State Ethics Commission] Office of State Ethics.

Sec. 5. Section 1-81b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

The [State Ethics Commission] Office of State Ethics shall develop a plain language summary of state ethics laws concerning (1) persons, firms and corporations submitting bids or proposals for state contracts, and (2) state contractors. The [commission] Office of State Ethics shall publish said summary on the [commission's] Office of State Ethics' web site.

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Sec. 6. Section 1-82 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) (1) Upon the complaint of any person on a form prescribed by the [commission] board, signed under penalty of false statement, or upon its own complaint, the [commission] ethics enforcement officer of the Office of State Ethics shall investigate any alleged violation of this part. Not later than five days after the receipt or issuance of such complaint, the [commission] board shall provide notice of such receipt or issuance and a copy of the complaint by registered or certified mail to any respondent against whom such complaint is filed and shall provide notice of the receipt of such complaint to the complainant. When the [commission] ethics enforcement officer of the Office of State Ethics undertakes an evaluation of a possible violation of this part prior to the filing of a complaint, [by the commission,] the subject of the evaluation shall be notified [within] not later than five business days after [a commission] an Office of State Ethics staff member's first contact with a third party concerning the matter.

(2) In the conduct of its investigation of an alleged violation of this part, the [commission] Office of State Ethics shall have the power to hold hearings, administer oaths, examine witnesses, receive oral and documentary evidence, subpoena witnesses under procedural rules adopted by the [commission] Citizen's Ethics Advisory Board as regulations in accordance with the provisions of chapter 54 to compel attendance before the [commission] Office of State Ethics and to require the production for examination by the [commission] ethics enforcement officer of the Office of State Ethics of any books and papers which the [commission] Office of State Ethics deems relevant in any matter under investigation or in question. In the exercise of such powers, the [commission] Office of State Ethics may use the services of the state police, who shall provide the same upon the [commission's] office's request. The [commission] Office of State Ethics shall make a

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record of all proceedings conducted pursuant to this subsection. The ethics enforcement officer of the Office of State Ethics may bring any alleged violation of this part before a judge trial referee assigned by the Chief Court Administrator for such purpose for a probable cause hearing. Such judge trial referee shall be compensated in accordance with the provisions of section 52-434 from such funds as may be available to the Office of State Ethics. Any witness summoned before the [commission] Office of State Ethics or a judge trial referee pursuant to this subsection shall receive the witness fee paid to witnesses in the courts of this state. During [the] any investigation conducted pursuant to this subsection or any probable cause hearing conducted pursuant to this subsection, the respondent shall have the right to appear and be heard and to offer any information which may tend to clear [him] the respondent of probable cause to believe [he] the respondent has violated any provision of this part. The respondent shall also have the right to be represented by legal counsel and to examine and cross-examine witnesses. Not later than ten days prior to the commencement of any hearing conducted pursuant to this subsection, the [commission] Office of State Ethics shall provide the respondent with a list of its intended witnesses. [The commission shall make no finding that there is probable cause to believe the respondent is in violation of any provision of this part except upon the concurring vote of five of its members.] Any finding of probable cause to believe the respondent is in violation of any provisions of this part shall be made by a judge trial referee not later than thirty days after the ethics enforcement officer brings such alleged violation before such judge trial referee, except that such thirty-day limitation period shall not apply if the judge trial referee determines that good cause exists for extending such limitation period.

(b) If a [preliminary investigation indicates] judge trial referee determines that probable cause exists for the violation of a provision of this part, the [commission] board shall initiate hearings to determine

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whether there has been a violation of this part. Any such hearing shall be initiated by the board not later than thirty days after the finding of probable cause by a judge trial referee and shall be concluded not later than ninety days after its initiation, except that such thirty or ninety-day limitation period shall not apply if the judge trial referee determines that good cause exists for extending such limitation period. A judge trial referee, who has not taken part in the probable cause determination on the matter shall be assigned by the Chief Court Administrator and [who] shall be compensated in accordance with section 52-434 out of funds available to the [commission,] Office of State Ethics and shall preside over such hearing and [shall] rule on all [matters] issues concerning the application of the rules of evidence, which shall be the same as in judicial proceedings. The trial referee shall have no vote in any decision of the [commission] board. All hearings of the [commission] board held pursuant to this subsection shall be open. At such hearing the [commission] board shall have the same powers as the Office of State Ethics under subsection (a) of this section and the respondent shall have the right to be represented by legal counsel, the right to compel attendance of witnesses and the production of books, documents, records and papers and to examine and cross-examine witnesses. Not later than ten days prior to the commencement of any hearing conducted pursuant to this subsection, the [commission] Office of State Ethics shall provide the respondent with a list of its intended witnesses. The judge trial referee shall, while engaged in the discharge of [his] the duties as provided in this subsection, have the same authority as is provided in section 51-35 over witnesses who refuse to obey a subpoena or to testify with respect to any matter upon which such witness may be lawfully interrogated, and may commit any such witness for contempt for a period no longer than thirty days. The [commission] Office of State Ethics shall make a record of all proceedings pursuant to this subsection. The [commission] board shall find no person in violation of any provision of this part except upon the concurring vote of [seven] two-thirds of its

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members present and voting. Not later than fifteen days after the public hearing conducted in accordance with this subsection, the [commission] board shall publish its finding and a memorandum of the reasons therefor. Such finding and memorandum shall be deemed to be the final decision of the [commission] board on the matter for the purposes of chapter 54. The respondent, if aggrieved by the finding and memorandum, may appeal therefrom to the Superior Court in accordance with the provisions of section 4-183.

(c) If [the commission] a judge trial referee finds, after a hearing pursuant to this section, that there is no probable cause to believe that a public official or state employee has violated a provision of this part, or if the board determines that a public official or state employee has not violated any such provision, or if a court of competent jurisdiction overturns a finding by [the commission] the board of a violation by such a respondent, the state shall pay the reasonable legal expenses of the respondent as determined by the Attorney General or by the court if appropriate. If any complaint brought under the provisions of this part is made with the knowledge that it is made without foundation in fact, the respondent shall have a cause of action against the complainant for double the amount of damage caused thereby and if the respondent prevails in such action, he may be awarded by the court the costs of such action together with reasonable attorneys' fees.

(d) No complaint may be made under this section except within five years next after the violation alleged in the complaint has been committed.

(e) No person shall take or threaten to take official action against an individual for such individual's disclosure of information to the [commission] board or the general counsel, ethics enforcement officer or staff of the Office of State Ethics under the provisions of this part. After receipt of information from an individual under the provisions of this part, the [commission] Office of State Ethics shall not disclose the

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identity of such individual without [his] such individual's consent unless the [commission] Office of State Ethics determines that such disclosure is unavoidable during the course of an investigation.

Sec. 7. Section 1-82a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) Unless [the commission] a judge trial referee makes a finding of probable cause, a complaint alleging a violation of this part shall be confidential except upon the request of the respondent. [A commission] An evaluation of a possible violation of this part by the Office of State Ethics prior to the filing of a complaint [by the commission] shall be confidential except upon the request of the subject of the evaluation. If the evaluation is confidential, any information supplied to or received from the [commission] Office of State Ethics shall not be disclosed to any third party by a subject of the evaluation, a person contacted for the purpose of obtaining information or by [a commission or staff member] the ethics enforcement officer or staff of the Office of State Ethics. No provision of this subsection shall prevent the [Ethics Commission] Office of State Ethics from reporting the possible commission of a crime to the Chief State's Attorney or other prosecutorial authority.

(b) An investigation conducted prior to a probable cause finding shall be confidential except upon the request of the respondent. If the investigation is confidential, the allegations in the complaint and any information supplied to or received from the [commission] Office of State Ethics shall not be disclosed during the investigation to any third party by a complainant, respondent, witness, designated party, or [commission] board or staff member of the Office of State Ethics.

(c) Not later than three business days after the termination of the investigation, the [commission] Office of State Ethics shall inform the complainant and the respondent of its finding and provide them a

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summary of its reasons for making that finding. The [commission] Office of State Ethics shall publish its finding upon the respondent's request and may also publish a summary of its reasons for making such finding.

(d) If [the commission] a judge trial referee makes a finding of no probable cause, the complaint and the record of [its] the Office of State Ethics' investigation shall remain confidential, except upon the request of the respondent and except that some or all of the record may be used in subsequent proceedings. No complainant, respondent, witness, designated party, or [commission] board or staff member of the Office of State Ethics shall disclose to any third party any information learned from the investigation, including knowledge of the existence of a complaint, which the disclosing party would not otherwise have known. If such a disclosure is made, the [commission] judge trial referee may, after consultation with the respondent if the respondent is not the source of the disclosure, publish its finding and a summary of its reasons therefor.

(e) The [commission] judge trial referee shall make public a finding of probable cause not later than five business days after [the termination of the investigation] any such finding. At such time the entire record of the investigation shall become public, except that the [commission] Office of State Ethics may postpone examination or release of such public records for a period not to exceed fourteen days for the purpose of reaching a stipulation agreement pursuant to subsection (c) of section 4-177. Any such stipulation agreement or settlement shall be approved by a majority of those members present and voting.

Sec. 8. Section 1-83 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) (1) All state-wide elected officers, members of the General

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Assembly, department heads and their deputies, members of the Gaming Policy Board, the executive director of the Division of Special Revenue within the Department of Revenue Services, members or directors of each quasi-public agency, members of the Investment Advisory Council, state marshals and such members of the Executive Department and such employees of quasi-public agencies as the Governor shall require, shall file, under penalty of false statement, a statement of financial interests for the preceding calendar year with the [commission] Office of State Ethics on or before the May first next in any year in which they hold such a position. Any such individual who leaves his or her office or position shall file a statement of financial interests covering that portion of the year during which such individual held his or her office or position. The [commission] Office of State Ethics shall notify such individuals of the requirements of this subsection [within] not later than thirty days after their departure from such office or position. Such individuals shall file such statement within sixty days after receipt of the notification.

(2) Each state agency, department, board and commission shall develop and implement, in cooperation with the [Ethics Commission] Office of State Ethics, an ethics statement as it relates to the mission of the agency, department, board or commission. The executive head of each such agency, department, board or commission shall be directly responsible for the development and enforcement of such ethics statement and shall file a copy of such ethics statement with the Department of Administrative Services and the [Ethics Commission] Office of State Ethics.

(b) (1) The statement of financial interests, except as provided in subdivision (2) of this subsection, shall include the following information for the preceding calendar year in regard to the individual required to file the statement and the individual's spouse and dependent children residing in the individual's household: (A) The

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names of all businesses with which associated; (B) the category or type of all sources of income in excess of one thousand dollars, without specifying amounts of income; (C) the name of securities in excess of five thousand dollars at fair market value owned by such individual, spouse or dependent children or held in the name of a corporation, partnership or trust for the benefit of such individual, spouse or dependent children; (D) the existence of any known blind trust and the names of the trustees; (E) all real property and its location, whether owned by such individual, spouse or dependent children or held in the name of a corporation, partnership or trust for the benefit of such individual, spouse or dependent children; (F) the names and addresses of creditors to whom the individual, the individual's spouse or dependent children, individually, owed debts of more than ten thousand dollars; (G) any leases or contracts with the state held or entered into by the individual or a business with which he or she was associated; and (H) a description of any partnership, joint ownership or similar business affiliation between (i) a business included under subparagraph (A) of this subdivision with which the individual filing the statement, the individual's spouse or a dependent child of the individual is associated, and (ii) a lobbyist, a person that the individual filing the statement knows or has reason to know is doing business with or seeking to do business with the state or is engaged in activities that are directly regulated by the department or agency in which the individual is employed, or a business with which such lobbyist or person is associated.

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

(c) The statement of financial interests filed pursuant to this section shall be a matter of public information, except the list of names, filed in accordance with subparagraph (F) of subdivision (1) of subsection (b)

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of this section shall be sealed and confidential and for the use of the [commission] Office of State Ethics only after a complaint has been filed under section 1-82, as amended by this act, and such complaint has been determined by a vote of the [commission] board to be of sufficient merit and gravity to justify the unsealing of such list or lists and not open to public inspection unless the respondent requests otherwise. If the [commission] board reports its findings to the Chief State's Attorney in accordance with subsection (c) of section 1-88, as amended by this act, the [commission] board shall turn over to the Chief State's Attorney such relevant information contained in the statement as may be germane to the specific violation or violations or a prosecutorial official may subpoena such statement in a criminal action. Unless otherwise a matter of public record, the [Ethics Commission] Office of State Ethics shall not disclose to the public any such subpoena which would be exempt from disclosure by the issuing agency.

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

Sec. 9. Section 1-84b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) No former executive branch or quasi-public agency public official or state employee shall represent anyone other than the state, concerning any particular matter (1) in which he participated personally and substantially while in state service, and (2) in which the state has a substantial interest.

(b) No former executive branch or quasi-public agency public official or state employee shall, for one year after leaving state service, represent anyone, other than the state, for compensation before the

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department, agency, board, commission, council or office in which he served at the time of his termination of service, concerning any matter in which the state has a substantial interest. The provisions of this subsection shall not apply to an attorney who is a former employee of the Division of Criminal Justice, with respect to any representation in a matter under the jurisdiction of a court.

(c) The provisions of this subsection apply to present or former executive branch public officials or state employees who hold or formerly held positions which involve significant decision-making or supervisory responsibility and are designated as such by the [State Ethics Commission] Office of State Ethics in consultation with the agency concerned except that such provisions shall not apply to members or former members of the boards or commissions who serve ex officio, who are required by statute to represent the regulated industry or who are permitted by statute to have a past or present affiliation with the regulated industry. Designation of positions subject to the provisions of this subsection shall be by regulations adopted by the [State Ethics Commission] Citizen's Ethics Advisory Board in accordance with chapter 54. As used in this subsection, "agency" means the Office of Health Care Access, the Connecticut Siting Council, the Department of Banking, the Insurance Department, the Department of Public Safety, the office within the Department of Consumer Protection that carries out the duties and responsibilities of sections 30-2 to 30-68m, inclusive, the Department of Public Utility Control, including the Office of Consumer Counsel, the Division of Special Revenue and the Gaming Policy Board and the term "employment" means professional services or other services rendered as an employee or as an independent contractor.

(1) No public official or state employee, in an executive branch position designated by the [State Ethics Commission] Office of State Ethics shall negotiate for, seek or accept employment with any

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business subject to regulation by his agency.

(2) No former public official or state employee who held such a position in the executive branch shall within one year after leaving an agency, accept employment with a business subject to regulation by that agency.

(3) No business shall employ a present or former public official or state employee in violation of this subsection.

(d) The provisions of subsection (e) of this section apply to (1) present or former Gaming Policy Board or Division of Special Revenue public officials or state employees who hold or formerly held positions which involve significant decision-making or supervisory responsibility and are designated as such by the [State Ethics Commission] Office of State Ethics, in consultation with the agency concerned, and (2) present or former public officials or state employees of other agencies who hold or formerly held positions which involve significant decision-making or supervisory responsibility concerning the regulation or investigation of (A) any business entity (i) engaged in Indian gaming operations in the state, and (ii) in which a federally-recognized Indian tribe in the state owns a controlling interest, or (B) a governmental agency of a federally-recognized Indian tribe engaged in Indian gaming operations in the state, which positions are designated as such by the [State Ethics Commission] Office of State Ethics, in consultation with the agency concerned. Designation of positions subject to the provisions of this subsection shall be by regulations adopted by the [State Ethics Commission] Citizens' Ethics Advisory Board in accordance with chapter 54. As used in subsection (e) of this section, the term "employment" means professional services or other services rendered as an employee or as an independent contractor.

(e) (1) No Gaming Policy Board or Division of Special Revenue public official or state employee or other public official or state

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employee described in subdivision (2) of subsection (d) of this section, in a position designated by the [State Ethics Commission] Office of State Ethics, shall negotiate for, seek or accept employment with (A) a business entity (i) engaged in Indian gaming operations in the state, and (ii) in which a federally-recognized Indian tribe in the state owns a controlling interest, or (B) a governmental agency of a federally-recognized Indian tribe engaged in Indian gaming operations in the state.

(2) No former Gaming Policy Board or Division of Special Revenue public official or state employee or other former public official or state employee described in subdivision (2) of subsection (d) of this section, who held such a position shall, within two years after leaving such agency, accept employment with (A) a business entity (i) engaged in Indian gaming operations in the state, and (ii) in which a federally-recognized Indian tribe in the state owns a controlling interest, or (B) a governmental agency of a federally-recognized Indian tribe engaged in Indian gaming operations in the state.

(f) No former public official or state employee (1) who participated substantially in the negotiation or award of (A) a state contract valued at an amount of fifty thousand dollars or more, or (B) a written agreement for the approval of a payroll deduction slot described in section 3-123g, or (2) who supervised the negotiation or award of such a contract or agreement, shall accept employment with a party to the contract or agreement other than the state for a period of one year after his resignation from his state office or position if his resignation occurs less than one year after the contract or agreement is signed.

(g) No member or director of a quasi-public agency who participates substantially in the negotiation or award of a contract valued at an amount of fifty thousand dollars or more, or who supervised the negotiation or award of such a contract, shall seek, accept, or hold employment with a party to the contract for a period of

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one year after the signing of the contract.

[(h) The regulations required to implement the provisions of subsection (c) of this section may be adopted by the State Ethics Commission prior to January 7, 1987, but may not take effect prior to that date.]

[(i) (h) The provisions of subsections (a), (b) and (f) of this section shall not apply to any employee of a quasi-public agency who leaves such agency before July 1, 1989.

[(j) (i) No Treasurer who authorizes, negotiates or renegotiates a contract for investment services valued at an amount of fifty thousand dollars or more shall negotiate for, seek or accept employment with a party to the contract prior to one year after the end of the Treasurer's term of office within which such contract for investment services was authorized, negotiated or renegotiated by such Treasurer.

Sec. 10. Section 1-86 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) Any public official or state employee, other than an elected state official, who, in the discharge of [his] such official's or employee's official duties, would be required to take an action that would affect a financial interest of [himself, his] such official or employee, such official's or employee's spouse, parent, brother, sister, child or the spouse of a child or a business with which [he] such official or employee is associated, other than an interest of a de minimis nature, an interest that is not distinct from that of a substantial segment of the general public or an interest in substantial conflict with the performance of official duties as defined in section 1-85 has a potential conflict of interest. Under such circumstances, [he] such official or employee shall, if [he] such official or employee is a member of a state regulatory agency, either excuse himself or herself from the matter or

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prepare a written statement signed under penalty of false statement describing the matter requiring action and the nature of the potential conflict and explaining why despite the potential conflict, [he] such official or employee is able to vote and otherwise participate fairly, objectively and in the public interest. [He] Such public official or state employee shall deliver a copy of the statement to the [commission] Office of State Ethics and enter a copy of the statement in the journal or minutes of the agency. If [he] such official or employee is not a member of a state regulatory agency, [he] such official or employee shall, in the case of either a substantial or potential conflict, prepare a written statement signed under penalty of false statement describing the matter requiring action and the nature of the conflict and deliver a copy of the statement to [his] such official's or employee's immediate superior, if any, who shall assign the matter to another employee, or if [he] such official or employee has no immediate superior, [he] such official or employee shall take such steps as the [commission] Office of State Ethics shall prescribe or advise.

(b) No elected state official shall be affected by subsection (a) of this section.

(c) No person required to register with the [State Ethics Commission] Office of State Ethics under section 1-94 shall accept employment with the General Assembly or with any member of the General Assembly in connection with legislative action, as defined in section 1-91, as amended by this act. No member of the General Assembly shall be a lobbyist.

Sec. 11. Section 1-86d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) Any public official or state employee who establishes a legal defense fund, or for whom a legal defense fund has been established, shall file a report on said fund with the [State Ethics Commission]

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Office of State Ethics not later than the tenth day of January, April, July and October. Each such report shall include the following information for the preceding calendar quarter: (1) The names of the directors and officers of the fund, (2) the name of the depository institution for the fund, (3) an itemized accounting of each contribution to the fund, including the full name and complete address of each contributor and the amount of the contribution, and (4) an itemized accounting of each expenditure, including the full name and complete address of each payee and the amount and purpose of the expenditure. The public official or state employee shall sign each such report under penalty of false statement. The provisions of this subsection shall not apply to any person who has made a contribution to a legal defense fund before June 3, 2004.

(b) (1) In addition to the prohibitions on gifts under subsections (j) and (m) of section 1-84 and subsection (a) of section 1-97, no public official or state employee shall accept, directly or indirectly, any contribution to a legal defense fund established by or for the public official or state employee, from (A) a member of the immediate family of any person who is prohibited from giving a gift under subsection (j) or (m) of section 1-84 or subsection (a) of section 1-97, or (B) a person who is appointed by said public official or state employee to serve on a paid, full-time basis. No person described in subparagraph (A) or (B) of this subdivision shall make a contribution to such a legal defense fund, and no such person or any person prohibited from making a gift under subsection (j) or (m) of section 1-84 or subsection (a) of section 1-97 shall solicit a contribution for such a legal defense fund.

(2) A public official or state employee may accept a contribution or contributions to a legal defense fund established by or for the public official or state employee from any other person, provided the total amount of such contributions from any such person in any calendar year shall not exceed one thousand dollars. No such person shall make

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a contribution or contributions to said legal defense fund exceeding one thousand dollars in any calendar year. The provisions of this subdivision shall not apply in 2004, to any person who has made a contribution or contributions to a legal defense fund exceeding one thousand dollars in 2004, before June 3, 2004, provided said legal defense fund shall not accept any additional contributions from such person in 2004, and such person shall not make any additional contributions to said fund in 2004.

(3) Notwithstanding the provisions of subdivision (2) of this subsection, a public official or state employee may accept a contribution or contributions, in any amount, to a legal defense fund established by or for the public official or state employee from a relative of the public official or state employee or a person whose relationship with the public official or state employee is not dependent on the official's or employee's status as a public official or state employee. The factors that the [State Ethics Commission] board shall consider in determining whether a person's relationship is so dependent shall include, but not be limited to, whether the person may be able to benefit from the exercise of official authority of the public official or state employee and whether the person made gifts to the public official or state employee before the official or employee began serving in such office or position.

Sec. 12. Section 1-87 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

Any person aggrieved by any final decision of the [commission] board, made pursuant to this part, may appeal such decision in accordance with the provisions of section 4-175 or section 4-183.

Sec. 13. Section 1-88 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

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(a) The [commission] board, upon a finding made pursuant to section 1-82, as amended by this act, that there has been a violation of any provision of this part, shall have the authority to order the violator to do any or all of the following: (1) Cease and desist the violation of this part; (2) file any report, statement or other information as required by this part; and (3) pay a civil penalty of not more than ten thousand dollars for each violation of this part.

(b) Notwithstanding the provisions of subsection (a) of this section, the [commission] board may, after a hearing conducted in accordance with sections 4-176e to 4-184, inclusive, upon the concurring vote of [seven] two-thirds of its members, present and voting impose a civil penalty not to exceed ten dollars per day upon any individual who fails to file any report, statement or other information as required by this part. Each distinct violation of this subsection shall be a separate offense and in case of a continued violation, each day thereof shall be deemed a separate offense. In no event shall the aggregate penalty imposed for such failure to file exceed ten thousand dollars.

(c) The [commission] board may also report its finding to the Chief State's Attorney for any action deemed necessary. The [commission] board, upon a finding made pursuant to section 1-82, as amended by this act, that a member or member-elect of the General Assembly has violated any provision of this part, shall notify the appropriate house of the General Assembly, in writing, of [its] such finding and the basis for such finding.

(d) Any person who knowingly acts in [his] such person's financial interest in violation of section 1-84, 1-85, 1-86, as amended by this act, or 1-86d, as amended by this act, or any person who knowingly receives a financial advantage resulting from a violation of any of said sections shall be liable for damages in the amount of such advantage. If the [commission] board determines that any person may be so liable, it shall immediately inform the Attorney General of that possibility.

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(e) Any employee [or member of the commission] of the Office of State Ethics or member of the Citizen's Ethics Advisory Board who, in violation of this part, discloses information filed in accordance with [subparagraph (B) or] subparagraph (F) of subdivision (1) of subsection (b) of section 1-83, as amended by this act, shall be dismissed, if an employee, or removed from the [commission] board, if a member.

Sec. 14. Section 1-89a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) In each odd-numbered calendar year, the [State Ethics Commission] Office of State Ethics, the Connecticut Humanities Council and the Joint Committee on Legislative Management shall conduct a conference on ethical issues affecting members of the General Assembly and lobbyists.

(b) In each even-numbered calendar year, the [State Ethics Commission] Office of State Ethics shall conduct a conference on ethical issues affecting executive branch and quasi-public agency public officials and state employees.

Sec. 15. Subsection (c) of section 1-91 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(c) ["Commission" means the State Ethics Commission] "Board" means the Citizen's Ethics Advisory Board established under section 1-80, as amended by this act.

Sec. 16. Section 1-92 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

[The commission shall:

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(1) Adopt] (a) The Citizen's Ethics Advisory Board shall adopt regulations in accordance with chapter 54 to carry out the purposes of this part. Not later than January 1, 1992, the [commission] board shall adopt regulations which further clarify the meaning of the terms "directly and personally received" and "major life event", as used in subsection (e) of section 1-79 and subsection (g) of section 1-91;

[(2) Compile] (b) The general counsel and staff of the Office of State Ethics shall compile and maintain an index of all reports and statements filed with the [commission] Office of State Ethics under the provisions of this part and advisory opinions and informal staff letters issued by the [commission] board with regard to the requirements of this part, to facilitate public access to such reports, statements, letters and advisory opinions promptly upon the filing or issuance thereof;

[(3) Prepare] (c) The general counsel and staff of the Office of State Ethics shall prepare quarterly and annual summaries of statements and reports filed with the [commission] Office of State Ethics and advisory opinions and informal staff letters issued by the [commission] Office of State Ethics;

[(4) Preserve advisory opinions] (d) The general counsel and staff of the Office of State Ethics shall preserve advisory opinions and informal staff letters permanently; preserve memoranda filed under subsection (f) of section 1-93a, statements and reports filed by and with the [commission] Office of State Ethics for a period of five years from the date of receipt;

[(5)] (e) Upon the concurring vote of [five] a majority of its members [.] present and voting, the board shall issue advisory opinions with regard to the requirements of this part, upon the request of any person, subject to the provisions of this part, and publish such advisory opinions in the Connecticut Law Journal. Advisory opinions rendered by [the commission] the board, until amended or revoked, shall be

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binding on the [commission] board and shall be deemed to be final decisions of the [commission] board for purposes of [section 1-98] appeal to the superior court, in accordance with the provisions of section 4-175 or 4-183. Any advisory opinion concerning any person subject to the provisions of this part who requested the opinion and who acted in reliance thereon, in good faith, shall be binding upon the [commission] board, and it shall be an absolute defense in any criminal action brought under the provisions of this part that the accused acted in reliance upon such advisory opinion;

[(6)] (f) Report annually, prior to February fifteenth, to the Governor summarizing the activities of the commission; and

[(7) Employ]

(g) The Office of State Ethics shall employ necessary staff within available appropriations.

Sec. 17. Section 1-93 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) (1) Upon the complaint of any person on a form prescribed by the [commission] Office of State Ethics, signed under penalty of false statement, or upon its own complaint, the [commission] ethics enforcement officer of the Office of State Ethics shall investigate any alleged violation of this part. Not later than five days after the receipt or issuance of such complaint, the [commission] Office of State Ethics shall provide notice of such receipt or issuance and a copy of the complaint by registered or certified mail to any respondent against whom such complaint is filed and shall provide notice of the receipt of such complaint to the complainant. When the [commission] Office of State Ethics undertakes an evaluation of a possible violation of this part prior to the filing of a complaint, [by the commission] the subject of the evaluation shall be notified [within five business days after a

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commission staff member's] not later than five business days after a staff member of the Office of State Ethics undertakes the first contact with a third party concerning the matter.

(2) In the conduct of its investigation of an alleged violation of this part, the [commission] Office of State Ethics shall have the power to hold hearings, administer oaths, examine witnesses, receive oral and documentary evidence, subpoena witnesses under procedural rules adopted by the [commission] Citizen's Ethics Advisory Board as regulations in accordance with the provisions of chapter 54 to compel attendance before the [commission] Office of State Ethics and to require the production for examination by the [commission] ethics enforcement officer of the Office of State Ethics of any books and papers which the [commission] ethics enforcement officer of the Office of State Ethics deems relevant in any matter under investigation or in question. In the exercise of such powers, the [commission] Office of State Ethics may use the services of the state police, who shall provide the same upon the [commission's] office's request. The [commission] Office of State Ethics shall make a record of all proceedings conducted pursuant to this subsection. Any witness summoned before the [commission] Office of State Ethics or a judge trial referee pursuant to this subsection shall receive the witness fee paid to witnesses in the courts of this state. The ethics enforcement officer of the Office of State Ethics may bring any alleged violation of this part before a judge trial referee assigned by the Chief Court Administrator for such purpose for a probable cause hearing. Such judge trial referee shall be compensated in accordance with the provisions of section 52-434 from such funds as may be available to the Office of State Ethics. The respondent shall have the right to appear at any hearing held pursuant to this subsection and be heard and to offer any information which may tend to clear [him] the respondent of probable cause to believe [he] the respondent has violated any provision of this part. The respondent shall also have the right to be represented by legal counsel and to

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examine and cross-examine witnesses. Not later than ten days prior to the commencement of any hearing conducted pursuant to this subsection, the [commission] Office of State Ethics shall provide the respondent with a list of its intended witnesses. [The commission shall make no finding that there is probable cause to believe the respondent is in violation of this part, except upon the concurring vote of five of its members.] Any finding of probable cause to believe the respondent is in violation of any provision of this part shall be made by a judge trial referee not later than thirty days after the ethics enforcement officer brings such alleged violation before such judge trial referee, except that such thirty-day limitation period shall not apply if the judge trial referee determines that good cause exists for extending such limitation period.

(b) If a [preliminary investigation] judge trial referee indicates that probable cause exists for the violation of a provision of this part, the [commission] board shall initiate hearings to determine whether there has been a violation of this part. Any such hearing shall be initiated by the board not later than thirty days after the finding of probable cause by a judge trial referee and shall be concluded not later than ninety days after its initiation, except that such thirty-day or ninety-day limitation period shall not apply if the judge trial referee determines that good cause exists for extending such limitation period. A judge trial referee, who has not taken part in the probable cause determination on the matter shall be assigned by the Chief Court Administrator and [who] shall be compensated in accordance with section 52-434 out of funds available to the [commission,] board and shall preside over such hearing and [shall] rule on all [matters] issues concerning the application of the rules of evidence, which shall be the same as in judicial proceedings. The trial referee shall have no vote in any decision of the [commission] board. All hearings of the [commission] board held pursuant to this subsection shall be open. At such hearing the [commission] board shall have the same powers as

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the Office of State Ethics under subsection (a) of this section and the respondent shall have the right to be represented by legal counsel, the right to compel attendance of witnesses and the production of books, documents, records and papers and to examine and cross-examine witnesses. Not later than ten days prior to the commencement of any hearing conducted pursuant to this subsection, the [commission] Office of State Ethics shall provide the respondent with a list of its intended witnesses. The judge trial referee shall, while engaged in the discharge of [his] the duties as provided in this subsection, have the same authority as is provided in section 51-35 over witnesses who refuse to obey a subpoena or to testify with respect to any matter upon which such witness may be lawfully interrogated, and may commit any such witness for contempt for a period no longer than thirty days. The [commission] Office of State Ethics shall make a record of all proceedings pursuant to this subsection. The [commission] board shall find no person in violation of any provision of this part except upon the concurring vote of [six] two-thirds of its members present and voting. Not later than fifteen days after the public hearing conducted in accordance with this subsection, the [commission] board shall publish its finding and a memorandum of the reasons therefor. Such finding and memorandum shall be deemed to be the final decision of the [commission] board on the matter for the purposes of chapter 54. The respondent, if aggrieved by the finding and memorandum, may appeal therefrom to the Superior Court in accordance with the provisions of section 4-183.

(c) If any complaint brought under the provisions of this part is made with the knowledge that it is made without foundation in fact, the respondent shall have a cause of action against the complainant for double the amount of damage caused thereby and if the respondent prevails in such action, [he] the respondent may be awarded by the court the costs of such action together with reasonable attorneys' fees.

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(d) No complaint may be made under this section except within five years next after the violation alleged in the complaint has been committed.

(e) No person shall take or threaten to take official action against an individual for such individual's disclosure of information to the [commission] board or the general counsel, ethics enforcement officer or staff of the Office of State Ethics under the provisions of this part. After receipt of information from an individual under the provisions of this part, the [commission] Office of State Ethics shall not disclose the identity of such individual without [his] such person's consent unless the [commission] Office of State Ethics determines that such disclosure is unavoidable during the course of an investigation.

Sec. 18. Section 1-93a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) Unless [the commission] a judge trial referee makes a finding of probable cause, a complaint alleging a violation of this part shall be confidential except upon the request of the respondent. A [commission] Office of State Ethics evaluation of a possible violation of this part undertaken prior to a complaint being filed [by the commission] shall be confidential except upon the request of the subject of the evaluation. If the evaluation is confidential, any information supplied to or received from the [commission] Office of State Ethics shall not be disclosed to any third party by a subject of the evaluation, a person contacted for the purpose of obtaining information or by a [commission] board or staff member of the Office of State Ethics. No provision of this subsection shall prevent the [Ethics Commission] board or the Office of State Ethics from reporting the possible commission of a crime to the Chief State's Attorney or other prosecutorial authority.

(b) An investigation conducted prior to a probable cause finding

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shall be confidential except upon the request of the respondent. If the investigation is confidential, the allegations in the complaint and any information supplied to or received from the [commission] Office of State Ethics shall not be disclosed during the investigation to any third party by a complainant, respondent, witness, designated party, or [commission] Office of State Ethics or staff member.

(c) Not later than three business days after the termination of the investigation, the [commission] Office of State Ethics shall inform the complainant and the respondent of its finding and provide them a summary of its reasons for making that finding. The [commission] Office of State Ethics shall publish its finding upon the respondent's request and may also publish a summary of its reasons for making such finding.

(d) If [the commission] a judge trial referee makes a finding of no probable cause, the complaint and the record of its investigation shall remain confidential, except upon the request of the respondent and except that some or all of the record may be used in subsequent proceedings. No complainant, respondent, witness, designated party, or [commission] Office of State Ethics or staff member shall disclose to any third party any information learned from the investigation, including knowledge of the existence of a complaint, which the disclosing party would not otherwise have known. If such a disclosure is made, the [commission] judge trial referee may, after consultation with the respondent if the respondent is not the source of the disclosure, publish its finding and a summary of its reasons therefor.

(e) The [commission] judge trial referee shall make public a finding of probable cause not later than five business days after [the termination of the investigation] any such finding. At such time the entire record of the investigation shall become public, except that the [commission] Office of State Ethics may postpone examination or release of such public records for a period not to exceed fourteen days

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for the purpose of reaching a stipulation agreement pursuant to subsection (c) of section 4-177. Any stipulation agreement or settlement entered into for a violation of this part shall be approved by a majority if its members present and voting.

Sec. 19. Section 1-94 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

A lobbyist shall register with the [commission] Office of State Ethics pursuant to this part if it or he:

(1) Receives or agrees to receive compensation or reimbursement for actual expenses, or both, in a combined amount of two thousand dollars or more in a calendar year for lobbying, whether that receipt of compensation or reimbursement or agreement to receive such compensation or reimbursement is solely for lobbying or the lobbying is incidental to that person's regular employment; or

(2) Makes or incurs an obligation to make expenditures of two thousand dollars or more in a calendar year for lobbying.

Sec. 20. Section 1-95 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) Each registrant shall file every two years with the [commission] Office of State Ethics on a registration form signed under penalty of false statement on or before January fifteenth of odd-numbered years or prior to the commencement of lobbying whichever is later. If the registrant is not an individual, an authorized officer or agent of the registrant shall sign the form. Such registration shall be on a form prescribed by the [commission] board and shall include:

(1) If the registrant is an individual, the registrant's name, permanent address and temporary address while lobbying and the name, address and nature of business of any person who compensates

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or reimburses, or agrees to compensate or reimburse the registrant and the terms of the compensation, reimbursement or agreement, but shall not include the compensation paid to an employee for his involvement in activities other than lobbying;

(2) If the registrant is a corporation, the name, address, place of incorporation and the principal place of business of the corporation;

(3) If the registrant is an association, group of persons or an organization, the name and address of the principal officers and directors of such association, group of persons or organization. If the registrant is formed primarily for the purpose of lobbying, it shall disclose the name and address of any person contributing two thousand dollars or more to the registrant's lobbying activities in any calendar year;

(4) If the registrant is not an individual, the name and address of each individual who will lobby on the registrant's behalf; and

(5) The identification, with reasonable particularity, of areas of legislative or administrative action on which the registrant expects to lobby.

(b) Each registrant shall pay a reasonable fee not in excess of the cost of administering the registration form provided for in subsection (a) of this section plus the cost of collecting, filing, copying and distributing the information filed by registrants under section 1-96, but not less than twenty-five dollars. A registrant who commences lobbying in an even-numbered year shall file with the [commission] Office of State Ethics, on or before January fifteenth of such even-numbered year or prior to the commencement of lobbying, whichever is later, a registration form signed under penalty of false statement and shall pay one-half of the biennial registration fee established by the [commission] board.

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(c) Each registrant shall file a notice of termination within thirty days after he ceases the activity that required his registration, provided the registrant does not intend to resume the activity during the biennial period for which he is registered; but termination shall not relieve him of the reporting requirements of section 1-96 for the period preceding the date his notice of termination is received by the [commission] Office of State Ethics or for the period commencing on such date and ending on December thirty-first of the year in which termination occurs.

Sec. 21. Section 1-96 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) Each client lobbyist registrant shall file with the [commission] Office of State Ethics between the first and tenth day of April, July and January a financial report, signed under penalty of false statement. The April and July reports shall cover its lobbying activities during the previous calendar quarter and the January report shall cover its lobbying activities during the previous two calendar quarters. In addition to such reports, each client lobbyist registrant which attempts to influence legislative action shall file, under penalty of false statement, interim monthly reports of its lobbying activities for each month the General Assembly is in regular session, except that no monthly report shall be required for any month in which it neither expends nor agrees to expend one hundred dollars or more in furtherance of lobbying. Such interim monthly reports shall be filed with the [commission] Office of State Ethics no later than the tenth day of the month following the last day of the month reported. If the client lobbyist registrant is not an individual, an authorized officer or agent of the client lobbyist registrant shall sign the form. A communicator lobbyist for a municipality or any subdivision of a municipality, a branch of state government or any subdivision of state government or a quasi-public agency shall file the reports described in this subsection

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utilizing the client lobbyist reporting schedule.

(b) Each individual communicator lobbyist registrant and each business organization communicator lobbyist registrant shall file with the [commission] Office of State Ethics between the first and tenth day of January a report or reports, signed under penalty of false statement, reporting the amounts of compensation and reimbursement received from each of his clients during the previous year. In addition, each individual communicator lobbyist registrant and each business organization communicator lobbyist registrant shall: (1) Report the fundamental terms of contracts, agreements or promises to pay or receive compensation or reimbursement or to make expenditures in furtherance of lobbying, including the categories of work to be performed and the dollar value or compensation rate of the contract, at the time of registration; (2) report, in accordance with the schedule set forth in subsection (a) of this section, any amendments to these fundamental terms, including any agreements to subcontract lobbying work; and (3) report, in accordance with the provisions of subsection (a) of this section, any expenditures for the benefit of a public official in the legislative or executive branch or a member of the staff or immediate family of such official which are unreimbursed and required to be itemized. Such report shall not include the disclosure of food and beverage provided by a communicator lobbyist registrant to a public official in the legislative or executive branch or a member of his staff or immediate family at a major life event, as defined by the [commission] Citizen's Ethics Advisory Board, of the registrant. All such information shall be reported under penalty of false statement.

(c) An individual communicator lobbyist registrant shall file a separate report for each person from whom he received compensation or reimbursement. Notwithstanding any provision of this subsection to the contrary, a business organization to which one or more individual communicator lobbyist registrants belong may file a single report for

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each client lobbyist in lieu of any separate reports that individual registrants are required to file pursuant to this subsection.

(d) Each registrant who files a notice of termination under subsection (c) of section 1-95 shall file with the [commission] Office of State Ethics a financial report, under penalty of false statement, between the first and tenth day of January of the year following termination.

(e) Each client lobbyist registrant financial report shall be on a form prescribed by the [commission] board and shall state expenditures made and the fundamental terms of contracts, agreements or promises to pay compensation or reimbursement or to make expenditures in furtherance of lobbying. Any such fundamental terms shall be reported once in the monthly, quarterly or post-termination report next following the entering into of such contract. Such financial report shall include an itemized statement of each expenditure of ten dollars or more per person for each occasion made by the reporting registrant or a group of registrants which includes the reporting registrant for the benefit of a public official in the legislative or executive branch, a member of his staff or immediate family, itemized by date, beneficiary, amount and circumstances of the transaction. The requirement of an itemized statement shall not apply to an expenditure made by a reporting registrant or a group of registrants which includes the reporting registrant for (1) the benefit of the members of the General Assembly at an event that is a reception to which all such members are invited or all members of a region of the state, as such term is used in subdivision (11) of subsection (g) of section 1-91, are invited, unless the expenditure is thirty dollars or more per person, or (2) benefits personally and directly received by a public official or state employee at a charitable or civic event at which the public official or state employee participates in his official capacity, unless the expenditure is thirty dollars or more per person, per event. If the compensation is

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required to be reported for an individual whose lobbying is incidental to his regular employment, it shall be sufficient to report a prorated amount based on the value of the time devoted to lobbying. On the first financial report following registration each client lobbyist registrant shall include any expenditures incident to lobbying activities which were received or expended prior to registration and not previously reported to the [commission] Office of State Ethics.

(f) The [commission] Citizen's Ethics Advisory Board shall, by regulations adopted in accordance with chapter 54, establish minimum amounts for each item required to be reported, below which reporting may be made in the aggregate. The provisions of this subsection shall not apply to expenditures made for the benefit of a public official or a member of such person's staff or immediate family.

(g) Each former registrant shall (1) report receipts or expenditures incident to lobbying activities during his period of registration which are received or expended following termination of registration and (2) report each expenditure of ten dollars or more per person for each occasion made by him for the benefit of a public official or a member of such official's immediate family or staff which occurs within six months after termination of registration.

(h) The [commission] Office of State Ethics shall, within thirty days after receipt of a financial report which contains the name of a public official in the legislative or executive branch or a member of such official's staff or immediate family, send a written notice to such public official, of the filing of the report and the name of the person who filed it.

Sec. 22. Subsection (b) of section 1-96a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

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(b) The [commission] Office of State Ethics may require, on a random basis, any registrant to make all such documents substantiating financial reports concerning lobbying activities on and after October 1, 1991, available for inspection and copying by the [commission] Office of State Ethics for the purpose of verifying such financial reports, provided no registrant shall be subject to such requirement more than one time during any three consecutive years. The [commission] Office of State Ethics shall select registrants to be audited by lot in a ceremony which shall be open to the public. Nothing in this subsection shall require a registrant to make any documents concerning nonlobbying activities available to the [commission] Office of State Ethics for inspection and copying.

Sec. 23. Section 1-96b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

Each registrant required to file any financial reports under section 1-96 shall do so in electronic form using the software created by the [commission] Office of State Ethics for that purpose or another software program which meets specifications prescribed by the [commission] Office of State Ethics.

Sec. 24. Section 1-98 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

Any person aggrieved by any final decision of the [commission] board, made pursuant to this part, may appeal such decision in accordance with the provisions of section 4-175 or section 4-183.

Sec. 25. Section 1-99 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) The [commission] board, upon a finding made pursuant to section 1-93 that there has been a violation of any provision of this part, shall have the authority to order the violator to do any or all of

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the following: (1) Cease and desist the violation of this part; (2) file any report, statement or other information as required by this part; or (3) pay a civil penalty of not more than ten thousand dollars for each violation of this part. The [commission] board may prohibit any person who intentionally violates any provision of this part from engaging in the profession of lobbyist for a period of not more than two years. The [commission] board may impose a civil penalty on any person who knowingly enters into a contingent fee agreement in violation of subsection (b) of section 1-97 or terminates a lobbying contract as the result of the outcome of an administrative or legislative action. The civil penalty shall be equal to the amount of compensation which the registrant was required to be paid under the agreement.

(b) Notwithstanding the provisions of subsection (a) of this section, the [commission] board may, after a hearing conducted in accordance with sections 4-176e to 4-184, inclusive, upon the concurring vote of [six] two-thirds of its members, impose a civil penalty not to exceed ten dollars per day upon any registrant who fails to file any report, statement or other information as required by this part. Each distinct violation of this subsection shall be a separate offense and, in case of a continued violation, each day thereof shall be deemed a separate offense. In no event shall the aggregate penalty imposed for such failure to file exceed ten thousand dollars.

(c) The [commission] board may also report its finding to the Chief State's Attorney for any action deemed necessary.

Sec. 26. Section 1-101 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

Each individual who is a lobbyist shall, while engaged in lobbying, wear a distinguishing badge which shall identify him as a lobbyist. The size, color, material and other requirements of such badge shall be prescribed by regulation of the [commission] Citizen's Ethics Advisory

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Board.

Sec. 27. Section 1-96c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

On and after January 1, 1999, the [State Ethics Commission] Office of State Ethics shall make all computerized data from financial reports required by section 1-96 available to the public through (1) a computer terminal in the office of the [commission] Office of State Ethics, and (2) the Internet or any other generally available on-line computer network.

Sec. 28. Section 1-96e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

Each registrant who pays or reimburses a public official or state employee ten dollars or more for necessary expenses, as defined in section 1-79, as amended by this act, shall, within thirty days, file a statement with the [State Ethics Commission] Office of State Ethics indicating the name of such individual and the amount of the expenses.

Sec. 29. Subsection (a) of section 1-99 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) The [commission] board, upon a finding made pursuant to section 1-93, as amended by this act, that there has been a violation of any provision of this part, shall have the authority to order the violator to do any or all of the following: (1) Cease and desist the violation of this part; (2) file any report, statement or other information as required by this part; or (3) pay a civil penalty of not more than ten thousand dollars for each violation of this part. The [commission] board may prohibit any person who intentionally violates any provision of this part from engaging in the profession of lobbyist for a period of not more than two years. The [commission] board may impose a civil

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penalty on any person who knowingly enters into a contingent fee agreement in violation of subsection (b) of section 1-97 or terminates a lobbying contract as the result of the outcome of an administrative or legislative action. The civil penalty shall be equal to the amount of compensation which the registrant was required to be paid under the agreement.

Sec. 30. Section 4-9a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) The Governor shall appoint the chairperson and executive director, if any, of all boards and commissions within the Executive Department, except the Board of Governors of Higher Education, provided the Governor shall appoint the initial chairman of said board as provided in section 10a-2, the State Properties Review Board, the State Elections Enforcement Commission, the Commission on Human Rights and Opportunities, the [State Ethics Commission] Citizen's Ethics Advisory Board, the Commission on Aging and the Commission on Fire Prevention and Control.

(b) Public members shall constitute not less than one-third of the members of each board and commission within the Executive Department, except the Gaming Policy Board and the Commission on Human Rights and Opportunities. Public member means an elector of the state who has no substantial financial interest in, is not employed in or by, and is not professionally affiliated with, any industry, profession, occupation, trade or institution regulated or licensed by the relevant board or commission, and who has had no professional affiliation with any such industry, profession, occupation, trade or institution for three years preceding his appointment to the board or commission. Except as otherwise specifically provided by the general statutes, this section shall not apply to the Commission on Fire Prevention and Control, boards and commissions the membership of which is entirely composed of state department heads, elected officials

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or deputies appointed by such department heads or where the membership of such board or commission is determined in accordance with the provisions of any federal law.

(c) Notwithstanding any provision of law to the contrary, the term of each member of each board and commission within the executive branch, except the State Board of Education, the Board of Governors of Higher Education, the Gaming Policy Board, the Commission on Human Rights and Opportunities, the State Elections Enforcement Commission, the State Properties Review Board, the [State Ethics Commission] Citizen's Ethics Advisory Board, the Commission on Medicolegal Investigations, the Psychiatric Security Review Board, the Commission on Fire Prevention and Control, the E 9-1-1 Commission, the Connecticut Commission on Culture and Tourism, the Commission on Aging, the board of trustees of each constituent unit of the state system of higher education and the Board of Pardons and Paroles, commencing on or after July 1, 1979, shall be coterminous with the term of the Governor or until a successor is chosen whichever is later.

(d) Each member of each board and commission within the executive branch shall serve at the pleasure of the appointing authority except where otherwise specifically provided by any provision of the general statutes.

Sec. 31. Subsection (a) of section 4b-4 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) No employee of the Properties Review Board shall hold another state or municipal position, nor shall any such employee or any nonclerical employee in the unit in the Department of Public Works which is responsible for acquiring, leasing and selling real property on behalf of the state, be directly involved in any enterprise which does business with the state or be directly or indirectly involved in any

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enterprise concerned with real estate acquisition or development. Each member and employee of the State Properties Review Board shall file, with the board and with the [State Ethics Commission] Office of State Ethics, and each such employee of the department shall file, with the department and with the [State Ethics Commission] Office of State Ethics, a financial statement indicating all sources of business income of such person in excess of one thousand dollars, and the name of any business with which he is associated, which shall have the same meaning as defined in section 1-79, as amended by this act. Such statement shall be a public record. Financial statements for the preceding calendar year shall be filed with the commission on or before April fifteenth of each year if the employee or member held such a position during the preceding calendar year.

Sec. 32. Subsection (b) of section 5-266a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(b) A person employed in said classified service or Judicial Department retains the right to vote as he chooses and to express his opinions on political subjects and candidates and shall be free to participate actively in political management and campaigns. Such activity may include but shall not be limited to, membership and holding of office in a political party, organization or club, campaigning for a candidate in a partisan election by making speeches, writing on behalf of the candidate or soliciting votes in support of or in opposition to a candidate and making contributions of time and money to political parties, committees or other agencies engaged in political action, except that no such employee shall engage in such activity while on duty or within any period of time during which such employee is expected to perform services for which he receives compensation from the state, and no such employee shall utilize state funds, supplies, vehicles, or facilities to secure support for or oppose any candidate,

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party, or issue in a political partisan election. Notwithstanding the provisions of this subsection, any person employed in the classified state service or in the Judicial Department may be a candidate for a state or municipal office, in any political partisan election. No person seeking or holding municipal office or seeking state office in accordance with the provisions of this subsection shall engage in political activity or in the performance of the duties of such office while on state duty or within any period of time during which such person is expected to perform services for which such person receives compensation from the state. The [State Ethics Commission] Citizen's Ethics Advisory Board shall establish by regulation definitions of conflict of interest which shall preclude persons in the classified state service or in the Judicial Department from holding elective office.

Sec. 33. Section 3-13l of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2005*):

(a) No person may, directly or indirectly, pay a finder's fee to any person in connection with any investment transaction involving the state, any quasi-public agency, as defined in section 1-120, or any political subdivision of the state. No person may, directly or indirectly, receive a finder's fee in connection with any investment transaction involving the state, any quasi-public agency, as defined in section 1-120, or any political subdivision of the state.

(b) For purposes of this section:

(1) "Finder's fee" means compensation in the form of cash, cash equivalents or other things of value paid to or received by a third party in connection with an investment transaction to which the state, any political subdivision of the state or any quasi-public agency, as defined in section 1-120, is a party for any services, and includes, but is not limited to, any fee paid for lobbying, as defined in subsection (k) of section 1-91, and as defined by the [Ethics Commission] Citizen's

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Ethics Advisory Board, in consultation with the Treasurer, in the regulations adopted under subparagraph (C)(ii) of subdivision (3) of this subsection or as prescribed by the Treasurer until such regulations are adopted.

(2) "Finder's fee" does not mean (A) (i) compensation earned for the rendering of investment services, as defined in subsection (f) of section 9-333n, or for acting as a licensed real estate broker or real estate sales person under the provisions of section 20-312, or under a comparable statute of the jurisdiction in which the subject property is located, or (ii) marketing fees or due diligence fees earned by the payee in connection with the offer, sale or purchase of any security or investment interest, in accordance with criteria prescribed under [subparagraph (ii) of] subparagraph (C)(ii) of subdivision (3) of this subsection, (B) compensation paid to (i) persons who are investment professionals engaged in the ongoing business of representing investment services providers, or (ii) third parties for services connected to the issuance of debt by the state, any political subdivision of the state or any quasi-public agency, as defined in section 1-120, and (C) any compensation which is so defined by the regulations adopted under subparagraph (C)(ii) of subdivision (3) of this subsection, or any compensation which meets criteria prescribed by the Treasurer until such regulations are adopted. As used in this section, "offer" and "sale" have the meaning provided in section 36b-3.

(3) "Investment professional" means an individual or firm whose primary business is bringing together institutional funds and investment opportunities and who (A) is a broker-dealer or investment adviser agent licensed or registered (i) under the Connecticut Uniform Securities Act; (ii) in the case of an investment adviser agent, with the Securities and Exchange Commission, in accordance with the Investment Advisors' Act of 1940; or (iii) in the case of a broker-dealer, with the National Association of Securities Dealers in accordance with

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the Securities Exchange Act of 1934, or (B) is licensed under section 20-312, or under a comparable statute of the jurisdiction in which the subject property is located, or (C) (i) furnishes an investment manager with marketing services including, but not limited to, developing an overall marketing strategy focusing on more than one institutional fund, designing or publishing marketing brochures or other presentation material such as logos and brands for investment products, responding to requests for proposals, completing due diligence questionnaires, identifying a range of potential investors, or such other services as may be identified in regulations adopted under subparagraph (ii) of this subparagraph and (ii) meets criteria prescribed (I) by the Treasurer until regulations are adopted under this subparagraph, or (II) by the [Ethics Commission] Citizen's Ethics Advisory Board, in consultation with the Treasurer, in regulations adopted in accordance with the provisions of chapter 54. Prior to adopting such regulations, the [Ethics Commission] Citizen's Ethics Advisory Board shall transmit the proposed regulations to the Treasurer not later than one hundred twenty days before any period for public comment on such regulations commences and shall consider any comments or recommendations the Treasurer may have regarding such regulations. In developing such regulations, the commission shall ensure that the state will not be competitively disadvantaged by such regulations relative to any legitimate financial market.

(c) Any person who violates any provision of this section shall be liable for a civil penalty of not less than the amount of the fee paid or received in violation of this section and not more than three times said amount.

(1) The Attorney General, upon complaint of the Treasurer or the [Ethics Commission] Citizen's Ethics Advisory Board, may bring an action in the superior court for the judicial district of Hartford to recover such penalty for a violation of this section which affects a fund

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of the state. Any penalty imposed under this section for a violation which affects any such fund shall be paid to the Treasurer who shall deposit such moneys in such fund.

(2) Any political subdivision of the state may bring an action in the superior court to recover such penalty for a violation of this section which affects any fund under the control of such subdivision. Any penalty imposed under this section for a violation which affects any such fund shall be paid to such subdivision which shall deposit such moneys in such fund.

(3) Any quasi-public agency, as defined in section 1-120, may bring an action in the superior court to recover such penalty for a violation of this section which affects any fund under the control of such agency. Any penalty imposed under this section for a violation which affects any such fund shall be paid to such agency which shall deposit such moneys in such fund.

Sec. 34. (NEW) (*Effective July 1, 2005*) The Chief Court Administrator shall designate ten judge trial referees who shall be available to the Office of State Ethics to: (1) Preside over and rule at any hearing of the Office of State Ethics; and (2) make findings as to probable cause following any investigation conducted by the ethics enforcement officer of the Office of State Ethics.

Sec. 35. (*Effective from passage*) There shall be an interim executive director of the Office of State Ethics appointed jointly by the Governor, the speaker of the House of Representatives and the president pro tempore of the Senate. Such interim executive director shall be responsible for overseeing the transfer of the responsibilities and duties of the State Ethics Commission to the Office of State Ethics and shall have those duties and powers described in section 3 of this act. Such interim executive director shall serve until the executive director of the Office of State Ethics is appointed by the members of the

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Citizen's Ethics Advisory Board.

Sec. 36. (NEW) (*Effective from passage*) Notwithstanding the provisions of section 4-38d of the general statutes, not later than July 1, 2005, the Commissioner of Administrative Services shall transfer all staff members of the State Ethics Commission in their current position, with existing funds allocated for such positions, to other agencies of the state. Such commissioner shall not require the Office of State Ethics, as established in section 2 of this act, to employ any former employee of the State Ethics Commission. In transferring each such staff member, the commissioner shall: (1) Transfer each staff member to a position located not further than twenty miles from Hartford, and (2) retain such staff member's title, grade, benefits and union membership, as such staff member had while employed with the State Ethics Commission. No other state employee shall be laid off as a result of such transfers.

Approved June 20, 2005