



# House of Representatives

General Assembly

**File No. 23**

January Session, 2005

Substitute House Bill No. 6616

*House of Representatives, March 9, 2005*

The Committee on Government Administration and Elections reported through REP. CARUSO of the 126th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING ETHICS IN STATE AND MUNICIPAL GOVERNMENT.**

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

1 Section 1. Subsection (e) of section 1-79 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2005*):

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

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

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

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

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

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

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

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

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

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

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

42 of the business organization who are lobbyists. In making the  
43 calculation for the purposes of such fifty-dollar limit, the donor shall  
44 divide the amount spent on food and beverage by the number of  
45 persons whom the donor reasonably expects to attend the reception;

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

62 (12) A gift, including but not limited to, food or beverage or both,  
63 provided by an individual for the celebration of a major life event;]

64 [(13)] (9) Gifts costing less than one hundred dollars in the aggregate  
65 or food or beverage provided at a hospitality suite at a meeting or  
66 conference of an interstate legislative association, by a person who is  
67 not a registrant or is not doing business with the state of Connecticut;

68 [(14)] (10) Admission to a charitable or civic event, including food  
69 and beverage provided at such event, but excluding lodging or travel  
70 expenses, at which a public official or state employee participates in  
71 his official capacity, provided such admission is provided by the  
72 primary sponsoring entity;

73 [(15)] (11) Anything of value provided by an employer of (A) a

74 public official, (B) a state employee, or (C) a spouse of a public official  
75 or state employee, to such official, employee or spouse, provided such  
76 benefits are customarily and ordinarily provided to others in similar  
77 circumstances; [or]

78 [(16)] (12) Anything having a value of not more than ten dollars,  
79 provided the aggregate value of all things provided by a donor to a  
80 recipient under this subdivision in any calendar year shall not exceed  
81 fifty dollars; or

82 (13) Necessary expenses as described in subsection (k) of section 1-  
83 84, as amended by this act.

84 Sec. 2. Subsection (k) of section 1-79 of the general statutes is  
85 repealed and the following is substituted in lieu thereof (*Effective July*  
86 *1, 2005*):

87 (k) "Public official" means any state-wide elected officer, any  
88 member or member-elect of the General Assembly, any person  
89 appointed to any office of the legislative, judicial or executive branch  
90 of state government by the Governor or an appointee of the Governor,  
91 with or without the advice and consent of the General Assembly, any  
92 public member or representative of the teachers' unions or state  
93 employees' unions appointed to the Investment Advisory Council  
94 pursuant to subsection (a) of section 3-13b, any person appointed or  
95 elected by the General Assembly or by any member of either house  
96 thereof, [and] any member or director of a quasi-public agency and the  
97 spouse of the Governor, but shall not include a member of an advisory  
98 board, a judge of any court either elected or appointed or a senator or  
99 representative in Congress.

100 Sec. 3. Section 1-83 of the general statutes is amended by adding  
101 subsection (e) as follows (*Effective July 1, 2005*):

102 (NEW) (e) On or before November first, annually, each public  
103 official and state employee who is not required to file an annual  
104 statement of financial interests under subsection (a) of this section and

105 participates substantially in the negotiation or award of state or quasi-  
106 public agency contracts shall file a statement disclosing (1) any outside  
107 employment of such official or employee, (2) the employment of the  
108 official's or employee's spouse and any dependent children residing in  
109 the household of the official or employee, and (3) the names of all  
110 businesses with which such official, employee, spouse and children are  
111 associated. Such statement shall be filed on a form prescribed by the  
112 State Ethics Commission, under penalty of false statement, with said  
113 commission and the executive head of the agency, department, board  
114 or commission in which the official or employee is employed.

115 Sec. 4. Section 1-84 of the general statutes is repealed and the  
116 following is substituted in lieu thereof (*Effective July 1, 2005*):

117 (a) No public official or state employee shall, while serving as such,  
118 have any financial interest in, or engage in, any business, employment,  
119 transaction or professional activity, which is in substantial conflict with  
120 the proper discharge of his duties or employment in the public interest  
121 and of his responsibilities as prescribed in the laws of this state, as  
122 defined in section 1-85.

123 (b) No public official or state employee shall accept other  
124 employment which will either impair his independence of judgment as  
125 to his official duties or employment or require him, or induce him, to  
126 disclose confidential information acquired by him in the course of and  
127 by reason of his official duties.

128 (c) No public official or state employee shall wilfully and knowingly  
129 disclose, for financial gain, to any other person, confidential  
130 information acquired by him in the course of and by reason of his  
131 official duties or employment and no public official or state employee  
132 shall use his public office or position or any confidential information  
133 received through his holding such public office or position to obtain  
134 financial gain for himself, his spouse, child, child's spouse, parent,  
135 brother or sister or a business with which he is associated.

136 (d) No public official or state employee or employee of such public

137 official or state employee shall agree to accept, or be a member or  
138 employee of a partnership, association, professional corporation or  
139 sole proprietorship which partnership, association, professional  
140 corporation or sole proprietorship agrees to accept any employment,  
141 fee or other thing of value, or portion thereof, for appearing, agreeing  
142 to appear, or taking any other action on behalf of another person  
143 before [the Department of Banking, the Claims Commissioner, the  
144 Office of Health Care Access, the Insurance Department, the office  
145 within the Department of Consumer Protection that carries out the  
146 duties and responsibilities of sections 30-2 to 30-68m, inclusive, the  
147 Department of Motor Vehicles, the State Insurance and Risk  
148 Management Board, the Department of Environmental Protection, the  
149 Department of Public Utility Control, the Connecticut Siting Council,  
150 the Division of Special Revenue within the Department of Revenue  
151 Services, the Gaming Policy Board within the Department of Revenue  
152 Services or the Connecticut Real Estate Commission] an agency,  
153 department, board or commission in the executive branch or a quasi-  
154 public agency; provided this shall not prohibit any such person from  
155 making inquiry for information on behalf of another before any of said  
156 commissions or commissioners if no fee or reward is given or  
157 promised in consequence thereof. For the purpose of this subsection,  
158 partnerships, associations, professional corporations or sole  
159 proprietorships refer only to such partnerships, associations,  
160 professional corporations or sole proprietorships which have been  
161 formed to carry on the business or profession directly relating to the  
162 employment, appearing, agreeing to appear or taking of action  
163 provided for in this subsection. Nothing in this subsection shall  
164 prohibit any employment, appearing, agreeing to appear or taking  
165 action before any municipal board, commission or council. Nothing in  
166 this subsection shall be construed as applying (1) to the actions of any  
167 teaching or research professional employee of a public institution of  
168 higher education if such actions are not in violation of any other  
169 provision of this chapter, (2) to the actions of any other professional  
170 employee of a public institution of higher education if such actions are  
171 not compensated and are not in violation of any other provision of this

172 chapter, (3) to any member of a board or commission who receives no  
173 compensation other than per diem payments or reimbursement for  
174 actual or necessary expenses, or both, incurred in the performance of  
175 the member's duties, or (4) to any member or director of a quasi-public  
176 agency. Notwithstanding the provisions of this subsection, [to the  
177 contrary,] a legislator, an officer of the General Assembly or part-time  
178 legislative employee may be or become a member or employee of a  
179 firm, partnership, association or professional corporation which  
180 represents clients for compensation before [agencies listed in this  
181 subsection] an agency, department, board or commission in the  
182 executive branch or a quasi-public agency, provided the legislator,  
183 officer of the General Assembly or part-time legislative employee shall  
184 take no part in any matter involving [the agency listed in this  
185 subsection] any such agency, department, board or commission and  
186 shall not receive compensation from any such matter. Receipt of a  
187 previously established salary, not based on the current or anticipated  
188 business of the firm, partnership, association or professional  
189 corporation involving the agencies listed in this subsection, shall be  
190 permitted.

191 (e) No legislative commissioner or his partners, employees or  
192 associates shall represent any person subject to the provisions of part II  
193 concerning the promotion of or opposition to legislation before the  
194 General Assembly, or accept any employment which includes an  
195 agreement or understanding to influence, or which is inconsistent  
196 with, the performance of his official duties.

197 (f) No person shall offer or give to a public official or state employee  
198 or candidate for public office or his spouse, his parent, brother, sister  
199 or child or spouse of such child or a business with which he is  
200 associated, anything of value, including but not limited to, a gift, loan,  
201 political contribution, reward or promise of future employment based  
202 on any understanding that the vote, official action or judgment of the  
203 public official, state employee or candidate for public office would be  
204 or had been influenced thereby.

205 (g) No public official or state employee or candidate for public office  
206 shall solicit or accept anything of value, including, but not limited to, a  
207 gift, loan, political contribution, reward or promise of future  
208 employment, during the official's or employee's state service or such  
209 candidacy and, in the case of such official or employee, for one year  
210 after leaving state service, based on any understanding that the vote,  
211 official action or judgment of the public official or state employee or  
212 candidate for public office would be or had been influenced thereby.

213 (h) Nothing in subsection (f) or (g) of this section shall be construed  
214 (1) to apply to any promise made in violation of subdivision (6) of  
215 section 9-333x, or (2) to permit any activity otherwise prohibited in  
216 section 53a-147 or 53a-148.

217 (i) No public official or state employee or member of the official or  
218 employee's immediate family or a business with which he is associated  
219 shall enter into any contract with the state, valued at one hundred  
220 dollars or more, other than a contract of employment as a state  
221 employee or pursuant to a court appointment, unless the contract has  
222 been awarded through an open and public process, including prior  
223 public offer and subsequent public disclosure of all proposals  
224 considered and the contract awarded. In no event shall an executive  
225 head of an agency, as defined in section 4-166, including a  
226 commissioner of a department, or an executive head of a quasi-public  
227 agency, as defined in section 1-79, as amended by this act, or the  
228 executive head's immediate family or a business with which he is  
229 associated enter into any contract with that agency or quasi-public  
230 agency. Nothing in this subsection shall be construed as applying to  
231 any public official who is appointed as a member of the executive  
232 branch or as a member or director of a quasi-public agency and who  
233 receives no compensation other than per diem payments or  
234 reimbursement for actual or necessary expenses, or both, incurred in  
235 the performance of the public official's duties unless such public  
236 official has authority or control over the subject matter of the contract.  
237 Any contract made in violation of this subsection shall be voidable by  
238 a court of competent jurisdiction if the suit is commenced within one

239 hundred eighty days of the making of the contract.

240 (j) No public official, state employee or candidate for public office,  
241 or a member of any such person's staff or immediate family shall  
242 knowingly accept any gift, as defined in subsection (e) of section 1-79,  
243 as amended by this act, during the official's or employee's state service  
244 or such candidacy and, in the case of such official or employee, for one  
245 year after leaving state service, from a person known to be a registrant  
246 or anyone known to be acting on behalf of a registrant.

247 (k) No public official or state employee shall accept a fee or  
248 honorarium for an article, appearance or speech, or for participation at  
249 an event, in the public official's or state employee's official capacity,  
250 provided a public official or state employee may receive payment or  
251 reimbursement for necessary expenses for any such activity in his  
252 official capacity. If a public official or state employee receives such a  
253 payment or reimbursement for lodging or out-of-state travel or both,  
254 the official or employee shall, within thirty days, file a report of the  
255 payment or reimbursement with the commission, unless the payment  
256 or reimbursement is provided by the federal government or another  
257 state government. If a public official or state employee does not file  
258 such report within such period, either intentionally or due to gross  
259 negligence on the public official's or state employee's part, the public  
260 official or state employee shall return the payment or reimbursement.  
261 If any failure to file such report is not intentional or due to gross  
262 negligence on the part of the public official or state employee, the  
263 public official or state employee shall not be subject to any penalty  
264 under this chapter. When a public official or state employee attends an  
265 event in this state in the public official's or state employee's official  
266 capacity and as a principal speaker at such event and receives  
267 admission to or food or beverage at such event from the sponsor of the  
268 event, such admission or food or beverage shall not be considered a  
269 gift and no report shall be required from such official or employee or  
270 from the sponsor of the event.

271 (l) No public official or state employee, or any person acting on

272 behalf of a public official or state employee, shall wilfully and  
273 knowingly interfere with, influence, direct or solicit existing or new  
274 lobbying contracts, agreements or business relationships for or on  
275 behalf of any person.

276 (m) No public official or state employee, or member of the  
277 immediate family of such official or employee, shall knowingly accept,  
278 directly or indirectly, any gift, as defined in subsection (e) of section 1-  
279 79, as amended by this act, during the official's or employee's state  
280 service and for one year after leaving state service, from any person the  
281 official or employee knows or has reason to know: (1) Is doing  
282 business with or seeking to do business with the department or agency  
283 in which the official or employee is employed; (2) is engaged in  
284 activities which are directly regulated by such department or agency;  
285 or (3) is prequalified under section 4a-100. No person shall knowingly  
286 give, directly or indirectly, any gift or gifts in violation of this  
287 provision. [For the purposes of this subsection, the exclusion to the  
288 term "gift" in subdivision (12) of subsection (e) of section 1-79 for a gift  
289 for the celebration of a major life event shall not apply.]

290 (n) (1) As used in this subsection, (A) "investment services" means  
291 investment legal services, investment banking services, investment  
292 advisory services, underwriting services, financial advisory services or  
293 brokerage firm services, and (B) "principal of an investment services  
294 firm" means (i) an individual who is a director of or has an ownership  
295 interest in an investment services firm, except for an individual who  
296 owns less than five per cent of the shares of an investment services  
297 firm which is a publicly traded corporation, (ii) an individual who is  
298 employed by an investment services firm as president, treasurer, or  
299 executive or senior vice president, (iii) an employee of such an  
300 investment services firm who has managerial or discretionary  
301 responsibilities with respect to any investment services, (iv) the spouse  
302 or dependent child of an individual described in this subparagraph, or  
303 (v) a political committee established by or on behalf of an individual  
304 described in this subparagraph.

305 (2) The State Treasurer shall not pay any compensation, expenses or  
306 fees or issue any contract to any firm which provides investment  
307 services when (A) a political committee, as defined in section 9-333a,  
308 established by such firm, or (B) a principal of the investment services  
309 firm has made a contribution, as defined in section 9-333b, to, or  
310 solicited contributions on behalf of, any exploratory committee or  
311 candidate committee, as defined in section 9-333a, established by the  
312 State Treasurer as a candidate for nomination or election to the office  
313 of State Treasurer. The State Treasurer shall not pay any compensation,  
314 expenses or fees or issue any contract to such firms or principals  
315 during the term of office as State Treasurer, including, for an  
316 incumbent State Treasurer seeking reelection, any remainder of the  
317 current term of office.

318 (o) Any person who (1) (A) is doing business with or seeking to do  
319 business with the department or agency in which a public official or  
320 state employee is employed, or (B) is engaged in activities which are  
321 directly regulated by such department or agency, and (2) gives to such  
322 public official or state employee anything of value which is subject to  
323 the reporting requirements pursuant to subsection (e) of section 1-96  
324 shall, not later than ten days thereafter, give such recipient and the  
325 executive head of such recipient's agency or department a written  
326 report stating the name of the donor, a description of the item or items  
327 given, the value of such items and the cumulative value of all items  
328 given to such recipient during that calendar year. The provisions of  
329 this subsection shall not apply to a political contribution otherwise  
330 reported as required by law.

331 (p) No public official or state employee shall knowingly contract for  
332 goods or services, for personal use, with any person doing business  
333 with or seeking to do business with the department or agency in which  
334 the official or employee is employed, if such official or employee  
335 would receive a discount for such goods or services that is not  
336 available to the general public.

337 (q) No public official or state employee shall accept any gift valued

338 at over one hundred dollars that would not have been offered except  
339 for the position held by the official or employee. No person shall offer  
340 or give any such gift. The provisions of this subsection (1) shall not  
341 prohibit a normal and customary exchange of gifts between a public  
342 official or state employee and other persons if the practice of such an  
343 exchange predated such official's or employee's service in such  
344 position, and (2) shall apply to gifts that are not prohibited under other  
345 provisions of this chapter. The State Ethics Commission shall adopt  
346 regulations, in accordance with the provisions of chapter 54, increasing  
347 such one hundred dollar limit in accordance with increases in the cost  
348 of living.

349 Sec. 5. Section 1-84b of the general statutes is repealed and the  
350 following is substituted in lieu thereof (*Effective July 1, 2005*):

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

356 (b) No former executive branch or quasi-public agency public  
357 official or state employee shall, for one year after leaving state service,  
358 represent anyone, other than the state, for compensation before [the]  
359 any department, agency, board, commission, council or office in which  
360 he served [at] during the one-year period before the time of his  
361 termination of service, concerning any matter in which the state has a  
362 substantial interest. The provisions of this subsection shall not apply to  
363 an attorney who is a former employee of the Division of Criminal  
364 Justice, with respect to any representation in a matter under the  
365 jurisdiction of a court.

366 (c) The provisions of this subsection apply to present or former  
367 executive branch public officials or state employees who hold or  
368 formerly held positions which involve significant decision-making or  
369 supervisory responsibility and are designated as such by the State  
370 Ethics Commission in consultation with the agency concerned except

371 that such provisions shall not apply to members or former members of  
372 the boards or commissions who serve ex officio, who are required by  
373 statute to represent the regulated industry or who are permitted by  
374 statute to have a past or present affiliation with the regulated industry.  
375 Designation of positions subject to the provisions of this subsection  
376 shall be by regulations adopted by the State Ethics Commission in  
377 accordance with chapter 54. As used in this subsection, "agency"  
378 means the Office of Health Care Access, the Connecticut Siting  
379 Council, the Department of Banking, the Insurance Department, the  
380 Department of Public Safety, the office within the Department of  
381 Consumer Protection that carries out the duties and responsibilities of  
382 sections 30-2 to 30-68m, inclusive, the Department of Public Utility  
383 Control, including the Office of Consumer Counsel, the Division of  
384 Special Revenue and the Gaming Policy Board and the term  
385 "employment" means professional services or other services rendered  
386 as an employee or as an independent contractor.

387 (1) No public official or state employee, in an executive branch  
388 position designated by the State Ethics Commission shall negotiate for,  
389 seek or accept employment with any business subject to regulation by  
390 his agency.

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

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

397 (d) The provisions of subsection (e) of this section apply to (1)  
398 present or former Gaming Policy Board or Division of Special Revenue  
399 public officials or state employees who hold or formerly held positions  
400 which involve significant decision-making or supervisory  
401 responsibility and are designated as such by the State Ethics  
402 Commission, in consultation with the agency concerned, and (2)  
403 present or former public officials or state employees of other agencies

404 who hold or formerly held positions which involve significant  
405 decision-making or supervisory responsibility concerning the  
406 regulation or investigation of (A) any business entity (i) engaged in  
407 Indian gaming operations in the state, and (ii) in which a federally-  
408 recognized Indian tribe in the state owns a controlling interest, or (B) a  
409 governmental agency of a federally-recognized Indian tribe engaged in  
410 Indian gaming operations in the state, which positions are designated  
411 as such by the State Ethics Commission, in consultation with the  
412 agency concerned. Designation of positions subject to the provisions of  
413 this subsection shall be by regulations adopted by the State Ethics  
414 Commission in accordance with chapter 54. As used in subsection (e)  
415 of this section, the term "employment" means professional services or  
416 other services rendered as an employee or as an independent  
417 contractor.

418 (e) (1) No Gaming Policy Board or Division of Special Revenue  
419 public official or state employee or other public official or state  
420 employee described in subdivision (2) of subsection (d) of this section,  
421 in a position designated by the State Ethics Commission, shall  
422 negotiate for, seek or accept employment with (A) a business entity (i)  
423 engaged in Indian gaming operations in the state, and (ii) in which a  
424 federally-recognized Indian tribe in the state owns a controlling  
425 interest, or (B) a governmental agency of a federally-recognized Indian  
426 tribe engaged in Indian gaming operations in the state.

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

436 (f) (1) No former public official or state employee [(1)] (A) who

437 participated substantially in the negotiation or award of [(A)] (i) a state  
438 contract valued at an amount of fifty thousand dollars or more, or [(B)]  
439 (ii) a written agreement for the approval of a payroll deduction slot  
440 described in section 3-123g, or [(2)] (B) who supervised the negotiation  
441 or award of such a contract or agreement, shall accept employment  
442 with a party to the contract, [or] agreement or negotiation other than  
443 the state for a period of one year after [his] the public official's or state  
444 employee's resignation from [his] state office or [position if his] state  
445 employment if such resignation occurs less than one year after [the  
446 contract or agreement is signed] the earlier of (i) the date the contract  
447 or agreement is signed, or (ii) the date the official or employee ceases  
448 to supervise, or participate substantially in, the negotiation or award of  
449 the contract or agreement, as determined by regulations which the  
450 commission shall adopt, in accordance with chapter 54.

451 (2) No party to the contract may employ a public official or state  
452 employee if such employment would violate subdivision (1) of this  
453 subsection.

454 (g) (1) No member or director of a quasi-public agency who  
455 participates substantially in the negotiation or award of a contract  
456 valued at an amount of fifty thousand dollars or more, or who  
457 supervised the negotiation or award of such a contract, shall seek,  
458 accept, or hold employment with a party to the contract or negotiation  
459 for a period of one year after [the signing of the contract] the earlier of  
460 (A) the date the contract is signed, or (B) the date the member or  
461 director ceases to participate substantially in the negotiation or award  
462 of the contract, as determined by regulations which the commission  
463 shall adopt, in accordance with chapter 54.

464 (2) No party to the contract may employ a member or director if  
465 such employment would violate subdivision (1) of this subsection.

466 (h) The regulations required to implement the provisions of  
467 subsection (c) of this section may be adopted by the State Ethics  
468 Commission prior to January 7, 1987, but may not take effect prior to

469 that date.

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

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

479 Sec. 6. Subsection (g) of section 1-91 of the general statutes is  
480 repealed and the following is substituted in lieu thereof (*Effective July*  
481 *1, 2005*):

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

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

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

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

491 (4) A gift received from (A) the individual's spouse, fiance or  
492 fiancée, (B) the parent, brother or sister of such spouse or such  
493 individual, or (C) the child of such individual or the spouse of such  
494 child;

495 (5) Goods or services (A) which are provided to the state (i) for use  
496 on state property, or (ii) to support an event or the participation by a  
497 public official or state employee at an event, and (B) which facilitate

498 state action or functions. As used in this subdivision, "state property"  
499 means (i) property owned by the state, or (ii) property leased to an  
500 agency in the Executive or Judicial Department of the state;

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

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

505 (8) Printed or recorded informational material germane to state  
506 action or functions;

507 [(9) Food or beverage or both, costing less than fifty dollars in the  
508 aggregate per recipient in a calendar year, and consumed on an  
509 occasion or occasions at which the person paying, directly or  
510 indirectly, for the food or beverage, or his representative, is in  
511 attendance;

512 (10) Food or beverage or both, costing less than fifty dollars per  
513 person and consumed at a publicly noticed legislative reception to  
514 which all members of the General Assembly are invited and which is  
515 hosted not more than once in any calendar year by a lobbyist or  
516 business organization. For the purposes of such limit, (A) a reception  
517 hosted by a lobbyist who is an individual shall be deemed to have also  
518 been hosted by the business organization which he owns or is  
519 employed by and (B) a reception hosted by a business organization  
520 shall be deemed to have also been hosted by all owners and employees  
521 of the business organization who are lobbyists. In making the  
522 calculation for the purposes of such fifty-dollar limit, the donor shall  
523 divide the amount spent on food and beverage by the number of  
524 persons whom the donor reasonably expects to attend the reception;

525 (11) Food or beverage or both, costing less than fifty dollars per  
526 person and consumed at a publicly noticed reception to which all  
527 members of the General Assembly from a region of the state are  
528 invited and which is hosted not more than once in any calendar year

529 by a lobbyist or business organization. For the purposes of such limit,  
530 (A) a reception hosted by a lobbyist who is an individual shall be  
531 deemed to have also been hosted by the business organization which  
532 he owns or is employed by, and (B) a reception hosted by a business  
533 organization shall be deemed to have also been hosted by all owners  
534 and employees of the business organization who are lobbyists. In  
535 making the calculation for the purposes of such fifty-dollar limit, the  
536 donor shall divide the amount spent on food and beverage by the  
537 number of persons whom the donor reasonably expects to attend the  
538 reception. As used in this subdivision, "region of the state" means the  
539 established geographic service area of the organization hosting the  
540 reception;

541 (12) A gift, including but not limited to, food or beverage or both,  
542 provided by an individual for the celebration of a major life event;]

543 [(13)] (9) Gifts costing less than one hundred dollars in the aggregate  
544 or food or beverage provided at a hospitality suite at a meeting or  
545 conference of an interstate legislative association, by a person who is  
546 not a registrant or is not doing business with the state of Connecticut;

547 [(14)] (10) Admission to a charitable or civic event, including food  
548 and beverage provided at such event, but excluding lodging or travel  
549 expenses, at which a public official or state employee participates in  
550 his official capacity, provided such admission is provided by the  
551 primary sponsoring entity;

552 [(15)] (11) Anything of value provided by an employer of (A) a  
553 public official, (B) a state employee, or (C) a spouse of a public official  
554 or state employee, to such official, employee or spouse, provided such  
555 benefits are customarily and ordinarily provided to others in similar  
556 circumstances; [or]

557 [(16)] (12) Anything having a value of not more than ten dollars,  
558 provided the aggregate value of all things provided by a donor to a  
559 recipient under this subdivision in any calendar year shall not exceed  
560 fifty dollars; or

561 (13) Necessary expenses as described in subsection (k) of section 1-  
562 84, as amended by this act.

563 Sec. 7. Subdivision (1) of section 1-92 of the general statutes is  
564 repealed and the following is substituted in lieu thereof (*Effective July*  
565 *1, 2005*):

566 (1) Adopt regulations in accordance with chapter 54 to carry out the  
567 purposes of this part. Not later than January 1, 1992, the commission  
568 shall adopt regulations which further clarify the meaning of the  
569 [terms] term "directly and personally received", [and "major life  
570 event",] as used in subsection (e) of section 1-79, as amended by this  
571 act, and subsection (g) of section 1-91, as amended by this act.

572 Sec. 8. Subsection (a) of section 1-97 of the general statutes is  
573 repealed and the following is substituted in lieu thereof (*Effective July*  
574 *1, 2005*):

575 (a) No registrant or anyone acting on behalf of a registrant shall  
576 knowingly give a gift, as defined in subsection (g) of section 1-91, as  
577 amended by this act, to any state employee, public official, candidate  
578 for public office or a member of any such person's staff or immediate  
579 family, during the official's or employee's state service or such  
580 candidacy and, in the case of such official or employee, for one year  
581 after leaving state service. Nothing in this section shall be construed to  
582 permit any activity prohibited under section 53a-147 or 53a-148.

583 Sec. 9. Section 1-225 of the general statutes is repealed and the  
584 following is substituted in lieu thereof (*Effective July 1, 2005*):

585 (a) The meetings of all public agencies, except executive sessions, as  
586 defined in subdivision (6) of section 1-200, shall be open to the public.  
587 The votes of each member of any such public agency upon any issue  
588 before such public agency shall be reduced to writing and made  
589 available for public inspection within forty-eight hours and shall also  
590 be recorded in the minutes of the [session] meeting at which taken. [,  
591 which] No later than seven days after the meeting to which the

592 minutes refer, the minutes shall be available for public inspection  
593 [within seven days of the session to which they refer] and posted on  
594 the agency's Internet web site, if available.

595 (b) Each such public agency of the state shall file not later than  
596 January thirty-first of each year in the office of the Secretary of the  
597 State the schedule of the regular meetings of such public agency for the  
598 ensuing year and shall post such schedule on the agency's Internet web  
599 site, if available, except that such [provision] requirements shall not  
600 apply to the General Assembly, either house thereof or to any  
601 committee thereof. Any other provision of the Freedom of Information  
602 Act notwithstanding, the General Assembly at the commencement of  
603 each regular session in the odd-numbered years, shall adopt, as part of  
604 its joint rules, rules to provide notice to the public of its regular,  
605 special, emergency or interim committee meetings. The chairperson or  
606 secretary of any such public agency of any political subdivision of the  
607 state shall file, not later than January thirty-first of each year, with the  
608 clerk of such subdivision the schedule of regular meetings of such  
609 public agency for the ensuing year, and no such meeting of any such  
610 public agency shall be held sooner than thirty days after such schedule  
611 has been filed. The chief executive officer of any multitown district or  
612 agency shall file, not later than January thirty-first of each year, with  
613 the clerk of each municipal member of such district or agency, the  
614 schedule of regular meetings of such public agency for the ensuing  
615 year, and no such meeting of any such public agency shall be held  
616 sooner than thirty days after such schedule has been filed.

617 (c) The agenda of the regular meetings of every public agency,  
618 except for the General Assembly, shall be available to the public, [and  
619 shall be] posted not less than twenty-four hours before the meetings to  
620 which they refer on the agency's Internet web site, if available, and  
621 filed, not less than twenty-four hours before the meetings to which  
622 they refer, in such agency's regular office or place of business or, if  
623 there is no such office or place of business, in the office of the Secretary  
624 of the State for any such public agency of the state, in the office of the  
625 clerk of such subdivision for any public agency of a political

626 subdivision of the state or in the office of the clerk of each municipal  
627 member of any multitown district or agency. Upon the affirmative vote  
628 of two-thirds of the members of a public agency present and voting,  
629 any subsequent business not included in such filed agendas may be  
630 considered and acted upon at such meetings.

631 (d) Notice of each special meeting of every public agency, except for  
632 the General Assembly, either house thereof or any committee thereof,  
633 shall be posted not less than twenty-four hours before the meeting to  
634 which it refers on the agency's Internet web site, if available, and given  
635 not less than twenty-four hours prior to the time of such meeting by  
636 filing a notice of the time and place thereof in the office of the Secretary  
637 of the State for any such public agency of the state, in the office of the  
638 clerk of such subdivision for any public agency of a political  
639 subdivision of the state and in the office of the clerk of each municipal  
640 member for any multitown district or agency. The secretary or clerk  
641 shall cause any notice received under this section to be posted in his  
642 office. Such notice shall be given not less than twenty-four hours prior  
643 to the time of the special meeting; provided, in case of emergency,  
644 except for the General Assembly, either house thereof or any  
645 committee thereof, any such special meeting may be held without  
646 complying with the foregoing requirement for the filing of notice but a  
647 copy of the minutes of every such emergency special meeting  
648 adequately setting forth the nature of the emergency and the  
649 proceedings occurring at such meeting shall be filed with the Secretary  
650 of the State, the clerk of such political subdivision, or the clerk of each  
651 municipal member of such multitown district or agency, as the case  
652 may be, not later than seventy-two hours following the holding of such  
653 meeting. The notice shall specify the time and place of the special  
654 meeting and the business to be transacted. No other business shall be  
655 considered at such meetings by such public agency. In addition, such  
656 written notice shall be delivered to the usual place of abode of each  
657 member of the public agency so that the same is received prior to such  
658 special meeting. The requirement of delivery of such written notice  
659 may be dispensed with as to any member who at or prior to the time  
660 the meeting convenes files with the clerk or secretary of the public

661 agency a written waiver of delivery of such notice. Such waiver may be  
662 given by telegram. The requirement of delivery of such written notice  
663 may also be dispensed with as to any member who is actually present  
664 at the meeting at the time it convenes. Nothing in this section shall be  
665 construed to prohibit any agency from adopting more stringent notice  
666 requirements.

667 (e) No member of the public shall be required, as a condition to  
668 attendance at a meeting of any such body, to register the member's  
669 name, or furnish other information, or complete a questionnaire or  
670 otherwise fulfill any condition precedent to the member's attendance.

671 (f) A public agency may hold an executive session, as defined in  
672 subdivision (6) of section 1-200, upon an affirmative vote of two-thirds  
673 of the members of such body present and voting, taken at a public  
674 meeting and stating the reasons for such executive session, as defined  
675 in section 1-200.

676 (g) In determining the time within which or by when a notice,  
677 agenda, record of votes or minutes of a special meeting or an  
678 emergency special meeting are required to be filed under this section,  
679 Saturdays, Sundays, legal holidays and any day on which the office of  
680 the agency, the Secretary of the State or the clerk of the applicable  
681 political subdivision or the clerk of each municipal member of any  
682 multitown district or agency, as the case may be, is closed, shall be  
683 excluded.

684 Sec. 10. (NEW) (*Effective July 1, 2005*) (a) As used in this section:

685 (1) "Large municipal contract" means a contract between an entity  
686 and a municipality, having a value of five hundred thousand dollars or  
687 more; and

688 (2) "Large municipal contractor" means an entity that has entered  
689 into a large municipal contract with a municipality.

690 (b) Any person having knowledge of any matter involving  
691 corruption, unethical practices, violation of state laws or regulations or

692 a municipal charter or ordinance, mismanagement, gross waste of  
693 funds, abuse of authority or danger to the public safety occurring in  
694 any municipality, or any person having knowledge of any matter  
695 involving corruption, violation of state or federal laws or regulations  
696 or a municipal charter or ordinance, gross waste of funds, abuse of  
697 authority or danger to the public safety occurring in any large  
698 municipal contract, may transmit all facts and information in his  
699 possession concerning such matter to the Attorney General. Upon  
700 receiving such a report, the Attorney General, within available  
701 resources, shall make such investigation as the Attorney General  
702 deems proper. The Attorney General shall have power to summon  
703 witnesses, require the production of any necessary books, papers or  
704 other documents and administer oaths to witnesses, where necessary,  
705 for the purpose of investigation. Upon the conclusion of the Attorney  
706 General's investigation, the Attorney General shall, where necessary  
707 and within available resources, report the Attorney General's findings  
708 to the Governor, or in matters involving criminal activity, to the Chief  
709 State's Attorney. The Attorney General shall not, after receipt of any  
710 information from a person under the provisions of this section,  
711 disclose the identity of such person without such person's consent  
712 unless the Attorney General determines that such disclosure is  
713 unavoidable during the course of the investigation.

714 (c) (1) No municipal officer or employee and no officer or employee  
715 of a large municipal contractor and no appointing authority shall take  
716 or threaten to take any personnel action against any municipal  
717 employee or any employee of a large municipal contractor in  
718 retaliation for such employee's disclosure of information to the  
719 Attorney General under the provisions of subsection (b) of this section.

720 (2) If a municipal employee or an employee of a large municipal  
721 contractor alleges that a personnel action has been threatened or taken  
722 in retaliation for such employee's disclosure of information to the  
723 Attorney General under the provisions of subsection (b) of this section,  
724 the employee may notify the Attorney General, who shall, within  
725 available resources, investigate pursuant to subsection (b) of this

726 section. After the conclusion of such investigation, the Attorney  
727 General, the employee or the employee's attorney may file a complaint  
728 concerning such personnel action with the Chief Human Rights  
729 Referee designated under section 46a-57 of the general statutes. The  
730 Chief Human Rights Referee shall assign the complaint to a human  
731 rights referee appointed under said section 46a-57, who shall conduct a  
732 hearing and issue a decision concerning whether the officer or  
733 employee taking or threatening to take the personnel action violated  
734 any provision of this section. If the human rights referee finds such a  
735 violation, the referee may award the aggrieved employee  
736 reinstatement to the employee's former position, back pay and  
737 reestablishment of any employee benefits to which the employee  
738 would otherwise have been eligible if such violation had not occurred,  
739 reasonable attorneys' fees, and any other damages. For the purposes of  
740 this subsection, such human rights referee shall act as an independent  
741 hearing officer. The decision of a human rights referee under this  
742 subsection may be appealed by any person who was a party at such  
743 hearing, in accordance with the provisions of section 4-183 of the  
744 general statutes.

745 (3) The Chief Human Rights Referee shall adopt regulations, in  
746 accordance with the provisions of chapter 54 of the general statutes,  
747 establishing the procedure for filing complaints and noticing and  
748 conducting hearings under subdivision (2) of this subsection.

749 (4) As an alternative to the provisions of subdivisions (2) and (3) of  
750 this subsection, (A) a municipal employee who alleges that a personnel  
751 action has been threatened or taken and is covered by a collective  
752 bargaining contract may file an appeal in accordance with the  
753 procedure provided by such contract, or (B) an employee of a large  
754 municipal contractor alleging that such action has been threatened or  
755 taken may, after exhausting all available administrative remedies,  
756 bring a civil action in accordance with the provisions of subsection (c)  
757 of section 31-51m of the general statutes.

758 (5) In any proceeding under subdivision (2), (3) or (4) of this

759 subsection concerning a personnel action taken or threatened against  
760 any municipal employee or any employee of a large municipal  
761 contractor, which personnel action occurs within one year after the  
762 employee first transmits facts and information concerning a matter  
763 under subsection (a) of this section to the Attorney General, there shall  
764 be a rebuttable presumption that the personnel action is in retaliation  
765 for the action taken by the employee under subsection (b) of this  
766 section.

767 (d) Any employee of a municipality or large municipal contractor,  
768 who is found to have knowingly and maliciously made false charges  
769 under subsection (b) of this section, shall be subject to disciplinary  
770 action by the employee's appointing authority up to and including  
771 dismissal. In the case of a municipal employee covered by a collective  
772 bargaining contract, such employee may file an appeal in accordance  
773 with the procedure provided by such contract.

774 (e) On or before September first, annually, the Attorney General,  
775 within available resources, shall submit to the clerk of each house of  
776 the General Assembly a report indicating the number of matters for  
777 which facts and information were transmitted to the Attorney General  
778 pursuant to this section during the preceding state fiscal year and the  
779 disposition of each such matter.

780 (f) Each contract between a municipality and a large municipal  
781 contractor shall provide that, if an officer, employee or appointing  
782 authority of a large municipal contractor takes or threatens to take any  
783 personnel action against any employee of the contractor in retaliation  
784 for such employee's disclosure of information to the Attorney General  
785 under the provisions of subsection (b) of this section, the contractor  
786 shall be liable for a civil penalty of not more than five thousand dollars  
787 for each offense, up to a maximum of twenty per cent of the value of  
788 the contract. Each violation shall be a separate and distinct offense and  
789 in the case of a continuing violation each calendar day's continuance of  
790 the violation shall be deemed to be a separate and distinct offense. The  
791 chief elected official of the municipality may request the Attorney

792 General, within available resources, to bring a civil action in the  
793 superior court for the judicial district of Hartford to seek imposition  
794 and recovery of such civil penalty.

795 (g) Each large municipal contractor shall post a notice of the  
796 provisions of this section relating to large municipal contractors in a  
797 conspicuous place which is readily available for viewing by the  
798 employees of the contractor.

799 Sec. 11. (NEW) (*Effective July 1, 2005*) No quasi-public agency, as  
800 defined in section 1-120 of the general statutes, shall provide  
801 performance incentives or bonuses to its officials and employees.

802 Sec. 12. (NEW) (*Effective July 1, 2005*) A member of the board of  
803 directors of a quasi-public agency, as defined in section 1-120 of the  
804 general statutes, who (1) participates in a meeting of said board by  
805 telephone, or (2) is not otherwise physically present at the location  
806 where such meeting is held shall not be deemed to be present at such  
807 meeting for purposes of determining a quorum and shall not be  
808 permitted to vote at the meeting.

809 Sec. 13. (NEW) (*Effective July 1, 2005*) Not later than January 1, 2006,  
810 each quasi-public agency, as defined in section 1-120 of the general  
811 statutes, shall adopt procedures, in accordance with the provisions of  
812 section 1-121 of the general statutes, establishing criteria for when the  
813 quasi-public agency may extend a contract without competitive  
814 bidding or competitive negotiation.

815 Sec. 14. Section 1-97 of the general statutes is amended by adding  
816 subsection (e) as follows (*Effective July 1, 2005*):

817 (NEW) (e) No communicator lobbyist shall serve as a member of  
818 any board or commission in state government or a board of directors  
819 of a quasi-public agency, as defined in section 1-120. The provisions of  
820 this section shall not apply to any lobbyist serving as such a member  
821 on the effective date of this section, until the expiration of such  
822 member's term.

823       Sec. 15. (NEW) (*Effective July 1, 2005*) No member of the General  
824 Assembly shall, during the term for which the member is elected, serve  
825 as an employee or a member of the board of directors of a quasi-public  
826 agency, as defined in section 1-120 of the general statutes. The  
827 provisions of this section shall not apply to any person who is a  
828 member of the General Assembly and an employee or a member of the  
829 board of directors of a quasi-public agency on the effective date of this  
830 section.

831       Sec. 16. Section 53a-119 of the general statutes is amended by adding  
832 subdivision (18) as follows (*Effective July 1, 2005*):

833       (NEW) (18) State embezzlement or theft. A person is guilty of state  
834 embezzlement or theft when such person, while serving as a public  
835 official or state employee, (A) commits, aids or abets an embezzlement  
836 of public funds in the amount of one thousand dollars or more, in the  
837 aggregate, from the state or a quasi-public agency or agencies, (B)  
838 commits, aids or abets any theft from the state or a quasi-public agency  
839 or agencies of any goods, services or funds having a value of one  
840 thousand dollars or more, in the aggregate, or (C) wilfully and with  
841 the intent to defraud, realizes or obtains, or attempts to realize or  
842 obtain, a profit, gain or advantage for himself or herself or for some  
843 other person, in the amount of one thousand dollars or more, in the  
844 aggregate, through the use or attempted use of the power, rights,  
845 privileges or duties of his or her position as a public official or state  
846 employee. As used in this subdivision, "public official", "state  
847 employee" and "quasi-public agency" have the same meanings as  
848 provided in section 1-79, as amended by this act, for said terms.

849       Sec. 17. (NEW) (*Effective July 1, 2005*) (a) As used in this section:

850       (1) "Crime related to state or quasi-public agency office" means  
851 larceny as set forth in subdivision (18) of section 53a-119 of the general  
852 statutes, as amended by this act, or bribery as set forth in section 53a-  
853 147 or 53a-148 of the general statutes, by a person while serving as a  
854 public official or state employee.

855 (2) "Public official" has the same meaning as provided in section 1-  
856 79 of the general statutes, as amended by this act.

857 (3) "State employee" has the same meaning as provided in section 1-  
858 79 of the general statutes, as amended by this act.

859 (b) Notwithstanding any provision of the general statutes, if any  
860 person is convicted or pleads guilty or nolo contendere to any crime  
861 related to state or quasi-public agency office, the court, as part of the  
862 sentence imposed, may reduce any retirement or other benefit or  
863 payment of any kind to which the person is otherwise entitled under  
864 the general statutes for service as a public official or state employee.

865 (c) In determining whether the retirement or other benefit or  
866 payment shall be reduced, and the amount of any such reduction, the  
867 court shall consider and make findings on the following factors:

868 (1) The severity of the crime related to state office for which the  
869 person has been convicted or to which the person has pled guilty or  
870 nolo contendere;

871 (2) The amount of monetary loss suffered by the state or a quasi-  
872 public agency or by any other person as a result of the crime related to  
873 state office;

874 (3) The degree of public trust reposed in the person by virtue of the  
875 person's position as a public official or state employee; and

876 (4) Any other factors as, in the judgment of the court, justice may  
877 require.

878 (d) If the court determines that a retirement or other benefit or  
879 payment of a person should be reduced and the state or a quasi-public  
880 agency suffered a monetary loss as a result of the crime related to state  
881 office, the entity responsible for payment of such retirement or other  
882 benefit or payment shall remit to the General Fund the portion of each  
883 such payment that would have been made to the person but for the  
884 provisions of this section, until there is full restitution to the state of

885 such monetary loss.

886 (e) If the court determines that a retirement or other benefit or  
887 payment of a person should be reduced, the court may, after taking  
888 into consideration the financial needs and resources of any innocent  
889 spouse, dependents and designated beneficiaries of the person, order  
890 that some or all of the reduced benefit or payment be paid to any  
891 innocent spouse, dependent or beneficiary as justice may require.

892 (f) If the court does not reduce any retirement or other benefit or  
893 payment of any kind to which the person is otherwise entitled under  
894 the general statutes for service as a public official or state employee  
895 under subsection (a) of this section, the Attorney General may initiate a  
896 civil action in the Superior Court for such reduction. The provisions of  
897 subsections (c) to (e), inclusive, of this section shall apply in any such  
898 civil action.

899 (g) The provisions of this section shall not affect any state health  
900 insurance benefits to which the person and the spouse and dependents  
901 of the person is entitled upon the person's retirement from the state.

902 Sec. 18. (NEW) (*Effective July 1, 2005*) As used in sections 18 to 28,  
903 inclusive, of this act:

904 (1) "Business" means any entity through which business for profit or  
905 not-for-profit is conducted, including a corporation, partnership,  
906 proprietorship, firm, enterprise, franchise, association, organization or  
907 self-employed individual.

908 (2) "Business with which he or she is associated" means a business of  
909 which a public official or public employee or a member of his or her  
910 immediate family is a director, officer, owner, employee, compensated  
911 agent or holder of stock that constitutes five per cent or more of the  
912 total outstanding stock of any class.

913 (3) "Confidential information" means information, whether  
914 transmitted orally or in writing, which is obtained by reason of the  
915 public position or office held and is of such nature that it is not, at the

916 time of transmission, a matter of public record or public knowledge.

917 (4) "District" means a district established pursuant to section 7-324  
918 of the general statutes.

919 (5) "Financial interest" means any interest with a monetary value of  
920 one hundred dollars or more or which generates a financial gain or  
921 loss of one hundred dollars or more in a calendar year.

922 (6) "Gift" means anything of value, including entertainment, food,  
923 beverage, travel or lodging, given or paid to a public official or public  
924 employee, to the extent that consideration of equal or greater value is  
925 not received. A gift does not include:

926 (A) A political contribution otherwise reported as required by law  
927 or a donation or payment as described in subdivision (9) or (11) of  
928 subsection (b) of section 9-333b of the general statutes;

929 (B) Services provided by persons volunteering their time for a  
930 political campaign;

931 (C) A commercially reasonable loan made on terms not more  
932 favorable than loans made in the ordinary course of business;

933 (D) A gift received from (i) an individual's spouse, fiance or fiancée,  
934 (ii) the parent, brother or sister of such spouse or such individual, or  
935 (iii) the child of such individual or the spouse of such child;

936 (E) Goods or services that are provided to the municipality or  
937 district and facilitate governmental action or functions;

938 (F) A certificate, plaque or other ceremonial award costing less than  
939 one hundred dollars;

940 (G) A rebate or discount on the price of anything of value given in  
941 the ordinary course of business without regard to the recipient's status;

942 (H) Printed or recorded informational material germane to  
943 governmental action or functions;

944 (I) Items of nominal value, not to exceed ten dollars, containing or  
945 displaying promotional material;

946 (J) An honorary degree bestowed upon a public official or public  
947 employee by a public or private university or college;

948 (K) A meal provided at an event or the registration or entrance fee  
949 to attend such an event, in which the public employee or public official  
950 participates in said person's official capacity; or

951 (L) A meal provided in the home by an individual who resides in  
952 the municipality or district in which the employee or official serves.

953 (7) "Immediate family" means any spouse, child or dependent  
954 relative who resides in the individual's household.

955 (8) "Individual" means a natural person.

956 (9) "Land use agency" means any body (A) exercising zoning  
957 powers pursuant to chapter 124 of the general statutes or any special  
958 act or municipal charter, (B) exercising land use powers pursuant to  
959 chapter 125a of the general statutes or any special act or municipal  
960 charter, (C) exercising planning powers pursuant to chapter 126 of the  
961 general statutes or any special act or municipal charter, or (D)  
962 regulating inland wetlands and watercourses pursuant to chapter 440  
963 of the general statutes or any special act or municipal charter.

964 (10) "Municipality" means a town, city or borough or a municipal  
965 quasi-public agency, provided, for the purposes of sections 18 to 28,  
966 inclusive, of this act, a municipal quasi-public agency shall be deemed  
967 to be part of the municipality that established such agency.

968 (11) "Paid consultant" means a person, firm or corporation hired by  
969 a municipality or district to provide services to the municipality or  
970 district for a fee.

971 (12) "Person" means an individual, sole proprietorship, trust,  
972 corporation, union, association, firm, partnership, committee, club or

973 other organization or group of persons.

974 (13) "Public employee" means a person employed full or part time  
975 by a municipality or a district, including a person on leave from  
976 employment by a municipality or district. A public official who is not  
977 so employed by a municipality or district shall not be deemed to be a  
978 public employee.

979 (14) "Public official" means (A) an elected or appointed official  
980 employed full or part time by a municipality or district, on either a  
981 paid or unpaid basis, including a district officer elected pursuant to  
982 section 7-327 of the general statutes, or (B) a candidate for a municipal  
983 or district office.

984 (15) "Purpose of a code of ethical conduct" means the prevention of  
985 the misuse and the appearance of the misuse of governmental power  
986 or powers invested in any governmental office or position. Except as  
987 specifically provided in sections 18 to 28, inclusive, of this act, such  
988 term shall not include actions by a public official or public employee  
989 that such person has the right or power to do as a private citizen,  
990 separate from any power or influence as a public official or public  
991 employee, or otherwise not involving the exercise of governmental  
992 power. As used in this subdivision, "misuse" means the use of  
993 governmental power or powers invested in any governmental office or  
994 position for the private gain of any person.

995 Sec. 19. (NEW) (*Effective July 1, 2005*) (a) Notwithstanding the  
996 provisions of any special act, municipal charter or ordinance, not later  
997 than July 1, 2006, each municipality and district shall adopt a code of  
998 ethical conduct for its public officials, public employees and paid  
999 consultants. Each such code of ethical conduct shall include the  
1000 provisions set forth in sections 20 to 22, inclusive, of this act or stricter  
1001 ethical provisions for such public officials, public employees and paid  
1002 consultants. Two or more municipalities or districts may jointly  
1003 develop such a code of ethical conduct, provided each such  
1004 municipality or district adopts such code.

1005 (b) Any municipality or district that adopts a code of ethical conduct  
1006 before July 1, 2005, shall not be required to adopt a new code of ethical  
1007 conduct under subsection (a) of this section. However, if any such  
1008 existing code of ethical conduct does not include the provisions set  
1009 forth in sections 20 to 22, inclusive, of this act or stricter ethical  
1010 provisions for the municipality's or district's public official, public  
1011 employees and paid consultants, the municipality or district shall, not  
1012 later than July 1, 2006, amend its code of ethical conduct to include the  
1013 provisions set forth in said sections 20 to 22, inclusive, or stricter  
1014 ethical provisions for such persons.

1015 Sec. 20. (NEW) (*Effective July 1, 2005*) Each code of ethical conduct  
1016 adopted by a municipality or district under subsection (a) of section 19  
1017 of this act shall include the following or stricter provisions for the  
1018 municipality's or district's public officials and public employees:

1019 (1) No public employee or public official shall engage in or  
1020 participate in any business or transaction, including outside  
1021 employment with a private business, or have an interest, direct or  
1022 indirect, that is incompatible with the proper discharge of the  
1023 employee's or official's responsibilities in the public interest or that  
1024 would impair the employee's or official's independent judgment or  
1025 action in the performance of the employee's or official's  
1026 responsibilities.

1027 (2) (A) No public employee or public official shall solicit or accept  
1028 any gift from any person that, to the employee's or official's  
1029 knowledge, is interested in any pending matter within such  
1030 individual's official responsibility. As used in this subdivision, "official  
1031 responsibility" means the direct administrative or operating authority,  
1032 whether intermediate or final and whether exercisable personally or  
1033 through subordinates, to approve, disapprove or otherwise direct  
1034 governmental action.

1035 (B) If a prohibited gift is offered, the employee or official shall refuse  
1036 it, return it, pay the donor the full value of the gift or donate it to a  
1037 nonprofit organization, provided the employee or official does not take

1038 the corresponding tax deduction or credit. Alternatively, the gift may  
1039 be deemed to be a gift to the municipality or district, provided it  
1040 remains in the municipality's or district's possession permanently.

1041 (3) (A) A public employee or public official shall refrain from voting  
1042 upon or otherwise participating in any matter on behalf of the  
1043 municipality or district for which the employee or official serves, if the  
1044 employee or official, a business with which he or she is associated, or a  
1045 member of his or her immediate family, has a financial or personal  
1046 interest in the matter, including, but not limited to, the sale of real  
1047 estate, material, supplies or services to the municipality or district. As  
1048 used in this subdivision, "personal interest" means an interest in any  
1049 action taken by the municipality or district in which an individual will  
1050 derive a nonfinancial benefit or detriment but which will result in the  
1051 expenditure of municipal funds.

1052 (B) Notwithstanding the prohibition in subparagraph (A) of this  
1053 subdivision and the provisions of subsection (b) of section 7-148h of  
1054 the general statutes, a public employee or public official may vote or  
1055 otherwise participate in a matter that involves a determination of  
1056 general policy if the employee's or official's interest in the matter is de  
1057 minimus in nature or shared with a substantial segment of the  
1058 population of the municipality or district in which the employee or  
1059 official serves.

1060 (4) In addition to the restrictions in subdivision (3) of this section, a  
1061 public employee who serves as a public official of a municipality or  
1062 district shall not vote or participate on any matter involving, for the  
1063 department or program employing such public employee, (A)  
1064 collective bargaining, (B) compensation or benefits, (C) personnel  
1065 policies and procedures, (D) the budget, other appropriation or capital  
1066 funding, except for final action on the entire annual budget of the  
1067 municipality or district and consideration of any portion of such  
1068 budget that is not directly related to the department or program  
1069 employing such public employee, or (E) employment, compensation,  
1070 benefits or performance of personnel.

1071 (5) (A) No public employee or public official shall appear on behalf  
1072 of private interests before any board, agency or committee of the  
1073 municipality or district for which the employee or official serves.

1074 (B) No public employee or public official shall represent private  
1075 interests against the interest of the municipality or district for which  
1076 the employee or official serves, in any litigation to which such  
1077 municipality or district is a party.

1078 (6) Nothing in this section shall prohibit or restrict a public  
1079 employee or public official from (A) appearing before any board or  
1080 commission of the municipality or district for which the employee or  
1081 official serves, on the employee's or official's own behalf, or (B) being a  
1082 party in any action, proceeding or litigation (i) for which the  
1083 municipality or district is a party, and (ii) that is brought by or against  
1084 the public employee or public official.

1085 (7) No public employee or public official shall disclose or use  
1086 confidential information concerning the affairs of the municipality or  
1087 district for which the employee or official serves, for the financial  
1088 interests of the employee or official or others.

1089 (8) No public employee or public official shall request or permit the  
1090 use of a vehicle, equipment, facility, material or property, which is  
1091 owned by the municipality or district for which the employee or  
1092 official serves, for personal convenience or profit, except when  
1093 available to the public generally or provided as municipal or district  
1094 policy for the use of such public employee or public official in the  
1095 conduct of official business, in which case the public employee or  
1096 public official may use such vehicle, equipment, facility, material or  
1097 equipment for de minimus personal convenience.

1098 (9) No public employee or public official, or a business with which  
1099 he or she is associated, or a member of his or her immediate family  
1100 shall enter into a contract with the municipality or district for which  
1101 the employee or official serves, which has a value of one hundred  
1102 thousand dollars or more, unless the contract is awarded through a

1103 process of public notice and competitive bidding.

1104 (10) No public employee or public official may use the employee's  
1105 or official's position or office with the municipality or district for which  
1106 the employee or official serves, for the financial benefit of the  
1107 employee or official, a business with which he or she is associated or a  
1108 member of his or her immediate family. The provisions of this  
1109 subdivision shall not prohibit a public employee or public official from  
1110 receiving compensation for writing, on the employee's or official's own  
1111 time, a book or article relating to the employee's or official's service for  
1112 such municipality or district.

1113 (11) No public employee or public official shall accept a fee or  
1114 honorarium for an article, appearance or speech, or for participation at  
1115 an event, in the employee's or official's official capacity, provided a  
1116 public official or public employee may receive payment or  
1117 reimbursement for necessary expenses for any such activity in such  
1118 official's or employee's official capacity.

1119 (12) No public employee or public official, or member of such  
1120 individual's immediate family or business with which he or she is  
1121 associated, shall solicit or accept anything of value, including, but not  
1122 limited to, a gift, loan, political contribution, reward or promise of  
1123 future employment based on any understanding that the vote, official  
1124 action or judgment of the public employee or public official would be  
1125 or had been influenced thereby.

1126 (13) No public employee, public official or candidate for elected  
1127 office of a municipality or district shall (A) engage in political activity  
1128 while on municipal or district duty or within any period of time  
1129 during which such person is normally expected to perform services for  
1130 which such person receives compensation from the municipality or  
1131 district, or (B) utilize municipal or district funds, supplies, vehicles or  
1132 facilities for the purpose of any such political activity.

1133 Sec. 21. (NEW) (*Effective July 1, 2005*) Each code of ethical conduct  
1134 adopted by a municipality or district under subsection (a) of section 19

1135 of this act shall include the following or stricter provisions for the  
1136 municipality's or district's paid consultants:

1137 (1) No paid consultant of a municipality or district shall represent a  
1138 private interest in any action or proceeding against the interest of the  
1139 municipality or district that is in conflict with the performance of said  
1140 person's duties as a consultant.

1141 (2) No paid consultant may represent anyone other than the  
1142 municipality or district concerning any matter in which the consultant  
1143 participated personally and substantially as a consultant to the  
1144 municipality or district.

1145 (3) No paid consultant shall (A) disclose confidential information  
1146 learned while performing the consultant's duties for the municipality  
1147 or district, or (B) use such information for the financial interests of the  
1148 consultant or others.

1149 (4) No paid consultant shall accept other employment that will  
1150 either impair the consultant's independence of judgment as to the  
1151 consultant's official duties for the municipality or district or require or  
1152 induce the consultant to disclose confidential information acquired by  
1153 the consultant in the course of and by reason of such duties.

1154 Sec. 22. (NEW) (*Effective July 1, 2005*) Each code of ethical conduct  
1155 adopted by a municipality or district under subsection (a) of section 19  
1156 of this act shall include the following or stricter provisions for the  
1157 municipality's or district's former public officials and public  
1158 employees:

1159 (1) No former public employee or public official shall appear for  
1160 compensation before any municipal or district board or agency in  
1161 which the employee or official was formerly employed at any time  
1162 within a period of one year after termination of the employee's or  
1163 official's service with the municipality or district.

1164 (2) No former public employee or public official shall represent  
1165 anyone other than the municipality or district concerning any

1166 particular matter in which the employee or official participated  
1167 personally and substantially while in municipal or district service.

1168 (3) No former public employee or public official shall disclose or use  
1169 confidential information acquired in the course of and by reason of the  
1170 employee's or official's official duties, for financial gain for himself or  
1171 herself or others.

1172 (4) No former public employee or public official who participated  
1173 substantially in the negotiation or award of a municipal or district  
1174 contract obliging the municipality or district to pay an amount of one  
1175 hundred thousand dollars or more, or who supervised the negotiation  
1176 or award of such a contract, shall accept employment with a party to  
1177 the contract other than the municipality or district for a period of one  
1178 year after such contract is signed.

1179 Sec. 23. (NEW) (*Effective July 1, 2005*) (a) Not later than July 1, 2006,  
1180 each municipality and district that has not established an agency to  
1181 investigate allegations of unethical conduct, corrupting influence or  
1182 illegal activities against public officials, public employees and paid  
1183 consultants of the municipality or district, pursuant to section 7-148h  
1184 of the general statutes, shall (1) establish a procedure for investigating  
1185 and deliberating on such allegations, and (2) designate or establish an  
1186 agency to conduct such investigations and deliberations. Two or more  
1187 municipalities or districts may jointly establish such procedure and  
1188 agency. No elected official of a municipality or district shall be a  
1189 member of an agency designated or established under this subsection.

1190 (b) The procedure established under subsection (a) of this section  
1191 shall:

1192 (1) Provide that any such allegations of unethical conduct,  
1193 corrupting influence or illegal activities and any investigation of, and  
1194 deliberations on, such allegations, before a finding of probable cause,  
1195 shall be confidential, except upon the request of the respondent. If the  
1196 agency makes a finding of no probable cause, the allegations and the  
1197 record of the investigation and deliberations shall remain confidential,

1198 except upon the request of the respondent; and

1199 (2) Provide that if any allegation of unethical conduct, corrupting  
1200 influence or illegal activity is made with the knowledge that it is  
1201 without foundation in fact, the respondent shall have a cause of action  
1202 against the complainant for double the amount of damage caused by  
1203 the allegation. If the respondent prevails in such action, the court may  
1204 award the respondent the costs of such action and reasonable  
1205 attorneys' fees.

1206 Sec. 24. (NEW) (*Effective July 1, 2005*) (a) Not later than July 1, 2006,  
1207 and annually thereafter, (1) the chief elected official of each  
1208 municipality or district, and (2) each member of (A) the legislative  
1209 body of a municipality or district, (B) each land use agency, and (C)  
1210 each other municipal or district body or agency that has policymaking  
1211 or administrative authority over a budget exceeding five hundred  
1212 thousand dollars of expenditures during a fiscal year shall file a  
1213 statement with the town clerk of such municipality or the clerk of such  
1214 district, as the case may be. Such statement shall include (i) the  
1215 official's or member's name, residential address and municipal or  
1216 district position, (ii) the name, and a description of, the official's or  
1217 member's employer, or, if the official or member is self-employed, a  
1218 statement to that effect and a description of the official's or member's  
1219 business, (iii) the official's or member's occupation, and (iv) an  
1220 affirmation that the official or member will abstain from taking official  
1221 action on any matter in which the official or member has a conflict of  
1222 interest. The statement shall be signed by the official or member and  
1223 filed under penalty of false statement.

1224 (b) In addition to the disclosure required under subsection (a) of this  
1225 section, not later than July 1, 2006, each municipality and district that  
1226 does not require public officials and public employees to disclose their  
1227 financial interests shall establish a policy for such disclosure. Such  
1228 policy shall list the offices or positions for which such disclosure shall  
1229 be required and shall set forth the scope and manner of such  
1230 disclosure.

1231       Sec. 25. (NEW) (*Effective July 1, 2005*) (a) An agency established  
1232 under section 7-148h of the general statutes or an agency designated or  
1233 established under section 23 of this act may, upon determining that  
1234 there has been a violation of any provision of the code of ethical  
1235 conduct for the municipality or district served by the agency, censure  
1236 the violator or order the violator to do any or all of the following: (1)  
1237 Cease and desist the violation of such provision; (2) file any report,  
1238 statement or other information as required by such provision; and (3)  
1239 pay a civil penalty of not more than two thousand dollars to the  
1240 municipality or district for such violation. The agency may also report  
1241 its determination to the Chief State's Attorney for any action deemed  
1242 necessary.

1243       (b) A person who is aggrieved by, or disagrees with, (1) a final  
1244 determination of any such agency concerning an allegation of  
1245 unethical conduct, corrupting influence or illegal activities, (2) the  
1246 failure of such agency to make a final determination within ninety  
1247 days after any such allegation is made to the agency, or (3) the failure  
1248 of a municipality or district to designate or establish an agency under  
1249 section 23 of this act by July 1, 2006, may appeal to the State Ethics  
1250 Commission. The commission shall adopt regulations, in accordance  
1251 with the provisions of chapter 54 of the general statutes, setting forth  
1252 procedures for such appeals.

1253       (c) In deciding any such appeal, the State Ethics Commission shall  
1254 affirm the determination of the agency unless the commission finds  
1255 that any agency finding, inference, conclusion or decision, or the  
1256 municipality's or district's code of ethical conduct, is: (1) In violation of  
1257 constitutional or statutory provisions or the provisions of a code of  
1258 ethical conduct adopted under section 19 of this act or subdivision (10)  
1259 of subsection (b) of section 7-148 of the general statutes; (2) in excess of  
1260 the statutory authority of the agency; (3) made upon unlawful  
1261 procedure; (4) affected by other error of law; (5) clearly erroneous in  
1262 view of the reliable, probative, and substantial evidence on the whole  
1263 record; (6) inadequate to the purpose of a code of ethical conduct; (7) in  
1264 excess of the purpose of a code of ethical conduct; or (8) arbitrary or

1265 capricious or characterized by abuse of discretion or clearly  
1266 unwarranted exercise of discretion. If the commission makes such a  
1267 finding concerning an agency determination or finds that the agency  
1268 has failed to make a final determination within ninety days after an  
1269 allegation is made to the agency or that the municipality or district has  
1270 failed to designate or establish an agency under section 23 of this act  
1271 by July 1, 2006, the commission shall sustain the appeal and, if  
1272 appropriate, may render a judgment modifying the agency  
1273 determination, substitute its own determination or remand the matter  
1274 for further proceedings.

1275 (d) Any person aggrieved by a final decision of the State Ethics  
1276 Commission under subsection (c) of this section may appeal such  
1277 decision in accordance with the provisions of section 4-183 of the  
1278 general statutes.

1279 Sec. 26. (*Effective July 1, 2005*) (a) Not later than July 15, 2006, each  
1280 municipality and district shall submit a report to the State Ethics  
1281 Commission stating whether the municipality or district has complied  
1282 with each of the applicable requirements of sections 19 to 24, inclusive,  
1283 of this act.

1284 (b) Not later than September 1, 2006, the State Ethics Commission  
1285 shall submit a report to the joint standing committee of the General  
1286 Assembly having cognizance of matters relating to ethics. Said report  
1287 shall (1) indicate the status of the compliance of each municipality and  
1288 district with the applicable requirements of sections 19 to 24, inclusive,  
1289 of this act, and (2) if any municipality or district has not complied with  
1290 any such requirement, make recommendations for securing such  
1291 compliance, including, but not limited to, proposed legislation.

1292 Sec. 27. (NEW) (*Effective July 1, 2005*) (a) The legislative body of each  
1293 municipality or district shall have the authority to determine if a code  
1294 of ethical conduct adopted by the municipality or district complies  
1295 with the provisions of sections 19 to 22, inclusive, of this act.

1296 (b) In the case of a municipality or district in which the legislative

1297 body is a town meeting, the board of selectmen shall perform all of the  
1298 duties and have all of the authority and responsibilities required of, or  
1299 granted to, such legislative body under sections 19 to 26, inclusive, of  
1300 this act for the purposes of sections 19 to 26, inclusive, of this act.

1301 Sec. 28. (NEW) (*Effective July 1, 2005*) The State Ethics Commission  
1302 shall conduct training on ethical issues affecting public officials and  
1303 public employees of municipalities and districts.

1304 Sec. 29. (NEW) (*Effective January 1, 2006*) As used in sections 29 to 44,  
1305 inclusive, of this act, unless the context otherwise requires:

1306 (1) "Administrative action" means any action or nonaction of any  
1307 agency of a municipality with respect to the proposal, drafting,  
1308 development, consideration, amendment, adoption or repeal of any  
1309 rule, regulation, ordinance, referendum, budget or utility rate, and any  
1310 action or nonaction of any agency, regarding a contract, grant, award,  
1311 purchasing agreement, loan, bond, certificate, license, permit or any  
1312 other matter which is within the official jurisdiction or cognizance of  
1313 such an agency.

1314 (2) "Business organization" means a sole proprietorship,  
1315 corporation, limited liability company, association, firm or partnership,  
1316 other than a client lobbyist, which is owned by, or employs one or  
1317 more individual lobbyists.

1318 (3) "Candidate for municipal office" means any person who has filed  
1319 a declaration of candidacy or a petition to appear on the ballot for  
1320 election as a municipal official, or who has raised or expended money  
1321 in furtherance of such candidacy, or who has been nominated for  
1322 appointment to serve as a municipal official.

1323 (4) "Client lobbyist" means a lobbyist on behalf of whom lobbying  
1324 takes place and who makes expenditures for lobbying and in  
1325 furtherance of lobbying.

1326 (5) "Commission" means the State Ethics Commission established  
1327 under section 1-80 of the general statutes.

1328 (6) "Communicator lobbyist" means a lobbyist who communicates  
1329 directly or solicits others to communicate with an official or such  
1330 official's staff in a municipality for the purpose of influencing  
1331 legislative or administrative action.

1332 (7) "Compensation" means any value received or to be received by a  
1333 person acting as a lobbyist, whether in the form of a fee, salary or  
1334 forbearance.

1335 (8) "Expenditure" means any advance, conveyance, deposit,  
1336 distribution, transfer of funds, loan, payment, unless expressly  
1337 excluded; any payments for telephone, mailing, postage, printing and  
1338 other clerical or office services and materials; any paid  
1339 communications, costing fifty dollars or more in any calendar year,  
1340 disseminated by means of any printing, broadcasting or other  
1341 medium, provided such communications refer to pending  
1342 administrative or legislative action; any contract, agreement, promise  
1343 or other obligation; any solicitation or solicitations, costing fifty dollars  
1344 or more in the aggregate for any calendar year, of other persons to  
1345 communicate with a municipal official or municipal employee for the  
1346 purpose of influencing any legislative or administrative act and any  
1347 pledge, subscription of money or anything of value. "Expenditure"  
1348 shall not include the payment of a registrant's fee pursuant to section  
1349 34 of this act, any expenditure made by any club, committee,  
1350 partnership, organization, business, union, association or corporation  
1351 for the purpose of publishing a newsletter or other release to its  
1352 members, shareholders or employees, or contributions, membership  
1353 dues or other fees paid to associations, nonstock corporations or tax-  
1354 exempt organizations under Section 501(c) of the Internal Revenue  
1355 Code of 1986, or any subsequent corresponding internal revenue code  
1356 of the United States, as from time to time amended.

1357 (9) "Gift" means anything of value, which is directly and personally  
1358 received, unless consideration of equal or greater value is given in  
1359 return. "Gift" shall not include:

1360 (A) A political contribution otherwise reported as required by law

1361 or a donation or payment described in subdivision (9) or (10) of  
1362 subsection (b) of section 9-333b of the general statutes;

1363 (B) Services provided by persons volunteering their time;

1364 (C) A commercially reasonable loan made on terms not more  
1365 favorable than loans made in the ordinary course of business;

1366 (D) A gift received from (i) the individual's spouse, fiance or fiancée,  
1367 (ii) the parent, brother or sister of such spouse or such individual, or  
1368 (iii) the child of such individual or the spouse of such child;

1369 (E) Goods or services (i) which are provided to a municipality (I) for  
1370 use on municipal property, or (II) to support an event or the  
1371 participation by a municipal official or municipal employee at an  
1372 event, and (ii) which facilitate municipal action or functions. As used  
1373 in this subdivision, "municipal property" means property owned or  
1374 leased by the municipality;

1375 (F) A certificate, plaque or other ceremonial award costing less than  
1376 one hundred dollars;

1377 (G) A rebate, discount or promotional item available to the general  
1378 public;

1379 (H) Printed or recorded informational material germane to  
1380 municipal action or functions;

1381 (I) Food or beverage or both, costing less than fifty dollars in the  
1382 aggregate per recipient in a calendar year, and consumed on an  
1383 occasion or occasions at which the person paying, directly or  
1384 indirectly, for the food or beverage, or the person's representative, is in  
1385 attendance;

1386 (J) Gifts costing less than one hundred dollars in the aggregate or  
1387 food or beverage provided at a hospitality suite at a meeting or  
1388 conference of an interstate municipal association, by a person who is  
1389 not a registrant or is not doing business with the state of Connecticut;

1390 (K) Admission to a charitable or civic event, including food and  
1391 beverage provided at such event, but excluding lodging or travel  
1392 expenses, at which a municipal official or municipal employee  
1393 participates in such official's or employee's official capacity, provided  
1394 such admission is provided by the primary sponsoring entity;

1395 (L) Anything of value provided by an employer of (i) a municipal  
1396 official, (ii) a municipal employee, or (iii) a spouse of a municipal  
1397 official or municipal employee, to such official, employee or spouse,  
1398 provided such benefits are customarily and ordinarily provided to  
1399 others in similar circumstances; or

1400 (M) Anything having a value of not more than ten dollars, provided  
1401 the aggregate value of all things provided by a donor to a recipient  
1402 under this subdivision in any calendar year shall not exceed fifty  
1403 dollars.

1404 (10) "Immediate family" means any spouse, dependent children or  
1405 dependent relatives who reside in the individual's household.

1406 (11) "Individual" means a natural person.

1407 (12) "Legislative action" means introduction, sponsorship,  
1408 consideration, debate, amendment, passage, defeat, approval, veto,  
1409 overriding of a veto or any other official action or nonaction with  
1410 regard to any rule, regulation, ordinance, referendum, budget,  
1411 measure, resolution, amendment, nomination, appointment, report, or  
1412 any other matter pending or proposed in a legislative body of a  
1413 municipality, or any matter which is within the official jurisdiction or  
1414 cognizance of such legislative body.

1415 (13) "Lobbying" means communicating directly or soliciting others  
1416 to communicate with any official or such official's staff in a  
1417 municipality, for the purpose of influencing any legislative or  
1418 administrative action except that the term "lobbying" does not include  
1419 (A) communications by or on behalf of a party to, or an intervenor in, a  
1420 contested case, as defined in regulations adopted by the commission in

1421 accordance with the provisions of chapter 54 of the general statutes,  
1422 before a municipality, (B) communications by a representative of a  
1423 vendor or by an employee of the client lobbyist which representative  
1424 or employee acts as a salesperson and does not otherwise engage in  
1425 lobbying regarding any administrative action, (C) communications by  
1426 an attorney made while engaging in the practice of law and regarding  
1427 any matter other than legislative action or the proposal, drafting,  
1428 development, consideration, amendment, adoption or repeal of any  
1429 rule, regulation, ordinance, referendum or budget, (D)  
1430 notwithstanding the provisions of subparagraph (C) of this  
1431 subdivision, communications by an attorney, made while engaging in  
1432 the practice of law, with any official or staff of any agency of the  
1433 municipality having responsibility for land use decisions or the  
1434 legislative body of the municipality, concerning legislative action or  
1435 the proposal, drafting, development, consideration, amendment,  
1436 adoption or repeal of any rule, regulation, ordinance, referendum or  
1437 budget, with regard to a land use matter before such agency or  
1438 legislative body, or (E) other communications exempted by regulations  
1439 adopted by the commission in accordance with the provisions of  
1440 chapter 54 of the general statutes.

1441 (14) "Lobbyist" means a person who in lobbying and in furtherance  
1442 of lobbying, with regard to a single municipality, makes or agrees to  
1443 make expenditures, or receives or agrees to receive compensation,  
1444 reimbursement, or both, and such compensation, reimbursement or  
1445 expenditures for a single municipality are two thousand dollars or  
1446 more in any calendar year or the combined amount thereof for a single  
1447 municipality is two thousand dollars or more in any such calendar  
1448 year. Lobbyist shall not include:

1449 (A) A municipal official or municipal employee, or such official's or  
1450 employee's designee other than an independent contractor, who is  
1451 acting within the scope of such official's, employee's or designee's  
1452 authority or employment;

1453 (B) An attorney, including, but not limited to, bond counsel or a

1454 municipal attorney, who is retained and compensated by a  
1455 municipality to provide legal services to the municipality, or a  
1456 financial advisor retained and compensated by a municipality to  
1457 provide financial advisory services to the municipality, provided the  
1458 exemption under this subparagraph applies only to any such services  
1459 provided to the municipality;

1460 (C) An attorney who, in lobbying and in furtherance of lobbying,  
1461 with regard to a single municipality, makes or agrees to make  
1462 expenditures, or receives or agrees to receive compensation,  
1463 reimbursement, or both, which is less than two thousand dollars, with  
1464 regard to each administrative or legislative action for each client;

1465 (D) A publisher, owner or an employee of the press, radio or  
1466 television while disseminating news or editorial comment to the  
1467 general public in the ordinary course of business;

1468 (E) An individual representing such individual or another person  
1469 before the municipality other than for the purpose of influencing  
1470 legislative or administrative action;

1471 (F) Any individual or employee who receives no compensation or  
1472 reimbursement specifically for lobbying and who limits such  
1473 individual's or employee's activities solely to formal appearances to  
1474 give testimony before public sessions of the legislative body of a  
1475 municipality and who, if such individual or employee testifies,  
1476 registers such individual's or employee's appearance in the records of  
1477 the legislative body;

1478 (G) A member of an advisory board acting within the scope of such  
1479 member's appointment;

1480 (H) Any person who receives no compensation or reimbursement  
1481 specifically for lobbying and who spends no more than five hours  
1482 lobbying or in furtherance of lobbying, unless such person, exclusive  
1483 of salary, receives compensation or makes expenditures, or both, of  
1484 two thousand dollars or more in any calendar year for lobbying or the

1485 combined amount thereof is two thousand dollars or more in any such  
1486 calendar year;

1487 (I) A communicator lobbyist who receives or agrees to receive  
1488 compensation, reimbursement, or both, the aggregate amount of which  
1489 is less than two thousand dollars from each client in any calendar year;

1490 (J) A public official or state employee, as defined in section 1-79 of  
1491 the general statutes, as amended by this act, other than an independent  
1492 contractor, who is acting within the scope of his or her authority or  
1493 employment; or

1494 (K) A senator or representative in Congress acting within the scope  
1495 of such senator's or representative's office.

1496 (15) "Member of an advisory board" means any person appointed by  
1497 a municipal official as an advisor or consultant or member of a  
1498 committee, commission or council established to advise, recommend  
1499 or consult with a municipal official or a branch of municipal  
1500 government or a committee thereof and who receives no public funds  
1501 other than per diem payments or reimbursement for such person's  
1502 actual and necessary expenses incurred in the performance of such  
1503 person's official duties and who has no authority to expend any public  
1504 funds or to exercise the power of a municipality.

1505 (16) "Municipal official" means any elected municipal officer or any  
1506 person appointed to any office of a municipality.

1507 (17) "Municipal employee" means any employee of a municipality,  
1508 whether in the classified or unclassified service and whether full or  
1509 part-time.

1510 (18) "Municipality" means any city, town, borough, municipal  
1511 corporation, municipal authority, school district, regional district,  
1512 metropolitan district or other district.

1513 (19) "Person" means an individual, a business, corporation, limited  
1514 liability company, union, association, firm, partnership, committee,

1515 club or other organization or group of persons.

1516 (20) "Political contribution" has the same meaning as in section 9-  
1517 333b of the general statutes except that for purposes of sections 29 to  
1518 44, inclusive, of this act, the provisions of subsection (b) of section 9-  
1519 333b of the general statutes shall not apply.

1520 (21) "Registrant" means a person who is required to register  
1521 pursuant to section 33 of this act.

1522 (22) "Reimbursement" means any money or thing of value received  
1523 or to be received in the form of payment for expenses as a lobbyist, not  
1524 including compensation.

1525 Sec. 30. (NEW) (*Effective January 1, 2006*) The State Ethics  
1526 Commission shall:

1527 (1) Adopt regulations in accordance with chapter 54 of the general  
1528 statutes to carry out the purposes of sections 29 to 44, inclusive, of this  
1529 act. The commission shall adopt regulations which further clarify the  
1530 meaning of the term "directly and personally received", as used in  
1531 section 29 of this act;

1532 (2) Compile and maintain an index of all reports and statements  
1533 filed with the commission under the provisions of sections 29 to 44,  
1534 inclusive, of this act and advisory opinions issued by the commission  
1535 with regard to the requirements of said sections, to facilitate public  
1536 access to such reports, statements and advisory opinions promptly  
1537 upon the filing or issuance thereof;

1538 (3) Prepare quarterly and annual summaries of statements and  
1539 reports filed with the commission and advisory opinions issued by the  
1540 commission;

1541 (4) Preserve advisory opinions permanently and preserve  
1542 memoranda filed under subsection (b) of section 31 of this act,  
1543 statements and reports filed by and with the commission for a period  
1544 of five years from the date of receipt;

1545 (5) Upon the concurring vote of the number of its members required  
1546 under subdivision (3) of section 1-81 of the general statutes, issue  
1547 advisory opinions with regard to the requirements of this part, upon  
1548 the request of any person, subject to the provisions of sections 29 to 44,  
1549 inclusive, of this act, and publish such advisory opinions in the  
1550 Connecticut Law Journal. Advisory opinions rendered by the  
1551 commission, until amended or revoked, shall be binding on the  
1552 commission and shall be deemed to be final decisions of the  
1553 commission for purposes of section 42 of this act. Any advisory  
1554 opinion concerning any person subject to the provisions of sections 29  
1555 to 44, inclusive, of this act who requested the opinion and who acted in  
1556 reliance thereon, in good faith, shall be binding upon the commission,  
1557 and it shall be an absolute defense in any criminal action brought  
1558 under the provisions of said sections that the accused acted in reliance  
1559 upon such advisory opinion;

1560 (6) Report annually, prior to February fifteenth, to the Governor  
1561 summarizing the activities of the commission concerning sections 29 to  
1562 44, inclusive, of this act; and

1563 (7) Employ necessary staff within available appropriations to carry  
1564 out the purposes of sections 29 to 44, inclusive, of this act.

1565 Sec. 31. (NEW) (*Effective January 1, 2006*) (a) (1) Upon the complaint  
1566 of any person on a form prescribed by the State Ethics Commission,  
1567 signed under penalty of false statement, or upon its own complaint,  
1568 the commission shall investigate any alleged violation of sections 29 to  
1569 44, inclusive, of this act. Not later than five days after the receipt or  
1570 issuance of such complaint, the commission shall provide notice of  
1571 such receipt or issuance and a copy of the complaint by registered or  
1572 certified mail to any respondent against whom such complaint is filed  
1573 and shall provide notice of the receipt of such complaint to the  
1574 complainant. When the commission undertakes an evaluation of a  
1575 possible violation of sections 29 to 44, inclusive, of this act prior to the  
1576 filing of a complaint by the commission, the subject of the evaluation  
1577 shall be notified within five business days after a commission staff

1578 member's first contact with a third party concerning the matter.

1579 (2) In the conduct of its investigation of an alleged violation of  
1580 sections 29 to 44, inclusive, of this act, the commission shall have the  
1581 power to hold hearings, administer oaths, examine witnesses, receive  
1582 oral and documentary evidence, subpoena witnesses under procedural  
1583 rules adopted by the commission as regulations in accordance with the  
1584 provisions of chapter 54 of the general statutes to compel attendance  
1585 before the commission and to require the production for examination  
1586 by the commission of any document or physical evidence that the  
1587 commission deems relevant in any matter under investigation or in  
1588 question. In the exercise of such powers, the commission may use the  
1589 services of the state police, who shall provide the same upon the  
1590 commission's request. The commission shall make a record of all  
1591 proceedings conducted pursuant to this subsection. Any witness  
1592 summoned before the commission shall receive the witness fee paid to  
1593 witnesses in the courts of this state. The respondent shall have the  
1594 right to appear and be heard and to offer any information which may  
1595 tend to clear the respondent of probable cause to believe that the  
1596 respondent has violated any provision of sections 29 to 44, inclusive, of  
1597 this act. The respondent shall also have the right to be represented by  
1598 legal counsel and to examine and cross-examine witnesses. Not later  
1599 than ten days prior to the commencement of any hearing conducted  
1600 pursuant to this subsection, the commission shall provide the  
1601 respondent with a list of its intended witnesses. The commission shall  
1602 make no finding that there is probable cause to believe the respondent  
1603 is in violation of sections 29 to 44, inclusive, of this act, except upon the  
1604 concurring vote of the number of its members required under  
1605 subdivision (2) of subsection (a) of section 1-82 of the general statutes.

1606 (b) If a preliminary investigation indicates that probable cause exists  
1607 for the violation of a provision of sections 29 to 44, inclusive, of this act,  
1608 the commission shall initiate hearings to determine whether there has  
1609 been a violation of said sections. A judge trial referee, who shall be  
1610 assigned by the Chief Court Administrator and who shall be  
1611 compensated in accordance with section 52-434 of the general statutes

1612 out of funds available to the commission, shall preside over such  
1613 hearing and shall rule on all matters concerning the application of the  
1614 rules of evidence, which shall be the same as in judicial proceedings.  
1615 The trial referee shall have no vote in any decision of the commission.  
1616 All hearings of the commission held pursuant to this subsection shall  
1617 be open. At such hearing the commission shall have the same powers  
1618 as under subsection (a) of this section and the respondent shall have  
1619 the right to be represented by legal counsel, the right to compel  
1620 attendance of witnesses and the production of books, documents,  
1621 records and papers and to examine and cross-examine witnesses. Not  
1622 later than ten days prior to the commencement of any hearing  
1623 conducted pursuant to this subsection, the commission shall provide  
1624 the respondent with a list of its intended witnesses. The judge trial  
1625 referee shall, while engaged in the discharge of the judge trial referee's  
1626 duties as provided in this subsection, have the same authority as is  
1627 provided in section 51-35 of the general statutes over witnesses who  
1628 refuse to obey a subpoena or to testify with respect to any matter upon  
1629 which such witness may be lawfully interrogated, and may commit  
1630 any such witness for contempt for a period no longer than thirty days.  
1631 The commission shall make a record of all proceedings pursuant to  
1632 this subsection. The commission shall find no person in violation of  
1633 any provision of sections 29 to 44, inclusive, of this act except upon the  
1634 concurring vote of the number of its members required under  
1635 subsection (b) of section 1-82 of the general statutes. Not later than  
1636 fifteen days after the public hearing conducted in accordance with this  
1637 subsection, the commission shall publish its finding and a  
1638 memorandum of the reasons for such finding. Such finding and  
1639 memorandum shall be deemed to be the final decision of the  
1640 commission on the matter for the purposes of chapter 54 of the general  
1641 statutes. The respondent, if aggrieved by the finding and  
1642 memorandum, may appeal therefrom to the Superior Court in  
1643 accordance with the provisions of section 4-183 of the general statutes.

1644 (c) If any complaint brought under the provisions of sections 29 to  
1645 44, inclusive, of this act is made with the knowledge that it is made  
1646 without foundation in fact, the respondent shall have a cause of action

1647 against the complainant for double the amount of damage caused  
1648 thereby and if the respondent prevails in such action, the respondent  
1649 may be awarded by the court the costs of such action together with  
1650 reasonable attorneys' fees.

1651 (d) No complaint may be made under this section except within  
1652 three years next after the violation alleged in the complaint has been  
1653 committed.

1654 (e) No person shall take or threaten to take official action against an  
1655 individual for such individual's disclosure of information to the  
1656 commission under the provisions of sections 29 to 44, inclusive, of this  
1657 act. After receipt of information from an individual under the  
1658 provisions of sections 29 to 44, inclusive, of this act, the commission  
1659 shall not disclose the identity of such individual without the  
1660 individual's consent unless the commission determines that such  
1661 disclosure is unavoidable during the course of an investigation.

1662 Sec. 32. (NEW) (*Effective January 1, 2006*) (a) Unless the State Ethics  
1663 Commission makes a finding of probable cause, a complaint alleging a  
1664 violation of sections 29 to 44, inclusive, of this act shall be confidential  
1665 except upon the request of the respondent. A commission evaluation  
1666 of a possible violation of said sections undertaken prior to a complaint  
1667 being filed by the commission shall be confidential except upon the  
1668 request of the subject of the evaluation. If the evaluation is  
1669 confidential, no information supplied to or received from the  
1670 commission shall be disclosed to any third party by a subject of the  
1671 evaluation, a person contacted for the purpose of obtaining  
1672 information or by a commission or staff member. No provision of this  
1673 subsection shall prevent the commission from reporting the possible  
1674 commission of a crime to the Chief State's Attorney or other  
1675 prosecutorial authority.

1676 (b) An investigation conducted prior to a probable cause finding  
1677 shall be confidential except upon the request of the respondent. If the  
1678 investigation is confidential, the allegations in the complaint and any  
1679 information supplied to or received from the commission shall not be

1680 disclosed during the investigation to any third party by a complainant,  
1681 respondent, witness, designated party, or commission or staff member.

1682 (c) Not later than three business days after the termination of the  
1683 investigation, the commission shall inform the complainant and the  
1684 respondent of its finding and provide them a summary of its reasons  
1685 for making that finding. The commission shall publish its finding upon  
1686 the respondent's request and may also publish a summary of its  
1687 reasons for making such finding.

1688 (d) If the commission makes a finding of no probable cause, the  
1689 complaint and the record of its investigation shall remain confidential,  
1690 except upon the request of the respondent and except that some or all  
1691 of the record may be used in subsequent proceedings. No complainant,  
1692 respondent, witness, designated party, or commission or staff member  
1693 shall disclose to any third party any information learned from the  
1694 investigation, including knowledge of the existence of a complaint,  
1695 which the disclosing party would not otherwise have known. If such a  
1696 disclosure is made, the commission may, after consultation with the  
1697 respondent if the respondent is not the source of the disclosure,  
1698 publish its finding and a summary of its reasons therefor.

1699 (e) The commission shall make public a finding of probable cause  
1700 not later than five business days after the termination of the  
1701 investigation. At such time the entire record of the investigation shall  
1702 become public, except that the commission may postpone examination  
1703 or release of such public records for a period not to exceed fourteen  
1704 days for the purpose of reaching a stipulation agreement pursuant to  
1705 subsection (c) of section 4-177 of the general statutes.

1706 Sec. 33. (NEW) (*Effective January 1, 2006*) (a) A lobbyist shall register  
1707 with the State Ethics Commission pursuant to section 34 of this act for  
1708 lobbying a municipality if the lobbyist:

1709 (1) Receives or agrees to receive compensation or reimbursement for  
1710 actual expenses, or both, in a combined amount of two thousand  
1711 dollars or more in a calendar year for lobbying said municipality,

1712 whether that receipt of compensation or reimbursement or agreement  
1713 to receive such compensation or reimbursement is solely for lobbying  
1714 or the lobbying is incidental to that person's regular employment; or

1715 (2) Makes or incurs an obligation to make expenditures of two  
1716 thousand dollars or more in a calendar year for lobbying said  
1717 municipality.

1718 (b) A lobbyist shall register separately with the commission for each  
1719 municipality for which the lobbyist meets the threshold requirement  
1720 for registering under subsection (a) of this section.

1721 (c) A person who is a lobbyist pursuant to part II of chapter 10 of the  
1722 general statutes and is required to register with the commission  
1723 pursuant to section 1-94 of the general statutes shall register separately  
1724 with the commission for each municipality for which the lobbyist  
1725 meets the threshold requirement for registering under subsection (a) of  
1726 this section.

1727 Sec. 34. (NEW) (*Effective January 1, 2006*) (a) Each registrant shall file  
1728 annually with the State Ethics Commission on a separate registration  
1729 form for each municipality for which the registrant meets the threshold  
1730 requirement for registering under subsection (a) of section 33 of this  
1731 act, except that a registrant representing a regional or state-wide trade  
1732 association or similar entity, which lobbies in more than one  
1733 municipality, shall be required to file only one registration on behalf of  
1734 such association or entity per registration period and such association  
1735 or entity shall also be required to file only one registration per  
1736 registration period. The registrant shall sign each such form under  
1737 penalty of false statement and file such forms with the commission on  
1738 or before January fifteenth or prior to the commencement of lobbying,  
1739 whichever is later. If the registrant is not an individual, an authorized  
1740 officer or agent of the registrant shall sign each form. Such registration  
1741 or registrations shall be on a form prescribed by the commission and  
1742 shall include:

1743 (1) If the registrant is an individual, the registrant's name,

1744 permanent address and temporary address while lobbying and the  
1745 name, address and nature of business of any person who compensates  
1746 or reimburses, or agrees to compensate or reimburse the registrant and  
1747 the terms of the compensation, reimbursement or agreement, but shall  
1748 not include the compensation paid to an employee for the employee's  
1749 involvement in activities other than lobbying;

1750 (2) If the registrant is a corporation, the name, address, place of  
1751 incorporation and the principal place of business of the corporation;

1752 (3) If the registrant is an association, group of persons or an  
1753 organization, the name and address of the principal officers and  
1754 directors of such association, group of persons or organization. If the  
1755 registrant is formed primarily for the purpose of lobbying, it shall  
1756 disclose the name and address of any person contributing two  
1757 thousand dollars or more to the registrant's lobbying activities in any  
1758 calendar year;

1759 (4) If the registrant is not an individual, the name and address of  
1760 each individual who will lobby on the registrant's behalf; and

1761 (5) The name of the municipality that the registrant is lobbying and  
1762 the identification, with reasonable particularity, of areas of legislative  
1763 action or administrative action on which the registrant expects to  
1764 lobby.

1765 (b) Each registrant shall pay to the commission a reasonable fee not  
1766 in excess of the cost of administering each registration form filed by  
1767 the registrant under subsection (a) of this section in a calendar year,  
1768 plus the cost of collecting, filing, copying and distributing the  
1769 information filed by registrants under section 35 of this act, but not less  
1770 than one hundred dollars. The commission shall remit twenty-five per  
1771 cent of such fee to the municipality that the registrant is lobbying to  
1772 defray the costs to the municipality of collecting and filing copies of  
1773 registration forms and annual reports transmitted by the commission  
1774 to the municipality under this section and section 35 of this act.

1775 (c) The commission shall promptly transmit a copy of each  
1776 registration form received under this section to the municipality that  
1777 the registrant is lobbying.

1778 (d) Each registrant shall file a notice of termination within thirty  
1779 days after the registrant ceases the activity that required registration,  
1780 provided the registrant does not intend to resume the activity during  
1781 the annual period for which the registrant is registered. The  
1782 termination of a registration shall not relieve the registrant of the  
1783 reporting requirements of section 35 of this act for the period  
1784 preceding the date that the registrant's notice of termination is received  
1785 by the commission or for the period commencing on such date and  
1786 ending on December thirty-first of the year in which termination  
1787 occurs.

1788 Sec. 35. (NEW) (*Effective January 1, 2006*) (a) Each client lobbyist  
1789 registrant shall file with the State Ethics Commission between the first  
1790 and tenth day of April, July, October and January a financial report,  
1791 signed under penalty of false statement. Each report shall cover its  
1792 lobbying activities during the previous calendar quarter. If the client  
1793 lobbyist registrant is not an individual, an authorized officer or agent  
1794 of the client lobbyist registrant shall sign the form.

1795 (b) Each individual communicator lobbyist registrant and each  
1796 business organization communicator lobbyist registrant shall file with  
1797 the commission between the first and tenth day of January a report or  
1798 reports, signed under penalty of false statement, reporting the  
1799 amounts of compensation and reimbursement received from each of  
1800 the registrant's clients during the previous year. In addition, each  
1801 individual communicator lobbyist registrant and each business  
1802 organization communicator lobbyist registrant shall: (1) Report the  
1803 fundamental terms of contracts, agreements or promises to pay or  
1804 receive compensation or reimbursement or to make expenditures in  
1805 furtherance of lobbying, including the categories of work to be  
1806 performed and the dollar value or compensation rate of the contract, at  
1807 the time of registration; (2) report, in accordance with the schedule set

1808 forth in subsection (a) of this section, any amendments to these  
1809 fundamental terms, including any agreements to subcontract lobbying  
1810 work; and (3) report, in accordance with the schedule set forth in  
1811 subsection (a) of this section, any expenditures for the benefit of a  
1812 municipal official or a member of the staff or immediate family of the  
1813 municipal official that are unreimbursed and required to be itemized.  
1814 All such information shall be reported under penalty of false  
1815 statement. The commission shall promptly transmit a copy of the  
1816 report to each municipality that the registrant is lobbying.

1817 (c) An individual communicator lobbyist registrant shall file a  
1818 separate report for each person from whom the registrant received  
1819 compensation or reimbursement. Notwithstanding any provision of  
1820 this subsection to the contrary, a business organization to which one or  
1821 more individual communicator lobbyist registrants belongs may file a  
1822 single report for each client lobbyist in lieu of any separate reports that  
1823 individual registrants are required to file pursuant to this subsection.

1824 (d) Each registrant who files a notice of termination under  
1825 subsection (c) of section 34 of this act shall file with the commission a  
1826 financial report, under penalty of false statement, between the first and  
1827 tenth day of January of the year following termination.

1828 (e) Each client lobbyist registrant financial report shall be on a form  
1829 prescribed by the commission and shall state expenditures made and  
1830 the fundamental terms of contracts, agreements or promises to pay  
1831 compensation or reimbursement or to make expenditures in  
1832 furtherance of lobbying. Any such fundamental terms shall be  
1833 reported once in the quarterly or post-termination report next  
1834 following the entering into of such contract. Such financial report shall  
1835 include an itemized statement of each expenditure of ten dollars or  
1836 more per person for each occasion made by the reporting registrant or  
1837 a group of registrants that includes the reporting registrant for the  
1838 benefit of a municipal official or a member of the municipal official's  
1839 staff or immediate family, itemized by date, beneficiary, amount and  
1840 circumstances of the transaction. The requirement of an itemized

1841 statement shall not apply to an expenditure made by a reporting  
1842 registrant or a group of registrants which includes the reporting  
1843 registrant for benefits personally and directly received by a municipal  
1844 official or municipal employee at a charitable or civic event at which  
1845 the municipal official or municipal employee participates in such  
1846 official's or employee's official capacity, unless the expenditure is thirty  
1847 dollars or more per person, per event. If the compensation is required  
1848 to be reported for an individual whose lobbying is incidental to such  
1849 individual's regular employment, it shall be sufficient to report a  
1850 prorated amount based on the value of the time devoted to lobbying.  
1851 On the first financial report following registration each client lobbyist  
1852 registrant shall include any expenditures incident to lobbying activities  
1853 that were received or expended prior to registration and not  
1854 previously reported to the commission.

1855 (f) The commission shall, by regulations adopted in accordance with  
1856 chapter 54 of the general statutes, establish minimum amounts for each  
1857 item required to be reported, below which reporting may be made in  
1858 the aggregate. The provisions of this subsection shall not apply to  
1859 expenditures made for the benefit of a municipal official or a member  
1860 of such person's staff or immediate family.

1861 (g) Each former registrant shall (1) report receipts or expenditures  
1862 incident to lobbying activities during the former registrant's period of  
1863 registration that are received or expended following termination of  
1864 registration, and (2) report each expenditure of ten dollars or more per  
1865 person for each occasion made by the former registrant for the benefit  
1866 of a municipal official or a member of such official's immediate family  
1867 or staff that occurs within six months after termination of registration.

1868 (h) The commission shall, within thirty days after receipt of a  
1869 financial report that contains the name of a municipal official or a  
1870 member of such official's staff or immediate family, send a written  
1871 notice to such official, of the filing of the report and the name of the  
1872 person who filed it.

1873 Sec. 36. (NEW) (*Effective January 1, 2006*) (a) Each registrant shall

1874 obtain and preserve all accounts, bills, receipts and other documents  
1875 necessary to substantiate the financial reports required by section 35 of  
1876 this act for a period of three years from the date of the filing of the  
1877 report referring to such financial matters, provided this section shall  
1878 apply to each expenditure for the benefit of a municipal official of ten  
1879 dollars or more and all other expenditures of fifty dollars or more.

1880 (b) The State Ethics Commission may require, on a random basis,  
1881 any registrant to make all such documents substantiating financial  
1882 reports concerning lobbying activities available for inspection and  
1883 copying by the commission for the purpose of verifying such financial  
1884 reports, provided no registrant shall be subject to such requirement  
1885 more than one time during any three consecutive years. The  
1886 commission shall select registrants to be audited by lot in a ceremony  
1887 which shall be open to the public. Nothing in this subsection shall  
1888 require a registrant to make any documents concerning nonlobbying  
1889 activities available to the commission for inspection and copying.

1890 Sec. 37. (NEW) (*Effective January 1, 2006*) Each registrant required to  
1891 file any financial reports under section 35 of this act shall do so in  
1892 electronic form using the electronic filing program developed by the  
1893 State Ethics Commission.

1894 Sec. 38. (NEW) (*Effective January 1, 2006*) The State Ethics  
1895 Commission shall make all computerized data from financial reports  
1896 required by section 35 of this act available to the public through (1) a  
1897 computer terminal in the office of the commission, and (2) the Internet  
1898 or any other generally available on-line computer network.

1899 Sec. 39. (NEW) (*Effective January 1, 2006*) Each registrant who pays  
1900 or reimburses a municipal official or municipal employee ten dollars  
1901 or more for necessary expenses shall, within thirty days, file a  
1902 statement with the commission indicating the name of such individual  
1903 and the amount of the expenses. As used in this section, "necessary  
1904 expenses" means a municipal official's or municipal employee's  
1905 expenses for an article, appearance or speech or for participation at an  
1906 event, in such official's or employee's official capacity, which shall be

1907 limited to necessary travel expenses, lodging for the nights before, of  
1908 and after the appearance, speech or event, meals and any related  
1909 conference or seminar registration fees.

1910 Sec. 40. (NEW) (*Effective January 1, 2006*) (a) No registrant or anyone  
1911 acting on behalf of a registrant shall knowingly give a gift to any  
1912 municipal official, municipal employee, candidate for municipal office  
1913 or a member of any such person's staff or immediate family. Nothing  
1914 in this section shall be construed to permit any activity prohibited  
1915 under section 53a-147 or 53a-148 of the general statutes.

1916 (b) No person or business organization shall be employed to lobby  
1917 for compensation which is contingent upon the outcome of any  
1918 administrative or legislative action. No person shall employ a lobbyist  
1919 or business organization for compensation that is contingent upon the  
1920 outcome of any administrative or legislative action.

1921 (c) No lobbyist may: (1) Do anything with the purpose of placing  
1922 any municipal official under personal obligation; (2) attempt to  
1923 influence any legislative action or administrative action for the  
1924 purpose of thereafter being employed to secure its defeat; (3) cause any  
1925 communication to be sent to any municipal official in the name of any  
1926 other individual except with the consent of such individual.

1927 (d) Any person who gives to a municipal official, municipal  
1928 employee or candidate for municipal office, or a member of any such  
1929 person's staff or immediate family anything of value which is subject  
1930 to the reporting requirements pursuant to subsection (e) of section 35  
1931 of this act shall, not later than ten days thereafter, give such recipient a  
1932 written report stating the name of the donor, a description of the item  
1933 or items given, the value of such items and the cumulative value of all  
1934 items given to such recipient during that calendar year. The provisions  
1935 of this subsection shall not apply to a political contribution otherwise  
1936 reported as required by law.

1937 Sec. 41. (NEW) (*Effective January 1, 2006*) Any person aggrieved by  
1938 any final decision of the State Ethics Commission, made pursuant to

1939 sections 29 to 44, inclusive, of this act, may appeal such decision in  
1940 accordance with the provisions of section 4-175 or 4-183 of the general  
1941 statutes.

1942 Sec. 42. (NEW) (*Effective January 1, 2006*) (a) The State Ethics  
1943 Commission, upon a finding made pursuant to section 31 of this act  
1944 that there has been a violation of any provision of sections 29 to 44,  
1945 inclusive, of this act, shall have the authority to order the violator to do  
1946 any or all of the following: (1) Cease and desist the violation of said  
1947 sections; (2) file any report, statement or other information as required  
1948 by said sections; or (3) pay a civil penalty of not more than two  
1949 thousand dollars for each violation of said sections. The commission  
1950 may prohibit any person who intentionally violates any provision of  
1951 said sections from engaging in the profession of lobbyist for a period of  
1952 not more than two years. In addition to such provisions, the  
1953 commission may impose a civil penalty on any person who violates  
1954 subsection (b) of section 40 of this act by receiving, agreeing to receive,  
1955 paying, or agreeing to pay, compensation that is contingent upon the  
1956 outcome of any administrative or legislative action or by terminating a  
1957 lobbying contract as the result of the outcome of an administrative  
1958 action or legislative action. The civil penalty shall not exceed the total  
1959 amount of compensation that the person was required to pay or be  
1960 paid under the contingent compensation agreement. No person may  
1961 benefit from an agreement that violates subsection (b) of section 40 of  
1962 this act.

1963 (b) Notwithstanding the provisions of subsection (a) of this section,  
1964 the commission may, after a hearing conducted in accordance with  
1965 sections 4-176e to 4-184, inclusive, of the general statutes upon the  
1966 concurring vote of the number of its members required under  
1967 subsection (b) of section 1-88 of the general statutes, impose a civil  
1968 penalty not to exceed ten dollars per day upon any registrant who fails  
1969 to file any report, statement or other information as required by  
1970 sections 29 to 44, inclusive, of this act. Each distinct violation of this  
1971 subsection shall be a separate offense and, in case of a continued  
1972 violation, each day thereof shall be deemed a separate offense. In no

1973 event shall the aggregate penalty imposed for such failure to file  
1974 exceed two thousand dollars.

1975 (c) The commission may also report its finding to the Chief State's  
1976 Attorney for any action deemed necessary.

1977 Sec. 43. (NEW) (*Effective January 1, 2006*) Any person who  
1978 intentionally violates any provision of sections 29 to 44, inclusive, of  
1979 this act shall be imprisoned for a term not to exceed one year or shall  
1980 be fined an amount not to exceed two thousand dollars, or both.

1981 Sec. 44. (NEW) (*Effective January 1, 2006*) Each individual who is a  
1982 lobbyist shall, while engaged in lobbying, wear a distinguishing badge  
1983 which shall identify the individual as a lobbyist. The size, color,  
1984 material and other requirements of such badge shall be prescribed by  
1985 regulation of the State Ethics Commission.

1986 Sec. 45. (NEW) (*Effective July 1, 2005*) (a) As used in this section:

1987 (1) "Land use agency" means any body (A) exercising zoning  
1988 powers pursuant to chapter 124 of the general statutes or any special  
1989 act or municipal charter, (B) exercising land use powers pursuant to  
1990 chapter 125a of the general statutes or any special act or municipal  
1991 charter, (C) exercising planning powers pursuant to chapter 126 of the  
1992 general statutes or any special act or municipal charter, or (D)  
1993 regulating inland wetlands and watercourses pursuant to chapter 440  
1994 of the general statutes or any special act or municipal charter; and

1995 (2) "Meeting" has the same meaning as provided in section 1-200 of  
1996 the general statutes.

1997 (b) Each land use agency shall electronically record each meeting of  
1998 the agency.

1999 Sec. 46. Section 4-250 of the general statutes is repealed and the  
2000 following is substituted in lieu thereof (*Effective July 1, 2005*):

2001 As used in sections 4-250 to 4-252, inclusive:

2002 (1) "Gift" has the same meaning as provided in section 1-79, [except  
2003 that the exclusion in subdivision (12) of subsection (e) of said section 1-  
2004 79 for a gift for the celebration of a major life event shall not apply] as  
2005 amended by this act;

2006 (2) "Quasi-public agency", "public official" and "state employee"  
2007 have the same meanings as provided in section 1-79, as amended by  
2008 this act;

2009 (3) "State agency" means any office, department, board, council,  
2010 commission, institution or other agency in the executive, legislative or  
2011 judicial branch of state government;

2012 (4) "Large state contract" means an agreement or a combination or  
2013 series of agreements between a state agency or a quasi-public agency  
2014 and a person, firm or corporation, having a total cost to such state  
2015 agency or quasi-public agency of more than five hundred thousand  
2016 dollars in a calendar or fiscal year, for (A) a project for the  
2017 construction, alteration or repair of any public building or public work,  
2018 (B) services, including, but not limited to, consulting and professional  
2019 services, (C) the procurement of supplies, materials or equipment, (D)  
2020 a lease, or (E) a licensing arrangement. The term "large state contract"  
2021 shall not include a contract between a state agency or a quasi-public  
2022 agency and a political subdivision of the state;

2023 (5) "Principals and key personnel" means officers, directors,  
2024 shareholders, members, partners and managerial employees; and

2025 (6) "Participated substantially" means participation that is direct,  
2026 extensive and substantive, and not peripheral, clerical or ministerial.

2027 Sec. 47. Section 22a-268b of the general statutes is repealed. (*Effective*  
2028 *July 1, 2005*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2005	1-79(e)

Sec. 2	July 1, 2005	1-79(k)
Sec. 3	July 1, 2005	1-83
Sec. 4	July 1, 2005	1-84
Sec. 5	July 1, 2005	1-84b
Sec. 6	July 1, 2005	1-91(g)
Sec. 7	July 1, 2005	1-92(1)
Sec. 8	July 1, 2005	1-97(a)
Sec. 9	July 1, 2005	1-225
Sec. 10	July 1, 2005	New section
Sec. 11	July 1, 2005	New section
Sec. 12	July 1, 2005	New section
Sec. 13	July 1, 2005	New section
Sec. 14	July 1, 2005	1-97
Sec. 15	July 1, 2005	New section
Sec. 16	July 1, 2005	53a-119
Sec. 17	July 1, 2005	New section
Sec. 18	July 1, 2005	New section
Sec. 19	July 1, 2005	New section
Sec. 20	July 1, 2005	New section
Sec. 21	July 1, 2005	New section
Sec. 22	July 1, 2005	New section
Sec. 23	July 1, 2005	New section
Sec. 24	July 1, 2005	New section
Sec. 25	July 1, 2005	New section
Sec. 26	July 1, 2005	New section
Sec. 27	July 1, 2005	New section
Sec. 28	July 1, 2005	New section
Sec. 29	January 1, 2006	New section
Sec. 30	January 1, 2006	New section
Sec. 31	January 1, 2006	New section
Sec. 32	January 1, 2006	New section
Sec. 33	January 1, 2006	New section
Sec. 34	January 1, 2006	New section
Sec. 35	January 1, 2006	New section
Sec. 36	January 1, 2006	New section
Sec. 37	January 1, 2006	New section
Sec. 38	January 1, 2006	New section
Sec. 39	January 1, 2006	New section
Sec. 40	January 1, 2006	New section
Sec. 41	January 1, 2006	New section
Sec. 42	January 1, 2006	New section

Sec. 43	January 1, 2006	New section
Sec. 44	January 1, 2006	New section
Sec. 45	July 1, 2005	New section
Sec. 46	July 1, 2005	4-250
Sec. 47	July 1, 2005	22a-268b repealed

**Statement of Legislative Commissioners:**

In section 16, a portion of the new text was inserted in section 53a-119 of the general statutes for statutory consistency, in subsection (a) of section 17, the definition of "crime related to state or quasi-public agency office" was transferred from section 16 and revised for clarity, in subsection (a) of section 19, the phrase "provided each such municipality or district adopts such code" was added for consistency with other provisions of the bill, in subdivision (5) of section 30, the first sentence was revised for statutory consistency with similar provisions in subdivision (2) of subsection (a) of section 31 and subsection (b) of section 31 and subsection (b) of section 42, and section 46 was added for statutory consistency with amendments in sections 1 and 6.

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

**GAE**      *Joint Favorable Subst.*

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

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### **OFA Fiscal Note and OLR Bill Analysis**

#### **sHB-6616**

#### **AN ACT CONCERNING ETHICS IN STATE AND MUNICIPAL GOVERNMENT.**

#### **State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 06 \$</b>	<b>FY 07 \$</b>
Human Rights & Opportunities, Com.	GF - Cost	Minimal	Minimal
Attorney General	GF - Cost	\$122,763-\$494,238	\$116,763-\$470,238
Comptroller Misc. Accounts (Fringe Benefits)	GF - Savings	Potential	Potential
Ethics Com.	GF - Cost	\$263,500	\$163,500
Ethics Com.	GF - Revenue Gain	\$145,000	\$245,000
Comptroller Misc. Accounts (Fringe Benefits)	GF - Cost	\$47,497-\$123,747	\$131,920-\$313,404

Note: GF=General Fund

#### **Municipal Impact:**

<b>Municipalities</b>	<b>Effect</b>	<b>FY 06 \$</b>	<b>FY 07 \$</b>
All Municipalities	STATE MANDATE - Cost	Potential Significant	Potential Significant
All Municipalities	STATE MANDATE - Revenue Gain	\$15,000	\$15,000

#### **OLR SUMMARY:**

This bill makes numerous changes to the State Ethics Code. Primarily, it expands the code's application and list of prohibited activities, tightens gift restrictions, and extends revolving door laws.

The bill extends whistleblower protection to municipal employees and employees of large state contractors. "Large state contractors" are entities that have a contract with a municipality valued at \$500,000 or more.

It prohibits quasi-public agencies from giving their officials or employees bonuses or incentives. It prohibits the members of the board of directors for these agencies from voting at board meetings that they do not attend.

It prohibits lobbyists from serving on any state commission or state or quasi-public board, and legislators from serving on any quasi-public agency's board of directors. The prohibitions are prospective and do not affect current members.

The bill permits courts to reduce any retirement or other benefit due to public officials or employees when sentencing them for certain crimes related to their employment.

The bill establishes a code of ethical conduct for municipal and special district (1) elected and appointed officials, including candidates for office, whether or not they are paid; (2) full- and part-time employees; and (3) paid consultants, consisting of people and businesses the local governments hire to provide local services. It requires municipalities and special districts to adopt the bill's code or a stricter one by July 1, 2006. Those that adopt a code before July 1, 2005 have to amend it to be at least as strict as the bill's code. The bill allows two or more municipalities or districts to establish a joint code.

The bill regulates municipal lobbying in primarily the same manner as state lobbyists.

EFFECTIVE DATE: July 1, 2005, except the municipal lobbyist code is effective January 1, 2006.

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**§§ 1-8-- STATE ETHICS CODE****OFA Fiscal Impact:**

No fiscal impact.

**OLR Analysis:**

The bill makes numerous changes to the state ethics codes. It expands their application, generally tightens gift restrictions, subjects additional people to the duty to file annual statements of financial interests, expands the list of prohibited activities, and extends revolving door laws.

***Expanded Application (§2)***

The bill makes the governor's spouse subject to the State Ethics Code by extending the definition of "public official" to include him.

***Gift Restrictions (§§ 1, 4, and 6-8)***

With several exceptions, the law prohibits public officials, candidates for public office, and state employees from accepting gifts (generally anything of value over \$10) from lobbyists. It also prohibits public officials and state employees from accepting gifts from people doing, or seeking to do, business with their agency; people engaged in activities regulated by their agency; or prequalified state contractors. The law also prohibits these people from giving gifts to public officials and employees.

The bill extends, to the immediate family members of public officials and state employees, the ban on gifts from people doing, or seeking to do, business with their agency; people engaged in activities regulated by their agency; or prequalified state contractors. It extends the ban on these and lobbyists' gifts to public officials and state employees from the period of state service to one year after state service.

The bill eliminates the gift exception for (1) food and drinks at legislative receptions or any other occasions, and (2) major life events,

such as marriages, major holidays, and births. Contractors and people seeking to do business with the state are already prohibited from giving gifts for major life events. The bill requires contractors (and potential contractors), and people engaged in regulated activities who give gifts to public officials or employees to give a report to the gift recipient's agency head specifying (1) the donor's name, (2) a description of the gift, (3) its value, and (4) the cumulative value of all gifts given during the calendar year. The report must be given within 10 days after delivery as is currently required for donor reports to recipients.

The bill places a \$100 limit on gift exchanges between other donors and public officials and state employees because of the officials' or employees' position. This limit applies to gifts that are not otherwise prohibited. It does not apply to gifts if the official or employee normally and customarily exchanged them with the donor before state service. The bill requires the State Ethics Commission to adopt regulations to adjust the limit by increases in the cost of living.

The bill creates an exception to the gift ban for any reimbursement for necessary expenses (typically travel and lodging) that public officials and state employees may receive for speaking, participating in, or appearing at an event in their official capacity.

### ***Statement of Financial Interests (§3)***

By November 1, annually, the bill requires public officials and state employees to file a statement with their agency head and the State Ethics Commission if they (1) are not required to file an annual statement of financial interest, and (2) participate substantially in state or quasi-public agency contract negotiations and awards. The statement must disclose:

1. outside employment;
2. the employers of immediate family members residing in the official's or employee's household; and
3. the names of all businesses with which the official, employee, or immediate family member are associated.

State Ethics Commission regulations define “substantial participation” as participation that was direct, extensive, and substantive, not peripheral, clerical, or ministerial. By law, an “associated business” generally means a business that the person owns; serves as a director, officer, or limited or general partner; or owns at least 5% of the total outstanding stock in any class.

#### **Prohibited Activities (§ 4)**

The bill prohibits public officials, state employees, and their employees from:

1. appearing for pay before any executive branch or quasi-public agency rather than just 13 statutorily specified regulated agencies or
2. deriving a personal financial benefit, unavailable to the general public, from a contract with a contractor for, or a person seeking to do business with, their agency.

The bill continues to exempt legislators and part-time legislative employees from the prohibition against making appearances for pay if they work for a business that represents clients before the agencies, but take no part in the matter or receive any pay for it.

The bill extends the prohibition against accepting a gift with the understanding that an official’s or employee’s official action or judgment had been or would be influenced. It prohibits this *quid pro quo* for up to one year after a public official or state employee leaves state service.

#### **Revolving Door (§ 5)**

The bill broadens the prohibition against former executive branch or quasi-public agency officials or state employees being paid to represent anyone, other than the state, before any agency in which they served. It makes the prohibition applicable to any agency where the official or employee served or worked during the year before, rather than just when, he terminated state service. The prohibition continues to run for one year after state service.

The bill prohibits former officials, state employees, and quasi-public agency directors or members who substantially participated in a state contract valued at \$50,000 or more from accepting a job with a party to any contract negotiation. It also makes the prohibition applicable to former officials and state employees, but not quasi-public agency directors or members, who supervised the contracting process. It makes this prohibition, and the prohibition already in law against taking a job with a party to any contract or agreement, applicable to officials and employees who resign less than one year after the contract is signed or one year after the person stops participating, whichever is earlier. Under current law, the prohibition against taking a job with a party to any contract or agreement applies only for one year after the contract is signed.

The bill also prohibits any party to a contract from hiring the public official or state employee in violation of the bill or law.

**§ 9--DISCLOSURE OF PUBLIC AGENCIES' MEETINGS AND NOTICES**

**OFA Fiscal Impact:**

No fiscal impact.

**OLR Analysis**

The bill requires public agencies to post, on available web sites, meeting dates, times, agendas, and minutes required by law to be publicly disclosed.

**§ 10-- WHISTLEBLOWER PROTECTION**

**OFA Fiscal Impact:**

<b><u>Estimated</u></b>	<b>FY 06</b>	<b>FY 07</b>
State Cost	\$150,000-\$600,000	\$180,000-\$715,000

The bill permits any person having knowledge of certain activities

related to or occurring in a department or agency of a municipality or special district, or in any large municipal or special district contract, to transmit relevant information concerning such matter to the Office of the Attorney General (OAG), which must investigate it. The OAG must also investigate any report of retaliation by a municipal or municipal contract officer or employee against an employee who has disclosed information to the Attorney General.

At least one attorney and one investigator would be required on a full-time basis to undertake additional investigations as required by the bill. Depending upon the volume of complaints received and the extent to which the OAG may coordinate its investigatory activities with the Public Integrity Bureau of the Division of Criminal Justice, up to six additional staff members might be needed with the OAG.

The annual state cost associated with additional staff members for the OAG is estimated to range from \$150,000 to \$715,000, including fringe benefits and expenses. Since the bill requires the OAG to accommodate the bill's requirements within available appropriations, it would have to reallocate resources to comply with the legislation. Assuming that additional complaints will be filed with the Commission on Human Rights and Opportunities (CHRO), the department would incur minimal costs related to court reporters, transcripts, postage, and telephone services.

### **OLR Analysis**

The bill extends to municipal employees and employees of large municipal contractors whistleblower protections and procedures similar to those currently available to state employees and employees of large state contractors. A large municipal contractor is an entity that has at least a \$500,000 contract with a municipality, which the bill does not define. The law already (1) prohibits municipal employers from retaliating against employees because they reported unethical practices, mismanagement, or abuse of authority and (2) permits employees who believe they are victims of retaliation to bring a civil action after exhausting all administrative remedies.

### **Reporting**

Anyone who knows of any corruption; unethical practices; violations of state law or regulation, special act, municipal charter, or municipal ordinance; mismanagement; gross waste of funds; abuse of authority; or danger to public safety occurring in any municipal or special district department or agency or large municipal contract may report it to the attorney general.

### ***Investigation***

The attorney general must, within available resources, conduct any investigation he considers proper. He may subpoena any people or recorded information and administer oaths as necessary for the investigation. After his investigation, he must, when necessary and within available resources, report his findings to the governor. If the matter involves a crime, he must report it to the chief state's attorney. The attorney general cannot reveal any informant's name without his consent, except where it is unavoidable during the course of the investigation.

### ***Retaliation***

The bill prohibits municipal and large municipal contractor officers or employees from taking or threatening to take any negative personnel action against an employee in retaliation for disclosing information to the attorney general. Any employee who knowingly or maliciously makes false charges can be disciplined or discharged. The bill creates a rebuttable presumption that any personnel action taken or threatened against an employee who makes a whistleblower complaint is retaliatory if it occurs within one year of the complaint.

The bill gives municipal employees who believe they are being retaliated against (or threatened with retaliation) for their action the option of filing an appeal in accordance with their collective bargaining contract, where applicable. Employees of large contractors can avail themselves of administrative remedies and, if still unsatisfied, bring a civil cause of action.

Alternatively, the whistleblowers could notify the attorney general, who must conduct an investigation, within available resources. After the investigation is concluded and apparently regardless of the outcome, the attorney general, employee, or the employee's attorney

can file a complaint with the chief human rights referee.

The chief referee must assign it to a human rights referee who must conduct a hearing and determine whether the personnel action or threatened action was in retaliation for whistle blowing. If he finds that the action or threatened action was retaliatory, he may order the aggrieved employee to (1) be reinstated to his former position, (2) receive back pay, (3) have his benefits reestablished at the level they would have been but for the violation, and (4) receive reasonable attorney fees and any other damages. For purposes of the bill, the human rights referee is an independent hearing officer. Any party may appeal the referee's decision to Superior Court.

The bill requires the chief human rights referee to adopt regulations that establish the procedure for filing complaints and noticing and conducting the hearing.

### ***Tracking Complaints***

By September 1, annually, the bill requires the attorney general, within available resources, to report to the legislature the number and disposition of the whistleblower complaints he received for the preceding fiscal year.

### ***Municipal Contracts***

The bill requires large municipal contractors to notify each contractor that he will be civilly liable for up to \$5,000 for each act of retaliation against a whistleblower, up to a maximum of 20% of the contract's value. Each violation is a separate offense and each calendar day that a violation continues is a separate offense. The bill authorizes the chief elected official of the contracting municipality to ask the attorney general to bring a civil action to impose and recover the penalty against the contractor in Hartford Superior Court.

### ***Notice of Whistleblower Protection***

The bill requires large municipal contractors to post a whistleblower protection notice in a conspicuous place where their officials and employees can easily see it.

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**§§ 11-13, AND 46--QUASI-PUBLIC AGENCIES****OFA Fiscal Impact:**

The Connecticut Development Authority (CDA) and Connecticut Innovations, Inc. (CII) have not provided bonuses or incentives to their employees in over 2 years. Past awards for these quasi-public agencies have averaged under \$100,000 a year at each authority. Assuming this legislation precludes the payment of future bonuses or incentives (gain sharing at CII), a minimal increase in funds available for other purposes, including financial assistance or investments could result.

The Connecticut Housing Finance Authority (CHFA) Success Sharing Program, based on the Authority's financial performance would be eliminated by this provision. CHFA provides a \$0 to a maximum \$1,000 per year bonus under this program for all employees except the President and Executive Vice President. The ban precludes the potential payment by CHFA of approximately \$100,000 a year based on the current number of employees.

The Connecticut Resources Recovery Authority (CRRA) no longer provides bonuses or incentives.

The Connecticut Lottery Corporation (CLC) provides bonuses or incentives to both their management employees and to their sales staff per their collective bargaining agreement. Past awards at CT Lottery for management have totaled \$0 in FY 00, \$0 in FY 01, 83,741 in FY 02, \$0 in FY 03 and, \$160,928 in FY 04. For the sales staff the bonuses have totaled \$45,358 in FY 00, \$42,661 in FY 01, \$166,220 in FY 02, \$27,330 in FY 03 and, \$93,627 in FY 04. The bill would preclude any future costs of providing management bonuses but it is unknown what fiscal impacts the provisions would have on future collective bargaining contracts for unionized sales employees.

No fiscal impact is anticipated from the other provisions.

**OLR Analysis**

The bill:

1. prohibits quasi-public agencies from providing bonuses or incentives to their officials and employees,

2. requires them to establish criteria for extending contracts without competitive bidding or negotiation, and
3. prohibits members of a quasi-public agency's board of directors who participate in a meeting by telephone from being counted as present at the meeting for the purpose of a quorum and from voting at the meeting.

### **§§ 14 AND 15--SERVICE ON STATE AND QUASI-PUBLIC AGENCY'S BOARDS AND COMMISSIONS**

#### **OFA Fiscal Impact:**

No fiscal impact.

#### **OLR Analysis**

The bill bans communicator lobbyists from serving on any state board or commission or on any quasi-public agency's board of directors and legislators from being an employee of a quasi-public agency or a member of its board of directors. The prohibitions are prospective. The lobbyists' ban allows them to complete any term they are serving on July 1, 2005. The legislators' ban does not apply to legislators who are employees or members of quasi-public agencies on that date.

A "communicator lobbyist" is an individual or business organization that, on behalf of one or more client lobbyists, receives or agrees to receive compensation, reimbursement, or both, totaling \$2,000 or more in any calendar year for administrative or legislative lobbying and lobbying-related activities.

### **§§ 16 AND 17-- CORRUPT OFFICIALS**

#### **OFA Fiscal Impact:**

The provisions of the bill may result in a savings to the state employee retirement system that is administered by the State Comptroller. Any savings would be dependent upon the degree to which retirement benefits are reduced.

**Background**

Connecticut State Retiree Benefit Costs  
State Funded Pension Systems:

St. Employees Retirement System (Average Annual Benefit FY 04)	\$24,000
Governor's Pension	\$5,000 per year for each year or fraction of a year served

**OLR Analysis**

With one exception, the bill permits courts to reduce any retirement or other benefit or payment due to public officials or state employees when sentencing them for certain crimes related to their employment. The court cannot reduce state health insurance benefits that officials, employees, or their dependents are entitled to receive upon the officials' or employees' retirement. The bill specifies the factors courts must consider when making this decision.

**Public Corruption Crimes**

The bill allows courts to reduce the benefits of any public official or state employee who is convicted or pleads guilty or *nolo contendere* (no contest) to:

1. committing or aiding or abetting the embezzlement of at least an aggregate of \$1,000 in public funds from the state or a quasi-public agency;
2. committing, aiding, or abetting any felonious theft from the state or a quasi-public agency;
3. bribery connected to his role as a public official or state employee; or

4. felonies committed willfully and with intent to defraud, to obtain, or attempt to obtain at least a \$1,000 advantage for himself or others through the use or attempted use of his office.

“Public officials” are statewide elected officers; legislators and legislators-elect; gubernatorial appointees, including appointees’ appointees; public members and union representatives on the Investment Advisory Council; quasi-public agency members and directors; and people appointed or elected by the General Assembly or any house thereof. The term does not include judges, advisory board members, or members of Congress.

### ***Sentencing Determinations***

When determining whether to reduce a public official's or state employee's benefits or payments, the bill requires the court to consider: (1) the severity of the crime; (2) the amount of money the state, quasi-public agency, or anyone else lost as a result of the crime; (3) the degree of public trust reposed in the person by virtue of his position; and (4) any other factors the court determines that justice requires.

After making its determination, the court may order that all or part of the reduced benefits be paid to the official's or employee's innocent spouse, dependent, or beneficiary based on need.

### ***Reduction Recovery Process***

If a court decides in favor of a reduction, the entity responsible for paying the retirement or other benefit must return to the General Fund the portion of the payment that exceeds the court-ordered reduction until the state has received full restitution.

### ***Decision Not to Reduce***

If the court decides against a reduction, the attorney general may initiate a civil action to get it. In any civil action, the court must consider the same factors as the criminal court and the reduction process would be the same.

## §§ 18-28--MUNICIPAL ETHICS CODE

### OFA Fiscal Impact:

<u>Estimated</u>	FY 06	FY 07
State Cost	\$100,855	\$113,125
State Revenue	Minimal	Minimal
Municipal Impact	Potential Significant	Potential Significant

This will result in a cost to the municipalities that either currently do not have a code of ethics or need to amend their current code to adhere to the model code. Also those municipalities and special districts that have not established a procedure for investigating and deliberating such allegations against public officials, employees, or paid consultants must do so by July 1, 2006. For those towns that don't have attorneys on staff, it would be necessary to contract out for those services. These towns would have to draft a code of ethics, publish it in the newspaper, advertise a date for a public hearing, and then vote to adopt. The cost to a municipality to adopt a code of ethics may be significant. The cost to investigate allegations of unethical conduct cannot be determined at this time, but could be potentially significant.

A Staff Attorney position with associated costs for equipment and supplies would be necessary to handle the anticipated additional appeals. The Commissioners would also be required to make a determination on the appeal, which would necessitate \$50 per diem costs per Commissioner per meeting plus expense reimbursements. This is expected to cost \$70,000 for the Attorney, plus fringe benefits, and associated expenses of an additional \$15,000.

The additional workload associated with ethical training for public officials/employees and submitting a report to the Government Administration and Elections Committee indicating municipalities' compliance with the bill and also recommendations for getting those municipalities that have not complied to do so is not expected to require additional resources.

### OLR Analysis

The bill creates a code of ethical conduct for municipal and special district (1) elected and appointed officials, including candidates for office, whether or not they are paid; (2) full- and part-time employees; and (3) paid consultants, consisting of people and businesses local governments hire to provide local services.

***Duty to Adopt (§19)***

The bill requires municipalities and special districts to adopt the bill's model code or a stricter one by July 1, 2006, including establishing procedures for investigating and deliberating alleged ethical violations and designating an agency to conduct investigations or deliberations. It permits two or more municipalities or districts to establish joint procedures.

Towns and districts that already have a code or adopt one by July 1, 2005 have to amend it to be at least as strict as the model code by July 1, 2006.

***Prohibited Conduct (§20)***

Under the bill, no public official or employee can:

1. engage or participate in a business or transaction, including outside employment, or have a direct or indirect interest that is incompatible with, or that would impair, independent judgment in the proper discharge of the official's or employee's public responsibilities;
2. solicit or accept a "gift" from anyone he knows is interested in any pending matter within the official's or employee's direct administrative or operating authority to approve, disapprove, or otherwise direct government action;
3. disclose or use confidential information concerning municipal affairs for his own or others' financial interests (interests (a) with a monetary value of \$100 or more or (b) that generate a loss or gain of \$100 or more in a calendar year);

4. ask or permit vehicles, equipment, facilities, material, or property owned by the municipality or district to be used for his own personal convenience or profit, except when this property is available to the general public or permitted for the employee's or official's use when conducting official business, in which case he may use the property for minor personal convenience;
5. enter a contract valued at \$100,000 or more with the municipality or special district, unless the contract is awarded through a public notice, competitive bidding process (the prohibition also applies to immediate family members (i.e., spouse, child, or dependent relative living in his household) and associated businesses);
6. use his position or office for his own financial benefit or that of an immediate family member or associated business;
7. accept a fee or honorarium for an article written, appearance or speech made, or participation at an event, in his official capacity; however, he may receive reimbursements for necessary expenses;
8. engage in political activity while on duty or during any time he is paid to be on duty (the prohibition also applies to candidates for elected municipal or district office);
9. use municipal or district funds, supplies, vehicles, or facilities for political activity (the prohibition also applies to candidates for elected municipal or district office); or
10. solicit or accept anything of value, including a gift, loan, political contribution, reward or promise of future employment based on any understanding that the official's or employee's vote, official action, or judgment would be or had been influenced by it. (The prohibition also applies to the official's or employee's immediate family or associated business.)

A "gift" is generally anything given for less than its value. The bill contains 12 gift exceptions, including promotional material valued at \$10 or less; certificates or ceremonial awards valued at less than \$100; political contributions; and gifts from family members. In addition, a

gift is not received by a public official or employee who pays the donor the full value of it, accepts it on behalf of the municipality or special district (i.e., the gift is intended to remain in the permanent possession of the municipality or special district), or donates it to a nonprofit organization. If donated, the official or employee cannot take a tax deduction or credit for it. The use of office prohibition (#6) does not prohibit a public official or state employee from receiving compensation for writing about his public service on his own time.

The bill also prohibits a public official or employee from voting on, or otherwise participating in, any matter on behalf of the municipality or special district he serves if he, an associated business, or an immediate family member has more than a minor financial or personal interest in the matter greater than that of any other segment of the population, including the sale of real estate, material, supplies, or services to the municipality or special district. "Personal interest" means a nonfinancial benefit or detriment from the expenditure of municipal funds for any municipal or district action.

Unless a municipal charter or home rule ordinance permits it, the bill prohibits a municipal or district employee who also serves as a public official from voting or participating in collective bargaining, compensation or benefits, personnel policies and procedures, or budgetary matters or other employment matters that involve his agency.

The bill also prohibits public officials and employees from appearing on behalf of private interests before, or representing private interests against, any municipal or special district board, agency, or committee. The prohibition does not apply to an official who receives no compensation other than per diem payments. The bill specifies that it does not prohibit or restrict a public official or employee from appearing before any municipal or special district board or commission on his own behalf or from being a party in an action, proceeding, or litigation brought by or against the official or employee to which the municipality or special district is a party.

### ***Paid Consultants (§ 21)***

The bill prohibits a paid consultant of a municipality or special district from:

1. representing a private interest in any action or proceeding against the interest of the municipality or special district that is in conflict with the consultant's performance of his duties;
2. representing anyone, other than the municipality or special district, in any matter in which the consultant participated personally and substantially on behalf of the municipality or special district;
3. disclosing confidential information gained in his capacity as consultant or using it for his financial interest or that of others; or
4. accepting other employment that will (a) impair his judgment on the job he is doing for the municipality or district or (b) require or induce him to disclose confidential information that he learns on the job.

***Former Officials and Employees (§ 22)***

The bill prohibits former public officials or employees from:

1. accepting compensation to appear before their former municipal or special district board or agency for the first year after terminating employment or office;
2. representing anyone, other than the municipality or special district, in any matter in which they participated personally and substantially while in municipal service;
3. disclosing or using confidential information gained in their official position for their own financial gain or that of others; or
4. working for a party to a contract, other than the municipality or special district, for one year after the contract is signed, if they participated substantially in, or supervised, the contract negotiations or award and the contract obligates the municipality

or special district to pay \$100,000 or more.

### ***Investigating and Deliberating Ethics Complaints (§ 23)***

By law, a municipality or a fire, sewer, or other district can establish a board or commission to investigate allegations against a local public official or employee of unethical conduct, corrupting influence, or illegal activity.

The bill requires all municipalities and special districts that have not established a procedure for investigating and deliberating such allegations against their public officials, employees, or paid consultants to do so by July 1, 2006. Municipalities and districts that already have agencies in place are not required to make any changes. The bill prohibits municipal or district elected officials from serving as members of the deliberative body. It allows municipalities and districts to establish joint procedures and agencies.

The procedure must:

1. provide that allegations and investigations of unethical conduct will remain confidential prior to a finding of probable cause, unless the respondent requests disclosure;
2. give respondents the right to sue complainants who make knowingly false allegations for double damages; and
3. authorize courts to award prevailing respondents costs and attorneys' fees.

### ***Statements of Financial Interests (§ 24)***

By July 1, 2006, and annually thereafter, the bill requires certain municipal and district officials to sign under penalty of false statement and file statements of financial interests with the municipal or district clerk. Each statement must include:

1. the official's or member's name, address, and position;
2. the name and a description of his employer;
3. his occupation; and
4. an affirmation that he will not take official action on any matter in which he has a conflict of interest.

The officials who must complete the statement are the chief elected official and each member of the legislative body, land use agency, and other policymaking or administrative body with a budget for the fiscal year in excess of \$500,000. A "land use agency" means a zoning, planning, combination planning and zoning, or inland wetlands agency, or an agency that implements land use ordinances.

By the same date, the bill requires each municipality or district that does not require public officials and employees to disclose its financial interests to establish a disclosure policy. The policy must list the offices or positions where disclosure is required and set forth the scope and manner of disclosure.

### ***Ethics Body (§ 25)***

The bill permits any local ethics body (hereafter referred to as an ethics agency) established by law or under the bill to impose penalties for ethical violations. The ethics agency can censure the violator, or order him to (1) cease and desist the violation; (2) file any required information, including any report or statement; and (3) pay a fine of up to \$2,000. The agency can also report its determination to the chief state's attorney. Under current law, municipal ethics agencies can impose fines of up to \$100 for ethical violations.

The bill permits a person to appeal to the State Ethics Commission if he is aggrieved by, or disagrees with, (1) a final determination by the ethics agency, (2) the agency's failure to make a final determination within 90 days after any allegation of unethical conduct is made, or (3) a municipality's or district's failure to designate or establish an ethics agency by July 1, 2006. The commission must adopt regulations setting forth appeal procedures.

When deciding an appeal, the bill requires the State Ethics Commission to uphold a local ethics agency's determination unless the commission finds that the agency's finding, inference, conclusion, or decision, or the municipality's or district's ethics code: (1) violates the constitution, state statutes, or the local code of ethic; (2) exceeds the body's statutory authority; (3) was made based on an unlawful procedure; (4) was affected by other error of law; (5) was clearly erroneous in view of the reliable, probative, and substantial evidence on the whole record; (6) is inadequate to, or in excess of the "purpose of an ethics code"; (7) is arbitrary or capricious; or (8) is an abuse, or a clearly unwarranted exercise, of discretion. "Purpose of a code" means the prevention or appearance of misuse of power invested in any government office or position. The phrase generally does not include actions that a public official or employee has the right or power to take as a private citizen, separate from any power or influence as a public official or public employee, or otherwise not involving the exercise of governmental power. "Misuse" means the use of governmental power or powers invested in any government office or position for the private gain of any person.

If the commission finds that the (1) local agency's determination is flawed, (2) agency failed to make a final determination on an allegation of unethical conduct within 90 days after it was made, or (3) municipality or district failed to designate or establish an ethics agency by July 1, 2006, the commission must sustain the appeal and, if appropriate, may enter a judgment modifying the agency determination, substitute its own determination, or remand the matter for further proceedings (see COMMENT). Any person aggrieved by a final decision of the commission may appeal the decision to Superior Court.

### ***Compliance Report (§§ 26 and 27)***

By July 15, 2006, the bill requires each municipality and district to submit an ethics compliance report to the State Ethics Commission. By September 1, 2006, the commission must submit a compliance status report to the Government Administration and Elections Committee. The report must (1) indicate the status of each municipality's and district's compliance with the bill and (2) make recommendations for securing compliance by all municipalities and districts.

The bill authorizes the legislative body of each municipality or district to determine code compliance. If the legislative body is a town meeting, the bill authorizes the board of selectmen to perform all of the legislative body's duties regarding the establishment of an ethics code and agency.

### **Training (§ 28)**

The bill requires the State Ethics Commission to provide ethics training to municipal and district officials and employees.

### **§§ 29-44--MUNICIPAL LOBBYING CODE**

#### **OFA Fiscal Impact:**

<b>Estimated</b>	<b>FY 06</b>	<b>FY 07</b>
State Cost	\$185,000	\$103,000
State Revenue	\$145,000	\$245,000
Municipal Revenue	\$15,000	\$15,000

The Lobbyist Electronic Filing system account will need start-up funding in the amount of \$150,000 to design, develop, and implement the municipal lobbyist on-line registration, fee payment and financial reporting application. This funding would include equipment and educational materials. The Department of Information Technology would perform this work. Annual maintenance on the electronic filing system is estimated to cost \$15,000. In addition, a Paralegal II position would be required to handle the registration/reporting requirements at the municipal level as well as interpretation of the statutes and regulations as they apply to municipal lobbying. This position is estimated to start January 1, 2006 and will cost \$57,000 plus fringe benefits.

There will be an estimated revenue gain to the state of \$45,000, and \$15,000 to municipalities from the annual registration fee. The EC has indicated that it will charge \$100 for the municipal lobbyist fee, \$25 of which will be reimbursed to the municipality to defray the costs of collecting and filing copies of the registration forms and annual reports transmitted to the commission. The estimate assumes that there will

be 600 registrations. The 600 registrations are based on 15% of the 4,000 state lobbyists currently filed with the EC. A survey conducted by the EC of other states with similar municipal lobbyist registration requirements found that 15% of the total amount spent on lobbying was reported as spent on municipal lobbying. The figure takes into account the fact that lobbyists must register separately for each municipality in which they conduct lobbying activity, and pay the \$100 fee.

Requiring municipal lobbyists to register with the EC will make their services subject to the 6% Sales Tax. The estimated revenue gain is expected to be \$200,000 annually. This estimate is based on data collected by the EC on the amount of compensation received by state lobbyists and 15% of the total amount spent on lobbying was reported as spent on municipal lobbying. Since the effective date is January 1, 2006, \$100,000 would be recognized in FY 06 and \$200,000 annually thereafter.

### **OLR Analysis**

The bill places essentially the same requirements, bans, and limitations on municipal lobbyists that currently apply to state lobbyists. As is the case with state lobbyists, under the bill, the State Ethics Commission investigates and penalizes wrongdoing by municipal lobbyists. Except as noted below, the only differences between the bill's Code of Ethics for Municipal Lobbyists and the existing code for state lobbyists are where there are no correlations between state and municipal functions. For example, prohibitions in the state code specific to legislators or the legislative session are not included in the municipal code.

### ***Lobbyists and Lobbying (§29)***

Under the bill, a municipal "lobbyist" is a person who receives, spends, or receives and spends (or agrees to receive, spend, or both) at least \$2,000 in a calendar year to influence legislative or administrative action in a single municipality. In addition to the exceptions under the state code, the bill provides that a "lobbyist" does not include:

1. a municipal official or employee or his designee, other than an independent contractor, acting within the scope of his authority or employment;

2. an attorney hired to provide legal services to a municipality, but only with respect to those services, or an attorney who receives or spends less than \$2,000 per client to lobby a single municipality; or
3. a financial advisor hired to provide financial advisory services to a municipality, but only with respect to those services.

The bill also excepts from lobbying, communication made in the practice of law (1) that is not intended to influence legislative action, or cause the development of or changes to any rule, regulation, ordinance, referendum, or budget; or (2) with municipal agencies or legislative bodies about land use matters. "Legislative action" is any official action taken regarding any rule; regulation; ordinance; referendum; budget; measure; resolution; amendment; nomination; appointment; report; or other matter pending or proposed in, or within the cognizance of, a municipal legislative body.

The bill defines "administrative action" as any action or inaction by a municipal agency regarding the proposal, drafting, development, consideration, amendment, adoption, or repeal of any rule, regulation, ordinance, referendum, or budget or utility rate. It also includes any action or inaction regarding a contract, grant, award, purchasing agreement, loan, bond, certificate, license, permit, or other matter within the agency's jurisdiction or cognizance.

### ***Registration (§§ 33 and 34)***

Under the bill, municipal lobbyists, like their state counterparts, must register with the State Ethics Commission. Unlike state lobbyists who register biennially, the bill requires municipal lobbyists to register annually. With one exception, it requires municipal lobbyists to file a separate registration for each town they lobby. Lobbyists for regional or statewide trade associations have to file only one registration and pay one registration fee per year. The bill requires municipal lobbyists to pay an annual fee of at least \$100 to cover the cost of administering the registration form and distributing filed registration information. State lobbyists pay \$150 biennially to lobby. The bill requires the commission to send 25% of each municipal lobbying fee to the municipality where the lobbyist is registered to defray municipal costs.

***Filing Financial Reports (§ 35)***

The bill requires municipal client lobbyists to file quarterly financial reports in April, July, October, and January. By law, state client lobbyists file these reports in April, July, and January. They file interim reports during the regular legislative session for each month that they spend more than \$100 on lobbying. A “client lobbyist” is an entity that pays someone \$2000 or more in a calendar year to lobby.

The reporting period for communicator lobbyists is the same as it is under the State Ethics Code, primarily in January.

***Prohibited Activities (§§ 40 and 44)***

Like state lobbyists, the bill subjects municipal lobbyists to restrictions on their lobbying activities that include a ban on gift-giving and contingency lobbying. It requires them to wear badges when lobbying.

***Complaints, Investigations, and Penalties (§§ 30-32, 42, and 43)***

The bill requires the State Ethics Commission to investigate and hear complaints against municipal lobbyists and impose penalties for code violations just as it currently does with respect to state lobbyists. There are three differences between the state and municipal codes. First, the deadline for filing a complaint under the municipal code is within three years after the violation whereas the deadline under the state code is five years after. Second, the maximum civil penalty under the bill for municipal lobbyists (\$2,000) is lower than that for state lobbyists (\$10,000). Third, there is no separate penalty under the municipal code for receiving a financial benefit from the violation.

The State Ethics Commission must adopt regulations to carry out the bill. The commission already has regulations governing state lobbyists.

**§ 45--LAND USE AGENCIES****OFA Fiscal Impact:**

To the extent that municipalities would need to purchase equipment to record the meetings and have a storage capacity to make the recordings readily available for freedom of information purposes, a cost would result. This cost is not anticipated to be significant.

### **OLR Analysis**

The bill requires local land use agencies to electronically record each of their meetings.

### **COMMENT**

#### ***Appeals from Municipal Ethics Agencies' Decisions***

The bill permits a person to appeal to the State Ethics Commission if (1) a local ethics agency fails to make a final determination on an allegation of unethical conduct within 90 days or (2) a municipality or special district fails to designate or establish an ethics agency by July 1, 2006. However, it is unclear what, if any, authority the gives the commission to remedy these problems. Under the bill, the commission can sustain the appeal and "substitute" its own determination or remand the matter for further proceedings. If there has been no determination, it is unclear what authority "substitution" gives the commission. Additionally, the need for further proceedings is unclear. Lastly, if there is no ethics agency it is unclear to whom the matter would be remanded.

### **COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 20      Nay 0