



# House of Representatives

General Assembly

**File No. 465**

February Session, 2006

Substitute House Bill No. 5610

*House of Representatives, April 10, 2006*

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 REVISIONS TO THE COMPREHENSIVE CAMPAIGN FINANCE LAWS.**

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

1 Section 1. Subsection (a) of section 9-704 of the 2006 supplement to  
2 the general statutes is repealed and the following is substituted in lieu  
3 thereof (*Effective December 31, 2006, and applicable to elections held on or*  
4 *after said date*):

5 (a) The amount of qualifying contributions that the candidate  
6 committee of a candidate shall be required to receive in order to be  
7 eligible for grants from the Citizens' Election Fund shall be:

8 (1) In the case of a candidate for nomination or election to the office  
9 of Governor, contributions from individuals in the aggregate amount  
10 of two hundred fifty thousand dollars, of which two hundred twenty-  
11 five thousand dollars or more is contributed by [individuals residing  
12 in] electors of the state. The provisions of this subdivision shall be

13 subject to the following: (A) The candidate committee shall return the  
14 portion of any contribution or contributions from any individual,  
15 including said candidate, that exceeds one hundred dollars, and such  
16 excess portion shall not be considered in calculating such amounts,  
17 and (B) all contributions received by (i) an exploratory committee  
18 established by said candidate, or (ii) an exploratory committee or  
19 candidate committee of a candidate for the office of Lieutenant  
20 Governor who is deemed to be jointly campaigning with a candidate  
21 for nomination or election to the office of Governor under subsection  
22 (a) of section 9-709, which meet the criteria for qualifying contributions  
23 to candidate committees under this section shall be considered in  
24 calculating such amounts; and

25 (2) In the case of a candidate for nomination or election to the office  
26 of Lieutenant Governor, Attorney General, State Comptroller, State  
27 Treasurer or Secretary of the State, contributions from individuals in  
28 the aggregate amount of seventy-five thousand dollars, of which sixty-  
29 seven thousand five hundred dollars or more is contributed by  
30 [individuals residing in] electors of the state. The provisions of this  
31 subdivision shall be subject to the following: (A) The candidate  
32 committee shall return the portion of any contribution or contributions  
33 from any individual, including said candidate, that exceeds one  
34 hundred dollars, and such excess portion shall not be considered in  
35 calculating such amounts, and (B) all contributions received by an  
36 exploratory committee established by said candidate that meet the  
37 criteria for qualifying contributions to candidate committees under this  
38 section shall be considered in calculating such amounts.

39 (3) In the case of a candidate for nomination or election to the office  
40 of state senator for a district, contributions from individuals in the  
41 aggregate amount of fifteen thousand dollars, including contributions  
42 from at least three hundred [individuals residing in municipalities]  
43 electors of any municipality included, in whole or in part, in said  
44 district. The provisions of this subdivision shall be subject to the  
45 following: (A) The candidate committee shall return the portion of any  
46 contribution or contributions from any individual, including said

47 candidate, that exceeds one hundred dollars, and such excess portion  
48 shall not be considered in calculating the aggregate contribution  
49 amount under this subdivision, (B) no contribution shall be counted  
50 for the purposes of the requirement under this subdivision for  
51 contributions from at least three hundred [individuals residing in  
52 municipalities] electors of any municipality included, in whole or in  
53 part, in the district unless the contribution is five dollars or more, and  
54 (C) all contributions received by an exploratory committee established  
55 by said candidate that meet the criteria for qualifying contributions to  
56 candidate committees under this section shall be considered in  
57 calculating the aggregate contribution amount under this subdivision  
58 and all such exploratory committee contributions that also meet the  
59 requirement under this subdivision for contributions from at least  
60 three hundred [individuals residing in municipalities] electors of any  
61 municipality included, in whole or in part, in the district shall be  
62 counted for the purposes of said requirement.

63 (4) In the case of a candidate for nomination or election to the office  
64 of state representative for a district, contributions from individuals in  
65 the aggregate amount of five thousand dollars, including contributions  
66 from at least one hundred fifty [individuals residing in municipalities]  
67 electors of any municipality included, in whole or in part, in said  
68 district. The provisions of this subdivision shall be subject to the  
69 following: (A) The candidate committee shall return the portion of any  
70 contribution or contributions from any individual, including said  
71 candidate, that exceeds one hundred dollars, and such excess portion  
72 shall not be considered in calculating the aggregate contribution  
73 amount under this subdivision, (B) no contribution shall be counted  
74 for the purposes of the requirement under this subdivision for  
75 contributions from at least one hundred fifty [individuals residing in  
76 municipalities] electors of any municipality included, in whole or in  
77 part, in the district unless the contribution is five dollars or more, and  
78 (C) all contributions received by an exploratory committee established  
79 by said candidate that meet the criteria for qualifying contributions to  
80 candidate committees under this section shall be considered in  
81 calculating the aggregate contribution amount under this subdivision

82 and all such exploratory committee contributions that also meet the  
83 requirement under this subdivision for contributions from at least one  
84 hundred fifty [individuals residing in municipalities] electors of any  
85 municipality included, in whole or in part, in the district shall be  
86 counted for the purposes of said requirement.

87 (5) Notwithstanding the provisions of subdivisions (3) and (4) of  
88 this subsection, in the case of a special election for the office of state  
89 senator or state representative for a district, (A) the aggregate amount  
90 of qualifying contributions that the candidate committee of a candidate  
91 for such office shall be required to receive in order to be eligible for a  
92 grant from the Citizens' Election Fund shall be seventy-five per cent or  
93 more of the corresponding amount required under the applicable said  
94 subdivision (3) or (4), and (B) the number of contributions required  
95 from [individuals residing in municipalities] electors of any  
96 municipality included, in whole or in part, in said district shall be  
97 seventy-five per cent or more of the corresponding number required  
98 under the applicable said subdivision (3) or (4).

99 Sec. 2. Section 9-705 of the 2006 supplement to the general statutes is  
100 repealed and the following is substituted in lieu thereof (*Effective*  
101 *December 31, 2006, and applicable to elections held on or after said date*):

102 (a) (1) The qualified candidate committee of a major party candidate  
103 for the office of Governor who has a primary for nomination to said  
104 office shall be eligible to receive a grant from the Citizens' Election  
105 Fund for the primary campaign in the amount of one million two  
106 hundred fifty thousand dollars, provided, in the case of a primary held  
107 in 2014, or thereafter, said amount shall be adjusted under subsection  
108 (d) of this section.

109 (2) The qualified candidate committee of a [major party] candidate  
110 for the office of Governor who has been nominated, or who has  
111 qualified to appear on the election ballot in accordance with the  
112 provisions of part III C of chapter 153, shall be eligible to receive a  
113 grant from the fund for the general election campaign in the amount of  
114 three million dollars, provided in the case of an election held in 2014,

115 or thereafter, said amount shall be adjusted under subsection (d) of  
116 this section.

117 (b) (1) The qualified candidate committee of a major party candidate  
118 for the office of Lieutenant Governor, Attorney General, State  
119 Comptroller, Secretary of the State or State Treasurer who has a  
120 primary for nomination to said office shall be eligible to receive a grant  
121 from the fund for the primary campaign in the amount of three  
122 hundred seventy-five thousand dollars, provided, in the case of a  
123 primary held in 2014, or thereafter, said amount shall be adjusted  
124 under subsection (d) of this section.

125 (2) The qualified candidate committee of a [major party] candidate  
126 for the office of Attorney General, State Comptroller, Secretary of the  
127 State or State Treasurer who has been nominated, or who has qualified  
128 to appear on the election ballot in accordance with the provisions of  
129 part III C of chapter 153, shall be eligible to receive a grant from the  
130 fund for the general election campaign in the amount of seven  
131 hundred fifty thousand dollars, provided in the case of an election  
132 held in 2014, or thereafter, said amount shall be adjusted under  
133 subsection (d) of this section.

134 (c) (1) [The] Notwithstanding the provisions of subsections (a) and  
135 (b) of this section, the qualified candidate committee of an eligible  
136 minor party candidate for the office of Governor, Lieutenant Governor,  
137 Attorney General, State Comptroller, Secretary of the State or State  
138 Treasurer shall be eligible to receive a grant from the fund for the  
139 general election campaign if either (A) the candidate of the same minor  
140 party for the same office at the last preceding regular election received  
141 at least [ten] three per cent of the whole number of votes cast for all  
142 candidates for said office at said election, or (B) said candidate's  
143 nominating petition has been signed by a number of qualified electors  
144 equal to at least three per cent of the whole number of electors on the  
145 active registry list for the state for the last preceding regular election.  
146 The amount of the grant shall be one-third of the amount of the  
147 general election campaign grant under subsection (a) or (b) of this

148 section for a [major party] candidate for the same office, provided [(A)]  
149 (i) if the candidate of the same minor party for the same office at the  
150 last preceding regular election received at least [fifteen] four per cent  
151 of the whole number of votes cast for all candidates for said office at  
152 said election, or said candidate's nominating petition has been signed  
153 by a number of qualified electors equal to at least four per cent of the  
154 whole number of electors on the active registry list for the state for the  
155 last preceding regular election, the amount of the grant shall be two-  
156 thirds of the amount of the general election campaign grant under  
157 subsection (a) or (b) of this section for a [major party] candidate for the  
158 same office, [(B)] (ii) if the candidate of the same minor party for the  
159 same office at the last preceding regular election received at least  
160 [twenty] five per cent of the whole number of votes cast for all  
161 candidates for said office at said election, or said candidate's  
162 nominating petition has been signed by a number of qualified electors  
163 equal to at least five per cent of the whole number of electors on the  
164 active registry list for the state for the last preceding regular election,  
165 the amount of the grant shall be the same as the amount of the general  
166 election campaign grant under subsection (a) or (b) of this section for a  
167 [major party] candidate for the same office, and [(C)] (iii) in the case of  
168 an election held in 2014, or thereafter, said amounts shall be adjusted  
169 under subsection (d) of this section.

170 (2) [The] Notwithstanding the provisions of subsections (a) and (b)  
171 of this section, the qualified candidate committee of an eligible  
172 petitioning party candidate for the office of Governor, Lieutenant  
173 Governor, Attorney General, State Comptroller, Secretary of the State  
174 or State Treasurer shall be eligible to receive a grant from the fund for  
175 the general election campaign if said candidate's nominating petition  
176 has been signed by a number of qualified electors equal to at least [ten]  
177 three per cent of the whole number of [votes cast for the same office]  
178 electors on the active registry list for the state at the last preceding  
179 regular election. The amount of the grant shall be one-third of the  
180 amount of the general election campaign grant under subsection (a) or  
181 (b) of this section for a [major party] candidate for the same office,  
182 provided (A) if said candidate's nominating petition has been signed

183 by a number of qualified electors equal to at least [fifteen] four per cent  
184 of the whole number of [votes cast for the same office] electors on the  
185 active registry list for the state at the last preceding regular election,  
186 the amount of the grant shall be two-thirds of the amount of the  
187 general election campaign grant under subsection (a) or (b) of this  
188 section for a [major party] candidate for the same office, (B) if said  
189 candidate's nominating petition has been signed by a number of  
190 qualified electors equal to at least [twenty] five per cent of the whole  
191 number of [votes cast for the same office] electors on the active registry  
192 list for the state at the last preceding regular election, the amount of the  
193 grant shall be the same as the amount of the general election campaign  
194 grant under subsection (a) or (b) of this section for a [major party]  
195 candidate for the same office, and (C) in the case of an election held in  
196 2014, or thereafter, said amounts shall be adjusted under subsection (d)  
197 of this section.

198 (d) For elections held in 2014, and thereafter, the amount of the  
199 grants in subsections (a), (b) and (c) of this section shall be adjusted by  
200 the State Elections Enforcement Commission not later than January 15,  
201 2014, and quadrennially thereafter, in accordance with any change in  
202 the consumer price index for all urban consumers as published by the  
203 United States Department of Labor, Bureau of Labor Statistics, during  
204 the period beginning on January 1, 2010, and ending on December  
205 thirty-first in the year preceding the year in which said adjustment is  
206 to be made.

207 (e) (1) The qualified candidate committee of a major party candidate  
208 for the office of state senator who has a primary for nomination to said  
209 office shall be eligible to receive a grant from the fund for the primary  
210 campaign in the amount of thirty-five thousand dollars, provided (A)  
211 if the percentage of the electors in the district served by said office who  
212 are enrolled in said major party exceeds the percentage of the electors  
213 in said district who are enrolled in another major party by at least  
214 twenty percentage points, the amount of said grant shall be seventy-  
215 five thousand dollars, and (B) in the case of a primary held in 2010, or  
216 thereafter, said amounts shall be adjusted under subsection (h) of this

217 section. For the purposes of subparagraph (A) of this subdivision, the  
218 number of enrolled members of a major party and the number of  
219 electors in a district shall be determined by the latest enrollment and  
220 voter registration records in the office of the Secretary of the State  
221 submitted in accordance with the provisions of section 9-65. The names  
222 of electors on the inactive registry list compiled under section 9-35  
223 shall not be counted for such purposes.

224 (2) The qualified candidate committee of a [major party] candidate  
225 for the office of state senator who has been nominated, or has qualified  
226 to appear on the election ballot in accordance with part III C of chapter  
227 153, shall be eligible to receive a grant from the fund for the general  
228 election campaign in the amount of eighty-five thousand dollars,  
229 provided in the case of an election held in 2010, or thereafter, said  
230 amount shall be adjusted under subsection (h) of this section.

231 (f) (1) The qualified candidate committee of a major party candidate  
232 for the office of state representative who has a primary for nomination  
233 to said office shall be eligible to receive a grant from the fund for the  
234 primary campaign in the amount of ten thousand dollars, provided (A)  
235 if the percentage of the electors in the district served by said office who  
236 are enrolled in said major party exceeds the percentage of the electors  
237 in said district who are enrolled in another major party by at least  
238 twenty percentage points, the amount of said grant shall be twenty-  
239 five thousand dollars, and (B) in the case of a primary held in 2010, or  
240 thereafter, said amounts shall be adjusted under subsection (h) of this  
241 section. For the purposes of subparagraph (A) of this subdivision, the  
242 number of enrolled members of a major party and the number of  
243 electors in a district shall be determined by the latest enrollment and  
244 voter registration records in the office of the Secretary of the State  
245 submitted in accordance with the provisions of section 9-65. The names  
246 of electors on the inactive registry list compiled under section 9-35  
247 shall not be counted for such purposes.

248 (2) The qualified candidate committee of a [major party] candidate  
249 for the office of state representative who has been nominated, or has

250 qualified to appear on the election ballot in accordance with part III C  
251 of chapter 153, shall be eligible to receive a grant from the fund for the  
252 general election campaign in the amount of twenty-five thousand  
253 dollars, provided in the case of an election held in 2010, or thereafter,  
254 said amount shall be adjusted under subsection (h) of this section.

255 (g) (1) [The] Notwithstanding the provisions of subsections (e) and  
256 (f) of this section, the qualified candidate committee of an eligible  
257 minor party candidate for the office of state senator or state  
258 representative shall be eligible to receive a grant from the fund for the  
259 general election campaign if either (A) the candidate of the same minor  
260 party for the same office at the last preceding regular election received  
261 at least [ten] three per cent of the whole number of votes cast for all  
262 candidates for said office at said election, or (B) said candidate's  
263 nominating petition has been signed by a number of qualified electors  
264 equal to at least three per cent of the whole number of electors on the  
265 active registry list for the senatorial or assembly district, as the case  
266 may be, for the last preceding regular election. The amount of the  
267 grant shall be one-third of the amount of the general election campaign  
268 grant under subsection (e) or (f) of this section for a [major party]  
269 candidate for the same office, provided [(A)] (i) if the candidate of the  
270 same minor party for the same office at the last preceding regular  
271 election received at least [fifteen] four per cent of the whole number of  
272 votes cast for all candidates for said office at said election, or said  
273 candidate's nominating petition has been signed by a number of  
274 qualified electors equal to at least four per cent of the whole number of  
275 electors on the active registry list for the senatorial or assembly district,  
276 as the case may be, for the last preceding regular election, the amount  
277 of the grant shall be two-thirds of the amount of the general election  
278 campaign grant under subsection (e) or (f) of this section for a [major  
279 party] candidate for the same office, [(B)] (ii) if the candidate of the  
280 same minor party for the same office at the last preceding regular  
281 election received at least [twenty] five per cent of the whole number of  
282 votes cast for all candidates for said office at said election, or said  
283 candidate's nominating petition has been signed by a number of  
284 qualified electors equal to at least five per cent of the whole number of

285 electors on the active registry list for the senatorial or assembly district,  
286 as the case may be, for the last preceding regular election, the amount  
287 of the grant shall be the same as the amount of the general election  
288 campaign grant under subsection (e) or (f) of this section for a [major  
289 party] candidate for the same office, and [(C)] (iii) in the case of an  
290 election held in 2010, or thereafter, said amounts shall be adjusted  
291 under subsection (h) of this section.

292 (2) [The] Notwithstanding the provisions of subsections (e) and (f)  
293 of this section, the qualified candidate committee of an eligible  
294 petitioning party candidate for the office of state senator or state  
295 representative shall be eligible to receive a grant from the fund for the  
296 general election campaign if said candidate's nominating petition has  
297 been signed by a number of qualified electors equal to at least [ten]  
298 three per cent of the whole number of [votes cast for the same office]  
299 electors on the active registry list for the senatorial or assembly district,  
300 as the case may be, at the last preceding regular election. The amount  
301 of the grant shall be one-third of the amount of the general election  
302 campaign grant under subsection (e) or (f) of this section for a [major  
303 party] candidate for the same office, provided (A) if said candidate's  
304 nominating petition has been signed by a number of qualified electors  
305 equal to at least [fifteen] four per cent of the whole number of [votes  
306 cast for the same office] electors on the active registry list for the  
307 senatorial or assembly district, as the case may be, at the last preceding  
308 regular election, the amount of the grant shall be two-thirds of the  
309 amount of the general election campaign grant under subsection (e) or  
310 (f) of this section for a [major party] candidate for the same office, (B) if  
311 said candidate's nominating petition has been signed by a number of  
312 qualified electors equal to at least [twenty] five per cent of the whole  
313 number of [votes cast for the same office] electors on the active registry  
314 list for the senatorial or assembly district, as the case may be, at the last  
315 preceding regular election, the amount of the grant shall be the same  
316 as the amount of the general election campaign grant under subsection  
317 (e) or (f) of this section for a [major party] candidate for the same  
318 office, and (C) in the case of an election held in 2010, or thereafter, said  
319 amounts shall be adjusted under subsection (h) of this section.

320 (h) For elections held in 2010, and thereafter, the amount of the  
321 grants in subsections (e), (f) and (g) of this section shall be adjusted by  
322 the State Elections Enforcement Commission not later than January 15,  
323 2010, and biennially thereafter, in accordance with any change in the  
324 consumer price index for all urban consumers as published by the  
325 United States Department of Labor, Bureau of Labor Statistics, during  
326 the period beginning on January 1, 2008, and ending on December  
327 thirty-first in the year preceding the year in which said adjustment is  
328 to be made.

329 (i) Notwithstanding the provisions of subsections (e), (f) and (g) of  
330 this section, in the case of a special election for the office of state  
331 senator or state representative, the amount of the grant for a general  
332 election campaign shall be seventy-five per cent of the amount  
333 authorized under the applicable said subsection (e), (f) or (g).

334 (j) Notwithstanding the provisions of subsections (a) to (i), inclusive,  
335 of this section:

336 (1) The initial grant that a qualified candidate committee for a  
337 candidate is eligible to receive under subsections (a) to (i), inclusive, of  
338 this section shall be reduced by the amount of any personal funds that  
339 the candidate provides for the candidate's campaign for nomination or  
340 election pursuant to subsection (c) of section 9-710;

341 (2) If a participating candidate is nominated at a primary and does  
342 not expend the entire grant for the primary campaign authorized  
343 under subsection (a), (b), (e) or (f) of this section or all moneys that  
344 may be received for the primary campaign under section 9-713 or 9-  
345 714, the amount of the grant for the general election campaign shall be  
346 reduced by the total amount of any such unexpended primary  
347 campaign grant and moneys;

348 (3) If a participating candidate who is nominated for election does  
349 not have any opponent in the general election campaign, the amount  
350 of the general election campaign grant for which the qualified  
351 candidate committee for said candidate shall be eligible shall be thirty

352 per cent of the applicable amount set forth in subsections (a) to (i),  
353 inclusive; and

354 (4) If the only opponent or opponents of a participating candidate  
355 who is nominated for election to an office are eligible minor party  
356 candidates or eligible petitioning party candidates and no such eligible  
357 minor party candidate's or eligible petitioning party candidate's  
358 candidate committee has received a total amount of contributions of  
359 any type that is equal to or greater than the amount of the qualifying  
360 contributions that a candidate for such office is required to receive  
361 under section 9-704, as amended by this act, to be eligible for grants  
362 from the Citizens' Election Fund, the amount of the general election  
363 campaign grant for such participating candidate shall be sixty per cent  
364 of the applicable amount set forth in this section.

365 Sec. 3. Subdivisions (25) and (26) of section 9-333a of the 2006  
366 supplement to the general statutes are repealed and the following is  
367 substituted in lieu thereof (*Effective December 31, 2006, and applicable to*  
368 *elections held on or after said date*):

369 (25) "Organization expenditure" means an expenditure by a party  
370 committee, legislative caucus committee or legislative leadership  
371 committee for the benefit of a candidate or candidate committee for:

372 (A) The preparation, display or mailing or other distribution of a  
373 party candidate listing. As used in this subparagraph, "party candidate  
374 listing" means any communication that meets the following criteria: (i)  
375 The communication lists the name or names of candidates for election  
376 to public office, (ii) the communication is distributed through [public  
377 advertising such as broadcast stations, cable television, newspapers or  
378 similar media, or through direct mail,] telephone, electronic mail,  
379 publicly accessible sites on the Internet or personal delivery, (iii) the  
380 treatment of all candidates in the communication is substantially  
381 similar, and (iv) the content of the communication is limited to (I) for  
382 each such candidate, identifying information, including photographs,  
383 the office sought, the office currently held by the candidate, if any, the  
384 party enrollment of the candidate, a brief statement concerning the

385 candidate's positions, philosophy, goals, accomplishments or  
386 biography and the positions, philosophy, goals or accomplishments of  
387 the candidate's party, (II) encouragement to vote for each such  
388 candidate, and (III) information concerning voting, including voting  
389 hours and locations;

390 (B) A document in printed or electronic form, including a party  
391 platform, a copy of an issue paper, information pertaining to the  
392 requirements of this title, a list of registered voters and voter  
393 identification information, which document is created or maintained  
394 by a party committee, legislative caucus committee or legislative  
395 leadership committee for the general purposes of party or caucus  
396 building and is provided (i) to a candidate who is a member of the  
397 party that has established such party committee, or (ii) to a candidate  
398 who is a member of the party of the caucus or leader who has  
399 established such legislative caucus committee or legislative leadership  
400 committee, whichever is applicable;

401 (C) A campaign event at which a candidate or candidates are  
402 present, excluding costs of a fundraising event; or [;]

403 [(D) The retention of the services of an advisor to provide assistance  
404 relating to campaign organization, financing, accounting, strategy, law  
405 or media; or]

406 [(E)] (D) The use of offices, telephones, computers and similar  
407 equipment which does not result in additional cost to the party  
408 committee, legislative caucus committee or legislative leadership  
409 committee.

410 (26) "Solicit" means (A) requesting that a contribution be made, (B)  
411 participating in any fund-raising activities for a candidate committee,  
412 exploratory committee, political committee or party committee,  
413 including, but not limited to, forwarding tickets to potential  
414 contributors, receiving contributions for transmission to any such  
415 committee or bundling contributions, (C) serving as chairperson,  
416 campaign treasurer, deputy campaign treasurer or any other officer of

417 any such committee, or (D) establishing a political committee for the  
418 sole purpose of soliciting or receiving contributions for any committee.  
419 "Solicit" does not include (i) making a contribution that is otherwise  
420 permitted under this chapter, (ii) informing any person of a position  
421 taken by a candidate for public office or a public official, or (iii)  
422 notifying the person of [any activities of] campaign activities, other  
423 than fundraising, or contact information for, any candidate for public  
424 office.

425 Sec. 4. Subsection (b) of section 9-333b of the 2006 supplement to the  
426 general statutes is repealed and the following is substituted in lieu  
427 thereof (*Effective December 31, 2006, and applicable to elections held on or*  
428 *after said date*):

429 (b) As used in this chapter and sections 9-700 to 9-716, inclusive,  
430 "contribution" does not mean:

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

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

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

440 (4) Uncompensated services provided by individuals volunteering  
441 their time;

442 (5) The use of real or personal property, and the cost of invitations,  
443 food or beverages, voluntarily provided by an individual to a  
444 candidate or on behalf of a state central or town committee, in  
445 rendering voluntary personal services for candidate or party-related  
446 activities at the individual's residence, to the extent that the cumulative  
447 value of the invitations, food or beverages provided by the individual

448 on behalf of any single candidate does not exceed two hundred dollars  
449 with respect to any single election, and on behalf of all state central  
450 and town committees does not exceed four hundred dollars in any  
451 calendar year;

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

459 (7) Any unreimbursed payment for travel expenses made by an  
460 individual who on the individual's own behalf volunteers the  
461 individual's personal services to any single candidate to the extent the  
462 cumulative value does not exceed two hundred dollars with respect to  
463 any single election, and on behalf of all state central or town  
464 committees does not exceed four hundred dollars in a calendar year;

465 (8) The payment, by a party committee, political committee or an  
466 individual, of the costs of preparation, display, mailing or other  
467 distribution incurred by the committee or individual with respect to  
468 any printed slate card, sample ballot or other printed list containing  
469 the names of three or more candidates;

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

475 (10) [(A)] The purchase of advertising space which clearly identifies  
476 the purchaser, in a program for a fund-raising affair sponsored by the  
477 candidate committee of a candidate for an office of a municipality,  
478 provided the cumulative purchase of such space does not exceed two  
479 hundred fifty dollars from any single such candidate or the candidate's

480 committee with respect to any single election campaign if the  
481 purchaser is a business entity or fifty dollars for purchases by any  
482 other person;

483 [(B) The purchase of advertising space which clearly identifies the  
484 purchaser, in a program for a fund-raising affair sponsored by a town  
485 committee, provided the cumulative purchase of such space does not  
486 exceed two hundred fifty dollars from any single town committee in  
487 any calendar year if the purchaser is a business entity or fifty dollars  
488 for purchases by any other person. Notwithstanding the provisions of  
489 this subparagraph, the following may not purchase advertising space  
490 in a program for a fund-raising affair sponsored by a town committee:  
491 (i) A communicator lobbyist, (ii) a member of the immediate family of  
492 a communicator lobbyist, (iii) a state contractor, (iv) a prospective state  
493 contractor, or (v) a principal of a state contractor or prospective state  
494 contractor. As used in this subparagraph, "state contractor",  
495 "prospective state contractor" and "principal of a state contractor or  
496 prospective state contractor" have the same meanings as provided in  
497 subsection (g) of section 9-333n;]

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

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

504 (13) The advance of a security deposit by an individual to a  
505 telephone company, as defined in section 16-1, as amended, for  
506 telecommunications service for a committee, provided the security  
507 deposit is refunded to the individual;

508 (14) The provision of facilities, equipment, technical and managerial  
509 support, and broadcast time by a community antenna television  
510 company, as defined in section 16-1, as amended, for community  
511 access programming pursuant to section 16-331a, unless (A) the major

512 purpose of providing such facilities, equipment, support and time is to  
513 influence the nomination or election of a candidate, or (B) such  
514 facilities, equipment, support and time are provided on behalf of a  
515 political party;

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

520 (16) An organization expenditure by a party committee, legislative  
521 caucus committee or legislative leadership committee.

522 Sec. 5. Subdivision (1) of subsection (e) of section 9-333g of the 2006  
523 supplement to the general statutes is repealed and the following is  
524 substituted in lieu thereof (*Effective December 31, 2006, and applicable to*  
525 *elections held on and after said date*):

526 (e) (1) No [individual shall establish] elected public official or  
527 candidate, agent of an elected public official or candidate, or  
528 individual acting in consultation with, or at the request or suggestion  
529 of, any such public official, candidate or agent, shall establish, direct or  
530 control more than one political committee. The indicia of  
531 establishment, direction or control of a political committee by an  
532 [individual] elected official, candidate or agent includes the  
533 [individual] elected official, candidate or agent serving as chairperson,  
534 [or] campaign treasurer or deputy treasurer of the committee and may  
535 include, but shall not be limited to, the [individual] elected official,  
536 candidate or agent making the initial contribution to the committee or  
537 having significant influence in the decision-making of the committee.  
538 Such indicia shall not include (A) an [individual] elected official,  
539 candidate or agent communicating with (i) an officer of the political  
540 committee, or (ii) any [individual] elected official, candidate or agent  
541 establishing or controlling the political committee, or (B) the  
542 [individual] elected official, candidate or agent monitoring  
543 contributions made by the political committee. Any [individual who,  
544 on December 31, 2006, has established or controls] elected official,

545 candidate or agent who, on and after December 31, 2006, has  
546 established, directed or controlled more than one political committee  
547 shall, not later than thirty days after said date, disavow all but one of  
548 such committees, in writing, to the State Elections Enforcement  
549 Commission. The provisions of this subdivision shall not apply to the  
550 establishment of an exploratory committee by an elected public  
551 official.

552 Sec. 6. Subsection (c) of section 9-333j of the 2006 supplement to the  
553 general statutes is repealed and the following is substituted in lieu  
554 thereof (*Effective December 31, 2006, and applicable to elections held on or*  
555 *after said date*):

556 (c) (1) Each statement filed under subsection (a), (e) or (f) of this  
557 section shall include, but not be limited to: (A) An itemized accounting  
558 of each contribution, if any, including the full name and complete  
559 address of each contributor and the amount of the contribution; (B) in  
560 the case of anonymous contributions, the total amount received and  
561 the denomination of the bills; (C) an itemized accounting of each  
562 expenditure, if any, including the full name and complete address of  
563 each payee, including secondary payees whenever the primary or  
564 principal payee is known to include charges which the primary payee  
565 has already paid or will pay directly to another person, vendor or  
566 entity, the amount and the purpose of the expenditure, the candidate  
567 supported or opposed by the expenditure, whether the expenditure is  
568 made independently of the candidate supported or is an in-kind  
569 contribution to the candidate, and a statement of the balance on hand  
570 or deficit, as the case may be; (D) an itemized accounting of each  
571 expense incurred but not paid, provided if the expense is incurred by  
572 use of a credit card, the accounting shall include secondary payees,  
573 and the amount owed to each such payee; (E) the name and address of  
574 any person who is the guarantor of a loan to, or the cosigner of a note  
575 with, the candidate on whose behalf the committee was formed, or the  
576 campaign treasurer in the case of a party committee or a political  
577 committee or who has advanced a security deposit to a telephone  
578 company, as defined in section 16-1, as amended, for

579 telecommunications service for a committee; (F) for each business  
580 entity or person purchasing advertising space in a program for a fund-  
581 raising affair, the name and address of the business entity or the name  
582 and address of the person, and the amount and aggregate amounts of  
583 such purchases; (G) for each individual who contributes in excess of  
584 one hundred dollars but not more than one thousand dollars, in the  
585 aggregate, to the extent known, the principal occupation of such  
586 individual and the name of the individual's employer, if any; (H) for  
587 each individual who contributes in excess of one thousand dollars in  
588 the aggregate, the principal occupation of such individual, the name of  
589 the individual's employer, if any, and a statement indicating whether  
590 the individual or a business with which he is associated has a contract  
591 with the state which is valued at more than five thousand dollars; (I)  
592 [for each itemized contribution made by a lobbyist, the spouse of a  
593 lobbyist or any dependent child of a lobbyist who resides in the  
594 lobbyist's household, a statement to that effect; and (J)] for each  
595 individual who contributes in excess of four hundred dollars in the  
596 aggregate to or for the benefit of any candidate's campaign for  
597 nomination at a primary or election to the office of chief executive  
598 officer of a town, city or borough, a statement indicating whether the  
599 individual or a business with which he is associated has a contract  
600 with said municipality that is valued at more than five thousand  
601 dollars. Each campaign treasurer shall include in such statement (i) an  
602 itemized accounting of the receipts and expenditures relative to any  
603 testimonial affair held under the provisions of section 9-333k or any  
604 other fund-raising affair, which is referred to in subsection (b) of  
605 section 9-333b, as amended by this act, and (ii) the date, location and a  
606 description of the affair.

607 (2) Each contributor described in subparagraph (G), (H) [, (I) or (J)]  
608 or (I) of subdivision (1) of this subsection shall, at the time the  
609 contributor makes such a contribution, provide the information which  
610 the campaign treasurer is required to include under said subparagraph  
611 in the statement filed under subsection (a), (e) or (f) of this section.  
612 Notwithstanding any provision of subdivision (2) of section 9-7b, as  
613 amended, any contributor described in subparagraph (G) of

614 subdivision (1) of this subsection who does not provide such  
615 information at the time the contributor makes such a contribution and  
616 any treasurer shall not be subject to the provisions of subdivision (2) of  
617 section 9-7b, as amended. If a campaign treasurer receives a  
618 contribution from an individual which separately, or in the aggregate,  
619 is in excess of one thousand dollars and the contributor has not  
620 provided the information required by said subparagraph (H) or if a  
621 campaign treasurer receives a contribution from an individual to or for  
622 the benefit of any candidate's campaign for nomination at a primary or  
623 election to the office of chief executive officer of a town, city or  
624 borough, which separately, or in the aggregate, is in excess of four  
625 hundred dollars and the contributor has not provided the information  
626 required by said subparagraph [(J)] (I), the campaign treasurer: (i)  
627 Within three business days after receiving the contribution, shall send  
628 a request for such information to the contributor by certified mail,  
629 return receipt requested; (ii) shall not deposit the contribution until the  
630 campaign treasurer obtains such information from the contributor,  
631 notwithstanding the provisions of section 9-333h; and (iii) shall return  
632 the contribution to the contributor if the contributor does not provide  
633 the required information within fourteen days after the treasurer's  
634 written request or the end of the reporting period in which the  
635 contribution was received, whichever is later. Any failure of a  
636 contributor to provide the information which the campaign treasurer is  
637 required to include under said subparagraph (G), [or (I),] which results  
638 in noncompliance by the campaign treasurer with the provisions of  
639 said subparagraph (G), [or (I),] shall be a complete defense to any  
640 action against the campaign treasurer for failure to disclose such  
641 information.

642 (3) In addition to the requirements of subdivision (2) of this  
643 subsection, each contributor who makes a contribution that separately,  
644 or in the aggregate, exceeds one hundred dollars shall provide with  
645 the contribution a certification that the contributor is not a principal of  
646 a state contractor or prospective state contractor, as defined in  
647 subsection (g) of section 9-333n, as amended. If a campaign treasurer  
648 receives such a contribution and the contributor has not provided such

649 certification, the campaign treasurer shall: (A) Not later than three  
650 business days after receiving the contribution, send a request for the  
651 certification to the contributor by certified mail, return receipt  
652 requested; (B) not deposit the contribution until the campaign  
653 treasurer obtains the certification from the contributor,  
654 notwithstanding the provisions of section 9-333h; and (C) return the  
655 contribution to the contributor if the contributor does not provide the  
656 certification not later than fourteen days after the treasurer's written  
657 request or at the end of the reporting period in which the contribution  
658 was received, whichever is later. If a campaign treasurer deposits a  
659 contribution based on a certification that is later determined to be false  
660 and the campaign treasurer did not know and should not have known  
661 that the certification was false, the campaign treasurer's lack of  
662 knowledge of the false certification shall be a complete defense in any  
663 action against the campaign treasurer for depositing the contribution  
664 in violation of this subdivision.

665 (4) Contributions from a single individual to a campaign treasurer  
666 in the aggregate totaling fifty dollars or less need not be individually  
667 identified in the statement, but a sum representing the total amount of  
668 all such contributions made by all such individuals during the period  
669 to be covered by such statement shall be a separate entry, identified  
670 only by the words "total contributions from small contributors".

671 (5) Each statement filed by the campaign treasurer of a party  
672 committee, a legislative caucus committee or a legislative leadership  
673 committee shall include an itemized accounting of each organization  
674 expenditure made by the committee and the candidates supported by  
675 each such expenditure.

676 (6) Statements filed in accordance with this section shall remain  
677 public records of the state for five years from the date such statements  
678 are filed.

679 Sec. 7. Subdivision (1) of subsection (b) of section 9-333m of the 2006  
680 supplement to the general statutes is repealed and the following is  
681 substituted in lieu thereof (*Effective December 31, 2006, and applicable to*

682 *elections held on and after said date):*

683 (b) (1) No individual shall make a contribution or contributions to,  
684 or for the benefit of, an exploratory committee, in excess of three  
685 hundred seventy-five dollars, if the candidate establishing the  
686 exploratory committee certifies on the statement of organization for  
687 the exploratory committee pursuant to subsection (c) of section 9-333f,  
688 as amended, that the candidate will not be a candidate for the office of  
689 state representative or for a municipal office other than the chief  
690 executive officer. No individual shall make a contribution or  
691 contributions to, or for the benefit of, any exploratory committee, in  
692 excess of two hundred fifty dollars, if the candidate establishing the  
693 exploratory committee does not so certify.

694 Sec. 8. Subdivision (1) of subsection (e) of section 9-333n of the 2006  
695 supplement to the general statutes is repealed and the following is  
696 substituted in lieu thereof (*Effective December 31, 2006, and applicable to*  
697 *elections held on or after said date*):

698 (e) (1) Any individual [acting alone] may [, independent of any  
699 candidate, agent of the candidate, or committee,] make unlimited  
700 independent expenditures to promote the success or defeat of any  
701 candidate's campaign for election, or nomination at a primary, to any  
702 office or position. Except as provided in subdivision (2) of this  
703 subsection, any individual who makes an independent expenditure or  
704 expenditures in excess of one thousand dollars to promote the success  
705 or defeat of any candidate's campaign for election, or nomination at a  
706 primary, to any such office or position shall file statements according  
707 to the same schedule and in the same manner as is required of a  
708 campaign treasurer of a candidate committee under section 9-333j, as  
709 amended by this act.

710 Sec. 9. Subsection (a) of section 9-333o of the 2006 supplement to the  
711 general statutes is repealed and the following is substituted in lieu  
712 thereof (*Effective December 31, 2006, and applicable to elections held on and*  
713 *after said date*):

714 (a) No business entity shall make any contributions or expenditures  
715 to, or for the benefit of, any candidate's campaign for election to any  
716 public office or position subject to this chapter or for nomination at a  
717 primary for any such office or position, or to promote the defeat of any  
718 candidate for any such office or position. No business entity shall  
719 make any other contributions or expenditures to promote the success  
720 or defeat of any political party, except as provided in subsection (b) of  
721 this section. No business entity shall establish, direct or control more  
722 than one political committee. A political committee shall be deemed to  
723 have been established, directed or controlled by a business entity [if  
724 the initial disbursement or contribution to the committee is made  
725 under subsection (b) of this section or by an officer, director, owner,  
726 limited or general partner or holder of stock constituting five per cent  
727 or more of the total outstanding stock of any class of the business  
728 entity.] upon consideration of the following factors:

729 (1) Whether the officers, directors, owners, limited or general  
730 partners or holders of stock constituting five per cent or more of the  
731 total outstanding stock of any class of the business entity, or key  
732 management personnel of the business, have the authority or ability to  
733 direct or participate in the governance of the political committee  
734 through provisions of bylaws, contracts, or other rules, or through  
735 formal or informal practices or procedures;

736 (2) Whether the officers, directors, owners, limited or general  
737 partners or holders of stock constituting five per cent or more of the  
738 total outstanding stock of any class of the business entity, or key  
739 management personnel of the business entity, have the authority to  
740 hire, appoint or otherwise control the designation of the chairman or  
741 treasurer of the political committee;

742 (3) Whether the officers, directors, owners, limited or general  
743 partners or holders of stock constituting five per cent or more of the  
744 total outstanding stock of any class of the business entity, or key  
745 management personnel of the business entity, provide funds or goods  
746 in a significant amount or an ongoing basis to the political committee;

747 (4) Whether the officers, directors, owners, limited or general  
748 partners or holders of stock constituting five per cent or more of the  
749 total outstanding stock of any class of the business entity, or key  
750 management personnel of the business entity had an active or  
751 significant role in the formation of the political committee; and

752 (5) Whether there exists a payroll deduction or other system of  
753 soliciting and collecting contributions for the political committee from  
754 the officers, directors, owners, limited or general partners or holders of  
755 stock constituting five per cent or more of the total outstanding stock  
756 of any class of the business entity, or key management personnel of the  
757 business entity.

758 On or before February 1, 2007, the chairperson of a political committee  
759 established, directed or controlled by a business entity shall notify the  
760 commission in writing of the name of the business entity that has  
761 established, directed or controlled such political committee. The  
762 commission shall seek voluntary compliance with the prohibition in  
763 this subsection, provided a lack of such voluntary compliance on or  
764 after April 1, 2007, may result in the imposing of sanctions by the  
765 commission, as authorized by section 9-7b of the 2006 supplement to  
766 the general statutes.

767 Sec. 10. Subsection (a) of section 9-333p of the 2006 supplement to  
768 the general statutes is repealed and the following is substituted in lieu  
769 thereof (*Effective December 31, 2006, and applicable to elections held on or*  
770 *after said date*):

771 (a) An organization may make contributions or expenditures, other  
772 than those made to promote the success or defeat of a referendum  
773 question, only by first forming its own political committee. The  
774 political committee shall then be authorized to receive funds  
775 exclusively from the organization's treasury or from voluntary  
776 contributions made by its members, but not both, from another  
777 political committee or, from a candidate committee distributing a  
778 surplus and (1) to make contributions or expenditures to, or for the  
779 benefit of, a candidate's campaign or a political party, or (2) to make

780 contributions to another political committee. No organization shall  
781 [form] establish, direct or control more than one political committee. A  
782 political committee shall be deemed to have been established or is  
783 directed or controlled by an organization [if the initial contribution to  
784 the committee is made by the organization's treasury or an officer or  
785 director of the organization.] upon consideration of the following  
786 factors:

787 (A) Whether the organization's treasury is the funding source of the  
788 political committee;

789 (B) Whether the members of the same organization and their family  
790 members are the sole primary funding source of the political  
791 committee;

792 (C) Whether the officers, directors or other governing body, or  
793 members of the organization have the authority or ability to direct or  
794 participate in the governance of the political committee through  
795 provisions of bylaws, contracts, or other rules, or through formal or  
796 informal practices or procedures;

797 (D) Whether the officers, directors or other governing body of the  
798 organization have the authority to hire, appoint or otherwise control  
799 the designation of the chairperson or treasurer of the political  
800 committee; and

801 (E) Whether the officers, directors or other governing body of the  
802 organization had an active or significant role in the formation of the  
803 political committee.

804 On or before February 1, 2007, the chairman of a political committee  
805 established, directed or controlled by an organization shall notify the  
806 commission in writing of the name of the organization that has  
807 established, directed or controlled such political committee. The  
808 commission shall seek voluntary compliance with the prohibition in  
809 this subsection, provided on and after April 1, 2007, the commission  
810 may proceed to impose sanctions as authorized by section 9-7b of the

811 2006 supplement to the general statutes.

812 Sec. 11. Section 9-717 of the 2006 supplement to the general statutes  
813 is repealed and the following is substituted in lieu thereof (*Effective*  
814 *from passage*):

815 If a court of competent jurisdiction [prohibits or limits] holds any  
816 provision of sections 9-700 to 9-716 of the 2006 supplement to the  
817 general statutes unconstitutional and permanently enjoins the  
818 expenditure of funds from the Citizens' Election Fund established in  
819 section 9-701 for grants or moneys for candidate committees  
820 authorized under sections 9-700 to 9-716, inclusive, [for a period of  
821 seventy-two hours or more,] (1) sections 1-100b, 9-700 to 9-716,  
822 inclusive, 9-750, 9-751 and 9-760 and section 49 of public act 05-5 of the  
823 October 25 special session\* shall be inoperative and have no effect, and  
824 (2) (A) the amendments made to the provisions of the sections of the  
825 general statutes pursuant to public act 05-5 of the October 25 special  
826 session\*\* shall be inoperative, (B) the provisions of said sections of the  
827 general statutes, revision of 1958, revised to December 30, 2006, shall  
828 be effective, and (C) the provisions of subsections (g) to (j), inclusive, of  
829 section 9-333n shall not be implemented.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>December 31, 2006, and applicable to elections held on or after said date</i>	9-704(a)
Sec. 2	<i>December 31, 2006, and applicable to elections held on or after said date</i>	9-705
Sec. 3	<i>December 31, 2006, and applicable to elections held on or after said date</i>	9-333a(25) and (26)
Sec. 4	<i>December 31, 2006, and applicable to elections held on or after said date</i>	9-333b(b)

Sec. 5	<i>December 31, 2006, and applicable to elections held on and after said date</i>	9-333g(e)(1)
Sec. 6	<i>December 31, 2006, and applicable to elections held on or after said date</i>	9-333j(c)
Sec. 7	<i>December 31, 2006, and applicable to elections held on and after said date</i>	9-333m(b)(1)
Sec. 8	<i>December 31, 2006, and applicable to elections held on or after said date</i>	9-333n(e)(1)
Sec. 9	<i>December 31, 2006, and applicable to elections held on and after said date</i>	9-333o(a)
Sec. 10	<i>December 31, 2006, and applicable to elections held on or after said date</i>	9-333p(a)
Sec. 11	<i>from passage</i>	9-717

**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:

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$
Elect. Enforcement Com.(Citizens' Election Fund Account)	GF - Cost	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

This bill changes the eligibility requirements for minor and petitioning party candidates to qualify for public funds from the Citizens' Elections Fund account (CEF). Under current law, an eligible minor party candidate can receive a grant from the CEF for the general election only if the candidate for the same office representing the same minor party at the last preceding election received 10%, 15%, or 20% of the whole number of votes cast for that office. An eligible petitioning party candidate can receive a grant for the general election only if his petition has been signed by a number of qualified electors equal to 10%, 15%, or 20% of the number of votes cast for the same office at the last preceding regular election. The amount of the grant is 33%, 66%, or 100% of the grant for major party candidates respectively. This bill changes the aforementioned percentages to 3%, 4%, and 5% for minor and petitioning party candidates to qualify for public funds.

Utilizing the 2004 legislative races as a model, it is estimated that \$1.5 million in additional grant funds would be allocated to candidates. Of the candidates that ran for state representative that petitioned or represented a minor party, 9 received between 3% and 3.99%, 6 between 4% and 4.99%, and 23 received over 5% of the total votes cast. Of the candidates that ran for state senator that petitioned or represented a minor party, none received between 3% and 3.99%, 1

received between 4% and 4.99%, and 8 received over 5% of the total votes cast. In 2002, no minor party candidates running for statewide office received more than 2% of the total votes cast, therefore no additional grants would be extended.

This bill eliminates the trigger that currently provides that if any court issues a stay for as little as 72 hours of any payment from the CEF, the entire campaign finance reform law (PA 05-5) is rendered void and has no effect. In the event that the act is declared inoperative, the laws in effect prior to the act's passage would become effective.

Under the bill, PA 05-5 would only become inoperable if a court holds any of the program's provisions unconstitutional and permanently bars expenditures from the CEF. Any funds expended by the State Elections Enforcement Commission (SEEC) would be non recoverable if the act became inoperable. The CEF allocates \$2 million in FY 06 and \$1 million annually thereafter to the SEEC for the administration of the program.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****sHB 5610*****AN ACT CONCERNING REVISIONS TO THE COMPREHENSIVE CAMPAIGN FINANCE LAWS.*****SUMMARY:**

This bill revises certain provisions in the Citizens' Election Program and campaign finance laws. Specifically, it reduces the number of people from whom candidates who participate in the program can collect valid qualifying contributions. It makes it easier for minor party candidates to receive a grant from the Citizens' Election Fund (CEF), the program's funding source, when they meet the qualifying conditions. The bill changes the basis for determining the number of signatures a petitioning party candidate must collect to receive a grant. It subjects certain expenditures by legislative caucus, legislative leadership, and party committees to campaign finance limits and reporting. The bill sets more specific standards for determining whether a business or organization has established or controls a political committee (known as a PAC). Finally, it makes technical changes.

**§ 1 - QUALIFYING CONTRIBUTIONS**

The bill reduces the number of people from whom candidates can collect valid qualifying contributions. For statewide office candidates, the bill requires a certain amount to come from state electors only, rather than state residents. An "elector" is someone qualified, admitted, and entitled to vote (CGS § 9-1 (e)). For candidates for state senator and state representative, it requires a minimum number of contributions of at least \$5 to come from electors of any municipality included in whole or in part in their senate or assembly districts. Under current law, any individual residing in a municipality included in whole or in part in a legislative candidate's district may make such a

qualifying contribution.

## **§ 2 - GRANTS FOR MINOR AND PETITIONING PARTY CANDIDATES**

This bill (1) makes it easier for minor party candidates to receive a grant from the CEF if they meet the qualifying conditions and (2) changes the basis for determining the number of signatures a petitioning party candidate must collect to receive a grant.

### ***Minor Party Candidates***

For a minor party candidate, the bill lowers from 10% to 3% the percent of votes the candidate for the same office representing the same minor party at the last regular election must have received for him to be eligible to receive a grant equal to one-third of the full grant amount. Similarly, the bill lowers the threshold for receiving a two-thirds grant from 15% to 4% and a full grant from 20% to 5%. A “full grant” is the amount received by a major party candidate who is running against a major party candidate or a qualified minor or petitioning party candidate.

In addition, it allows a minor party candidate to qualify for funding through petitioning. Such a candidate can receive a one-third grant if he submits a petition signed by a number of qualified electors equal to at least 3% of the voters on the active registry list for the last regular election. He can receive a two-thirds grant if he submits a petition signed by a number of qualified electors equal to at least 4% of the voters on the active registry list at the last regular election and a full grant if he submits a petition signed by at least 5% of the same group.

### ***Petitioning Candidates***

For a petitioning candidate, the bill changes the basis for determining the number of signatures he must collect to qualify for a grant. Current law requires a petitioning candidate to collect a number of signatures based on the percent of the number of votes cast for the same office at the last regular election. The bill requires him to collect a number based on the percent of the number of electors on the active

registry list at the last regular election.

Under the bill, an eligible petitioning party candidate can receive a grant for the general election if his petition is signed by a number of qualified electors equal to 3% of those on the active registry list for the state at the last regular election. In that case, the grant is one-third of the full grant. If the petition is signed by a number of qualified electors equal to 4% of the electors on the active registry list for the state at the last regular election, the grant is two-thirds of the full grant. If it is signed by a number of qualified electors equal to 5% of electors on the active registry list for the state at the last election, the candidate is eligible for the full grant.

Under current law, an eligible petitioning party candidate can receive a grant for the general election only if his petition is signed by a number of qualified electors equal to 10% of the number of votes cast for the same office at the last regular election. In that case, the grant is one-third of the grant for major party candidates. If the petition is signed by a number of qualified electors equal to 15% of the number of votes cast for the same office at the last regular election, the grant is two-thirds of the grant for major party candidates. If it is signed by a number of qualified electors equal to 20% of the votes cast, the grant is the same.

### **§§ 3 & 6 - ORGANIZATION EXPENDITURES**

Under existing law, an organization expenditure is not considered a campaign finance expenditure, or contribution, and thus is not restricted to lawful committee purposes or subject to filing requirements. Organization expenditures are made by legislative caucus, legislative leadership, and party committees for the benefit of candidates and their committees.

The bill narrows the organization expenditure exemption by eliminating from the definition (1) party candidate listings distributed through public advertising such as broadcast stations, cable television, newspapers, or similar media, or through direct mail; (2) costs of a

fundraising event; and (3) advisor services relating to campaign organization, financing, accounting, strategy, law, or media. It thus makes these expenditures campaign finance expenditures for the entity paying for the service and campaign finance contributions for the recipient.

The bill requires each campaign finance statement filed by the treasurer of a legislative caucus, legislative leadership, or party committee to include a list of candidates supported by an organization expenditure. This is in addition to the itemized accounting of each organization expenditure required under current law.

#### **§ 4 - AD BOOKS**

The bill eliminates the ad book exemption for town committees, thus making such purchases subject to contribution prohibitions, limits, and reporting requirements. It leaves in place the contribution exemption for ad book purchases for municipal office candidate committees of up to \$250 by a business entity and up to \$50 by an individual.

#### **§§ 5, 7, 9, 10 - POLITICAL COMMITTEES**

##### ***Limit on PAC Formation***

Except for exploratory committees that public officials establish, current law prohibits an individual from establishing or controlling more than one PAC. The bill retains the exception for exploratory committees but narrows the prohibition to cover only (1) elected officials and candidates for public office; (2) their agents; and (3) individuals acting in consultation with, or at the request or suggestion of, any public official, candidate for public office, or his agent. It also prohibits directing, not just establishing or controlling, more than one PAC for those individuals.

By law, the indications that an individual established or controls a PAC must include his serving as the committee's chairperson or campaign treasurer and may also include, among other things, making the initial contribution. The bill adds (1) serving as the committee's

deputy treasurer to the list of automatic indicators and (2) having significant influence on the committee's decision-making to the list of other indicators.

### ***Municipal Candidates' Exploratory Committees***

The bill prohibits an individual from making a contribution of more than \$375 to a candidate's exploratory committee if the candidate certifies he will not run for a municipal office other than chief executive officer (see COMMENT). The prohibition currently applies only to candidates who certify they will not run for the office of state representative. By law, the individual contribution limit is \$250 for candidates for state representative and municipal offices other than mayor or first selectman.

### ***Business PACs***

By law, a business cannot establish more than one PAC. The bill makes a conforming change by limiting to one the number of PACs a business may direct or control, not just establish. It also changes the standards for determining whether a business has established, directs, or controls a PAC.

Under the bill, a business is considered to have established, directed, or controlled a PAC if the State Elections Enforcement Commission (SEEC) finds that the officers, directors, owners, limited or general partners or stockholders (with at least 5% of the total outstanding stock of any class), or key management personnel:

1. have the authority or ability to direct or participate in the governance of the political committee through provisions of bylaws, contracts, or other rules, or through formal or informal practices or procedures;
2. have the authority to hire, appoint, or otherwise control the designation of the PAC's chairman or treasurer;
3. provide funds or goods to the PAC in a significant amount or on an ongoing basis;

4. had an active or significant role in the PAC's formation; and
5. make contributions to the PAC through a payroll deduction or other solicitation system.

Under current law, a business is considered to have established a PAC if a business officer, director, owner, limited or general partner, or stockholder (with at least 5% of the total outstanding stock of any class) makes the initial disbursement or contribution.

The bill requires a business PAC's chairperson to notify the SEEC in writing by February 1, 2007, of the name of the business entity that established, directs, or controls the PAC. The SEEC must seek voluntary compliance with the provisions described above, but the bill allows it to impose sanctions for lack of voluntary compliance by April 1, 2007. Among other things, the SEEC may impose a civil penalty of up to \$2,000 per offense or twice the amount of any improper contribution.

### ***Labor PACs***

By law, an organization cannot establish more than one PAC. The bill makes a conforming change by limiting to one the number of PACs an organization may direct or control, not just establish. It also changes the standards for determining whether an organization has established, directs, or controls a PAC.

Under the bill, an organization is considered to have established, directed, or controlled a PAC if the SEEC finds that:

1. its treasury is the PAC's funding source;
2. the organization's members and families are the sole primary funding source;
3. the officers, directors, other governing body, or members have the authority or ability to direct or participate in the governance of the PAC through provisions of bylaws, contracts, or other rules, or through formal or informal practices or procedures;

4. the officers, directors, or other governing body have the authority to hire, appoint, or otherwise control the designation of the chairperson or treasurer; and
5. the officers, directors, or other governing body had an active or significant role in the PAC's formation.

The bill imposes the same notification and compliance requirements on labor PACs as it does on business PACs. It similarly requires the SEEC to seek voluntary compliance and allows it to impose the same sanctions for lack of compliance.

**§ 6 - LOBBYISTS' CAMPAIGN FINANCE STATEMENTS**

The bill eliminates the requirement that campaign finance statements contain an itemized accounting of contributions made by lobbyists, their spouses, or dependent children since by law, such individuals may contribute only to municipal candidates and referenda.

**§ 8 - INDEPENDENT EXPENDITURES**

The bill makes technical changes to independent expenditure reporting to make the language consistent with the statutory definition of "independent expenditure."

**§ 11 - SEVERABILITY CLAUSE**

The bill restricts the circumstances under which PA 05-5, October 25 Special Session, would become unenforceable. The act established Citizens' Election Program and changed contribution limits, among other things.

Under current law, the entire act becomes inoperative if a court prohibits or limits the expenditure of funds from the CEF for 72 hours or more. The bill eliminates the 72 hour trigger and makes the act inoperative only if a court (1) holds any of the program's provisions unconstitutional and (2) permanently bars expenditures from the fund. If a court declares the act inoperative, existing law and the bill both specify that the laws in effect prior to the act's passage become

effective.

## **BACKGROUND**

### ***Related Bills***

sSB 66, favorably reported by the Government Administration and Elections (GAE) Committee, restricts the circumstances under which PA 05-5, October 25 Special Session, would become unenforceable.

sSB 625, favorably reported by the GAE Committee, changes the criteria minor and petitioning party candidates must meet to qualify for general election grants from the CEF.

sHB 5064, favorably reported by the GAE Committee, permits minor or petitioning party candidates who receive grants in an amount less than those their major party counterparts receive to raise private contributions in addition to the qualifying contributions, subject to the same limitations and restrictions that exist for nonparticipating candidates for the same office.

sHB 5774, favorably reported by the GAE Committee, makes it easier for minor and petitioning candidates to receive a grant from the CEF if they meet the qualifying conditions.

## **COMMENT**

### ***Statements of Organization for Exploratory Committees***

While the bill changes § 9-333m (b) (1) to prohibit individuals from making contributions over \$375 to candidates who certify they will not be a candidate for municipal office other than chief executive officer, it does not make the corresponding change in § 9-333f (c). Under current law, § 9-333f (c) allows a candidate for state representative, but not for municipal office other than chief executive officer, to make such a certification.

## **COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 17 Nay 2 (03/22/2006)