



House of Representatives

General Assembly

File No. 665

January Session, 2009

Substitute House Bill No. 6663

House of Representatives, April 16, 2009

The Committee on Government Administration and Elections reported through REP. SPALLONE of the 36th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING REVISION OF CERTAIN CAMPAIGN FINANCE AND CITIZENS' ELECTION PROGRAM STATUTES.

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

1 Section 1. Subdivision (25) of section 9-601 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2009*):

4 (25) "Organization expenditure" means an expenditure by a party
5 committee, legislative caucus committee or legislative leadership
6 committee for the benefit of a candidate or candidate committee for:

7 (A) The preparation, display or mailing or other distribution of a
8 party candidate listing. As used in this subparagraph, "party candidate
9 listing" means any communication that meets the following criteria: (i)
10 The communication lists the name or names of candidates for election
11 to public office, (ii) the communication is distributed through public
12 advertising such as broadcast stations, cable television, newspapers or

13 similar media, or through direct mail, telephone, electronic mail,
14 publicly accessible sites on the Internet or personal delivery, (iii) the
15 treatment of all candidates in the communication is substantially
16 similar, and (iv) the content of the communication is limited to (I) for
17 each such candidate, identifying information, including photographs,
18 the office sought, the office currently held by the candidate, if any, the
19 party enrollment of the candidate, a brief statement concerning the
20 candidate's positions, philosophy, goals, accomplishments or
21 biography and the positions, philosophy, goals or accomplishments of
22 the candidate's party, (II) encouragement to vote for each such
23 candidate, and (III) information concerning voting, including voting
24 hours and locations;

25 (B) A document in printed or electronic form, including a party
26 platform, a copy of an issue paper, information pertaining to the
27 requirements of this title, a list of registered voters and voter
28 identification information, which document is created or maintained
29 by a party committee, legislative caucus committee or legislative
30 leadership committee for the general purposes of party or caucus
31 building and is provided (i) to a candidate who is a member of the
32 party that has established such party committee, or (ii) to a candidate
33 who is a member of the party of the caucus or leader who has
34 established such legislative caucus committee or legislative leadership
35 committee, whichever is applicable;

36 (C) A campaign event at which a candidate or candidates are
37 present;

38 (D) The retention of the services of an advisor to provide assistance
39 relating to campaign organization, financing, accounting, strategy, law
40 or media; or

41 (E) The use of offices, telephones, computers and similar equipment,
42 [which does not result in additional cost to the party committee,
43 legislative caucus committee or legislative leadership committee.]
44 "Organization expenditure" does not include de minimis activities,
45 including, but not limited to, (i) the sending of electronic mail or

46 messages, from a person's personal computer or cellular telephone
47 when compensation is not remitted to such person for the sending of
48 such electronic mail or messages, or (ii) the posting or display of a
49 candidate committee's name or party candidate listing at a town fair.

50 Sec. 2. Subsection (b) of section 9-601a of the general statutes is
51 repealed and the following is substituted in lieu thereof (*Effective July*
52 *1, 2009*):

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

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

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

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

64 (4) Uncompensated services provided by individuals volunteering
65 their time;

66 (5) The use of real or personal property, and the cost of invitations,
67 food or beverages, voluntarily provided by an individual to a
68 candidate or on behalf of a state central or town committee, in
69 rendering voluntary personal services for candidate or party-related
70 activities at the individual's residence, to the extent that the cumulative
71 value of the invitations, food or beverages provided by the individual
72 on behalf of any single candidate does not exceed [two] four hundred
73 dollars with respect to any single election, and on behalf of all state
74 central and town committees does not exceed four hundred dollars in
75 any calendar year;

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

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

89 (8) The payment, by a party committee, political committee or an
90 individual, of the costs of preparation, display, mailing or other
91 distribution incurred by the committee or individual with respect to
92 any printed slate card, sample ballot or other printed list containing
93 the names of three or more candidates;

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

99 (10) (A) The purchase of advertising space which clearly identifies
100 the purchaser, in a program for a fund-raising affair sponsored by the
101 candidate committee of a candidate for an office of a municipality,
102 provided the cumulative purchase of such space does not exceed two
103 hundred fifty dollars from any single such candidate or the candidate's
104 committee with respect to any single election campaign if the
105 purchaser is a business entity or fifty dollars for purchases by any
106 other person;

107 (B) The purchase of advertising space which clearly identifies the

108 purchaser, in a program for a fund-raising affair or on signs at a fund-
109 raising affair, sponsored by a town committee, provided the
110 cumulative purchase of such space does not exceed two hundred fifty
111 dollars from any single town committee in any calendar year if the
112 purchaser is a business entity or fifty dollars for purchases by any
113 other person. Notwithstanding the provisions of this subparagraph,
114 the following may not purchase advertising space in a program for a
115 fund-raising affair sponsored by a town committee: (i) A
116 communicator lobbyist, (ii) a member of the immediate family of a
117 communicator lobbyist, (iii) a state contractor, (iv) a prospective state
118 contractor, or (v) a principal of a state contractor or prospective state
119 contractor. As used in this subparagraph, "state contractor",
120 "prospective state contractor" and "principal of a state contractor or
121 prospective state contractor" have the same meanings as provided in
122 subsection (g) of section 9-612;

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

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

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

133 (14) The provision of facilities, equipment, technical and managerial
134 support, and broadcast time by a community antenna television
135 company, as defined in section 16-1, for community access
136 programming pursuant to section 16-331a, unless (A) the major
137 purpose of providing such facilities, equipment, support and time is to
138 influence the nomination or election of a candidate, or (B) such
139 facilities, equipment, support and time are provided on behalf of a
140 political party;

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

145 (16) An organization expenditure by a party committee, legislative
146 caucus committee or legislative leadership committee;

147 (17) The use of personal property or a service that is customarily
148 attendant to the occupancy of a residential dwelling, provided the
149 value of such personal property or service does not exceed one
150 hundred dollars; or

151 (18) The donation of an item of personal property in the possession
152 of a candidate committee that is customarily used for campaign
153 purposes, provided the fair market value of such item of personal
154 property does not exceed twenty dollars.

155 Sec. 3. Subsection (c) of section 9-608 of the general statutes is
156 repealed and the following is substituted in lieu thereof (*Effective July*
157 *1, 2009*):

158 (c) (1) Each statement filed under subsection (a), (e) or (f) of this
159 section shall include, but not be limited to: (A) An itemized accounting
160 of each contribution, if any, including the full name and complete
161 address of each contributor and the amount of the contribution; (B) in
162 the case of anonymous contributions, the total amount received and
163 the denomination of the bills; (C) an itemized accounting of each
164 expenditure, if any, including the full name and complete address of
165 each payee, including secondary payees whenever the primary or
166 principal payee is known to include charges which the primary payee
167 has already paid or will pay directly to another person, vendor or
168 entity, the amount and the purpose of the expenditure, the candidate
169 supported or opposed by the expenditure, whether the expenditure is
170 made independently of the candidate supported or is an in-kind
171 contribution to the candidate, and a statement of the balance on hand
172 or deficit, as the case may be; (D) an itemized accounting of each

173 expense incurred but not paid, provided if the expense is incurred by
174 use of a credit card, the accounting shall include secondary payees,
175 and the amount owed to each such payee; (E) the name and address of
176 any person who is the guarantor of a loan to, or the cosigner of a note
177 with, the candidate on whose behalf the committee was formed, or the
178 campaign treasurer in the case of a party committee or a political
179 committee or who has advanced a security deposit to a telephone
180 company, as defined in section 16-1, for telecommunications service
181 for a committee; (F) for each business entity or person purchasing
182 advertising space in a program for a fund-raising affair, the name and
183 address of the business entity or the name and address of the person,
184 and the amount and aggregate amounts of such purchases; (G) for
185 each individual who contributes in excess of one hundred dollars but
186 not more than one thousand dollars, in the aggregate, to the extent
187 known, the principal occupation of such individual and the name of
188 the individual's employer, if any; (H) for each individual who
189 contributes in excess of one thousand dollars in the aggregate, the
190 principal occupation of such individual, the name of the individual's
191 employer, if any; (I) for each itemized contribution made by a lobbyist,
192 the spouse of a lobbyist or any dependent child of a lobbyist who
193 resides in the lobbyist's household, a statement to that effect; and (J) for
194 each individual who contributes in excess of four hundred dollars in
195 the aggregate to or for the benefit of any candidate's campaign for
196 nomination at a primary or election to the office of chief executive
197 officer of a town, city or borough, a statement indicating whether the
198 individual or a business with which he is associated has a contract
199 with said municipality that is valued at more than five thousand
200 dollars. Each campaign treasurer shall include in such statement (i) an
201 itemized accounting of the receipts and expenditures relative to any
202 testimonial affair held under the provisions of section 9-609 or any
203 other fund-raising affair, which is referred to in subsection (b) of
204 section 9-601a, as amended by this act, and (ii) the date, location and a
205 description of the affair.

206 (2) Each contributor described in subparagraph (G), (H), (I) or (J) of
207 subdivision (1) of this subsection shall, at the time the contributor

208 makes such a contribution, provide the information which the
209 campaign treasurer is required to include under said subparagraph in
210 the statement filed under subsection (a), (e) or (f) of this section.
211 Notwithstanding any provision of subdivision (2) of section 9-7b, any
212 contributor described in subparagraph (G) of subdivision (1) of this
213 subsection who does not provide such information at the time the
214 contributor makes such a contribution and any treasurer shall not be
215 subject to the provisions of subdivision (2) of section 9-7b. If a
216 campaign treasurer receives a contribution from an individual which
217 separately, or in the aggregate, is in excess of one thousand dollars and
218 the contributor has not provided the information required by said
219 subparagraph (H) or if a campaign treasurer receives a contribution
220 from an individual to or for the benefit of any candidate's campaign
221 for nomination at a primary or election to the office of chief executive
222 officer of a town, city or borough, which separately, or in the
223 aggregate, is in excess of four hundred dollars and the contributor has
224 not provided the information required by said subparagraph (J), the
225 campaign treasurer: (i) Within three business days after receiving the
226 contribution, shall send a request for such information to the
227 contributor by certified mail, return receipt requested; (ii) shall not
228 deposit the contribution until the campaign treasurer obtains such
229 information from the contributor, notwithstanding the provisions of
230 section 9-606; and (iii) shall return the contribution to the contributor if
231 the contributor does not provide the required information within
232 fourteen days after the treasurer's written request or the end of the
233 reporting period in which the contribution was received, whichever is
234 later. Any failure of a contributor to provide the information which the
235 campaign treasurer is required to include under said subparagraph (G)
236 or (I), which results in noncompliance by the campaign treasurer with
237 the provisions of said subparagraph (G) or (I), shall be a complete
238 defense to any action against the campaign treasurer for failure to
239 disclose such information.

240 (3) In addition to the requirements of subdivision (2) of this
241 subsection, each contributor who makes a contribution to a candidate
242 or exploratory committee for Governor, Lieutenant Governor,

243 Attorney General, State Comptroller, Secretary of the State, State
244 Treasurer, state senator or state representative, any political committee
245 authorized to make contributions to such candidates or committees,
246 and any party committee that separately, or in the aggregate, exceeds
247 fifty dollars shall provide with the contribution a certification that the
248 contributor is not a principal of a state contractor or prospective state
249 contractor, as defined in subsection (g) of section 9-612, nor a
250 communicator lobbyist or a member of the immediate family of a
251 communicator lobbyist and shall provide the name of the employer of
252 the contributor. The State Elections Enforcement Commission shall
253 prepare a sample form for such certification by the contributor and
254 shall make it available to campaign treasurers and contributors. Such
255 sample form shall include an explanation of the terms "communicator
256 lobbyist" and "principal of a state contractor or principal of a
257 prospective state contractor". The information on such sample form
258 shall be included in any written solicitation conducted by any such
259 committee. If a campaign treasurer receives such a contribution and
260 the contributor has not provided such certification, the campaign
261 treasurer shall: (A) Not later than three business days after receiving
262 the contribution, send a request for the certification to the contributor
263 by certified mail, return receipt requested; (B) not deposit the
264 contribution until the campaign treasurer obtains the certification from
265 the contributor, notwithstanding the provisions of section 9-606; and
266 (C) return the contribution to the contributor if the contributor does
267 not provide the certification not later than fourteen days after the
268 treasurer's written request or at the end of the reporting period in
269 which the contribution was received, whichever is later. If a campaign
270 treasurer deposits a contribution based on a certification that is later
271 determined to be false, the treasurer shall not be in violation of this
272 subdivision.

273 (4) Contributions from a single individual to a campaign treasurer
274 in the aggregate totaling fifty dollars or less need not be individually
275 identified in the statement, but a sum representing the total amount of
276 all such contributions made by all such individuals during the period
277 to be covered by such statement shall be a separate entry, identified

278 only by the words "total contributions from small contributors".

279 (5) Each statement filed by the campaign treasurer of a party
280 committee, a legislative caucus committee or a legislative leadership
281 committee shall include an itemized accounting of each organization
282 expenditure made by the committee. Concomitant with the filing of
283 any such statement containing an accounting of an organization
284 expenditure made by the committee for the benefit of a participating
285 candidate for the office of state senator or state representative, such
286 campaign treasurer shall provide notice of the amount and purpose of
287 the organization expenditure to the candidate committee of such
288 candidate.

289 [(6) In addition to the other applicable requirements of this section,
290 the campaign treasurer of a candidate committee of a participating
291 candidate for the office of state senator or state representative who has
292 received the benefit of any organization expenditure shall, not later
293 than the time of dissolving such committee, file a statement with the
294 State Elections Enforcement Commission that lists, if known to such
295 candidate committee, the committee which made such organization
296 expenditure for such candidate's behalf and the amount and purpose
297 of such organization expenditure.]

298 [(7)] (6) Statements filed in accordance with this section shall remain
299 public records of the state for five years from the date such statements
300 are filed.

301 Sec. 4. Subsection (e) and (f) of section 9-705 of the general statutes
302 are repealed and the following is substituted in lieu thereof (*Effective*
303 *July 1, 2009*):

304 (e) (1) The qualified candidate committee of a major party candidate
305 for the office of state senator who has a primary for nomination to said
306 office shall be eligible to receive a grant from the fund for the primary
307 campaign in the amount of thirty-five thousand dollars, provided [(A)
308 if the percentage of the electors in the district served by said office who
309 are enrolled in said major party exceeds the percentage of the electors

310 in said district who are enrolled in another major party by at least
311 twenty percentage points, the amount of said grant shall be seventy-
312 five thousand dollars, and (B)] in the case of a primary held in 2010, or
313 thereafter, said [amounts] amount shall be adjusted under subsection
314 (h) of this section. [For the purposes of subparagraph (A) of this
315 subdivision, the number of enrolled members of a major party and the
316 number of electors in a district shall be determined by the latest
317 enrollment and voter registration records in the office of the Secretary
318 of the State submitted in accordance with the provisions of section 9-
319 65. The names of electors on the inactive registry list compiled under
320 section 9-35 shall not be counted for such purposes.]

321 (2) The qualified candidate committee of a candidate for the office of
322 state senator who has been nominated, or has qualified to appear on
323 the election ballot in accordance with subpart C of part III of chapter
324 153, shall be eligible to receive a grant from the fund for the general
325 election campaign in the amount of eighty-five thousand dollars,
326 provided in the case of an election held in 2010, or thereafter, said
327 amount shall be adjusted under subsection (h) of this section.

328 (f) (1) The qualified candidate committee of a major party candidate
329 for the office of state representative who has a primary for nomination
330 to said office shall be eligible to receive a grant from the fund for the
331 primary campaign in the amount of ten thousand dollars, provided
332 [(A) if the percentage of the electors in the district served by said office
333 who are enrolled in said major party exceeds the percentage of the
334 electors in said district who are enrolled in another major party by at
335 least twenty percentage points, the amount of said grant shall be
336 twenty-five thousand dollars, and (B)] in the case of a primary held in
337 2010, or thereafter, said [amounts] amount shall be adjusted under
338 subsection (h) of this section. [For the purposes of subparagraph (A) of
339 this subdivision, the number of enrolled members of a major party and
340 the number of electors in a district shall be determined by the latest
341 enrollment and voter registration records in the office of the Secretary
342 of the State submitted in accordance with the provisions of section 9-
343 65. The names of electors on the inactive registry list compiled under

344 section 9-35 shall not be counted for such purposes.]

345 (2) The qualified candidate committee of a candidate for the office of
346 state representative who has been nominated, or has qualified to
347 appear on the election ballot in accordance with subpart C of part III of
348 chapter 153, shall be eligible to receive a grant from the fund for the
349 general election campaign in the amount of twenty-five thousand
350 dollars, provided in the case of an election held in 2010, or thereafter,
351 said amount shall be adjusted under subsection (h) of this section.

352 Sec. 5. Subsection (d) of section 9-706 of the general statutes is
353 repealed and the following is substituted in lieu thereof (*Effective July*
354 *1, 2009*):

355 (d) In accordance with the provisions of subsection (g) of this
356 section, the commission shall review the application, determine
357 whether (1) the candidate committee for the applicant has received the
358 required qualifying contributions, (2) in the case of an application for a
359 grant from the fund for a primary campaign, the applicant has met the
360 applicable condition under subsection (a) of this section for applying
361 for such grant and complied with the provisions of subsections (b) and
362 (c) of this section, (3) in the case of an application for a grant from the
363 fund for a general election campaign, the applicant has met the
364 applicable condition under subsection (a) of this section for applying
365 for such moneys and complied with the provisions of subsections (b)
366 and (c) of this section, and (4) in the case of an application by a minor
367 party or petitioning party candidate for a grant from the fund for a
368 general election campaign, the applicant qualifies as an eligible minor
369 party candidate or an eligible petitioning party candidate, whichever is
370 applicable. If the commission approves an application, the commission
371 shall determine the amount of the grant payable to the candidate
372 committee for the applicant pursuant to section 9-705, as amended by
373 this act, from the fund, and notify the State Comptroller and the
374 candidate of such candidate committee, of such amount. If the timing
375 of the commission's approval of the grant in relation to the Secretary of
376 the State's determination of ballot status is such that the commission

377 cannot determine whether the qualified candidate committee is
378 entitled to the applicable full initial grant for the primary or election or
379 the applicable partial grant for the primary or election, as the case may
380 be, the commission shall approve the lesser applicable partial initial
381 grant. The commission shall then authorize the payment of the
382 remaining portion of the applicable grant after the commission has
383 knowledge of the circumstances regarding the ballot status of the
384 opposing candidates in such primary or election. Not later than two
385 business days following notification by the commission, the State
386 Comptroller shall draw an order on the State Treasurer for payment of
387 any such approved amount to the qualified candidate committee from
388 the fund. If the commission rejects an application for other than an
389 applicant's substantial noncompliance with the applicable
390 requirements and conditions for applying for either a grant from the
391 fund for a primary campaign or a grant from the fund for a general
392 election campaign, such applicant may, in accordance with the
393 schedule described in subsection (g) of this section, submit a reformed
394 application that corrects each defect of the rejected application, as
395 identified by the commission. The commission shall review any such
396 reformed application in the same manner as an application filed with
397 the commission for the first time.

398 Sec. 6. Subsection (g) of section 9-706 of the general statutes is
399 repealed and the following is substituted in lieu thereof (*Effective July*
400 *1, 2009*):

401 (g) (1) Any application submitted pursuant to this section for a
402 primary or general election shall be submitted in accordance with the
403 following schedule: (A) By five o'clock p.m. on the third Thursday in
404 May of the year that the primary or election will be held at which such
405 participating candidate will seek nomination or election, or (B) by five
406 o'clock p.m. on any subsequent Thursday of such year, provided no
407 application shall be accepted by the commission after five o'clock p.m.
408 on or after the fourth to last Friday prior to the primary or election at
409 which such participating candidate will seek nomination or election.
410 Not later than four business days following any such Thursday or

411 Friday, as applicable, or, in the event of a national, regional or local
412 emergency or local natural disaster, as soon thereafter as is practicable,
413 the commission shall review any application received by such
414 Thursday or Friday, in accordance with the provisions of subsection
415 (d) of this section, and determine whether such application shall be
416 approved or disapproved. The commission may continue the review of
417 an application for a period not to exceed one week. Whenever the
418 commission continues the review of an application, for reasons other
419 than missing documentation, the commission shall inform such
420 applicant of the reason for such continuation. In the event that the
421 review of an application is continued, without prejudice, until the next
422 meeting of the commission, the applicant may submit any missing or
423 incomplete information in support of such application not later than
424 five o'clock p.m. on the business day preceding such next meeting of
425 the commission. For any such application that is approved, any
426 disbursement of funds shall be made not later than twelve business
427 days prior to any such primary or general election. From the third
428 week of June in even-numbered years until the third week in July, the
429 commission shall meet twice weekly to determine whether or not to
430 approve applications for grants if there are pending grant applications.

431 (2) Notwithstanding the provisions of subdivision (1) of this
432 subsection, no application for a special election shall be accepted by
433 the commission after five o'clock p.m. on or after ten business days
434 prior to the special election at which such participating candidate will
435 seek election. Not later than three business days following such
436 deadline, or, in the event of a national, regional or local emergency or
437 local natural disaster, as soon thereafter as practicable, the commission
438 shall review any such application received by such deadline, in
439 accordance with the provisions of subsection (d) of this section, and
440 determine whether such application shall be approved or disapproved.
441 For any such application that is approved, any disbursement of funds
442 shall be made not later than seven business days prior to any such
443 special election.

444 (3) The commission shall publish such application review schedules

445 and meeting schedules on the commission's web site and with the
446 Secretary of the State.

447 Sec. 7. (NEW) (*Effective July 1, 2009*) Notwithstanding any provision
448 of the general statutes, after an election or primary, a candidate
449 committee may provide a meal or an event that acknowledges the
450 efforts of committee workers, provided such meal or event occurs not
451 later than fourteen days after the applicable election or primary day.

452 Sec. 8. (NEW) (*Effective July 1, 2009*) Notwithstanding any provision
453 of the general statutes, after an election, a candidate committee may
454 utilize remaining grant funds received under the Citizens' Election
455 Program for the purpose of making payment to a campaign treasurer
456 for services rendered to the candidate committee, provided such
457 payment does not exceed one thousand dollars.

458 Sec. 9. (NEW) (*Effective July 1, 2009*) Notwithstanding the provisions
459 of sections 9-601, as amended by this act, 9-601a, as amended by this
460 act, and 9-718 of the general statutes, any paid committee worker may
461 volunteer his or her services to a candidate committee, provided such
462 committee worker executes an affidavit indicating the number of
463 unpaid, volunteer hours that such committee worker will provide to
464 such candidate committee. Such committee worker shall give such
465 affidavit to the campaign treasurer who shall concomitantly file such
466 affidavit with the State Elections Enforcement Commission when such
467 treasurer files any requisite report under section 9-608 of the general
468 statutes, as amended by this act.

469 Sec. 10. (NEW) (*Effective July 1, 2009*) Notwithstanding any
470 provision of the general statutes, after an election, a candidate
471 committee may utilize remaining grant funds received under the
472 Citizens' Election Program for the purpose of complying with any
473 audit conducted by the State Elections Enforcement Commission
474 pursuant to subdivision (5) of subsection (a) of section 9-7b of the
475 general statutes.

476 Sec. 11. (NEW) (*Effective July 1, 2009*) Any investigation conducted

477 pursuant to section 9-7b of the general statutes by the State Elections
 478 Enforcement Commission that relates to the Citizens' Election Program
 479 shall be concluded not later than six months after the date such
 480 investigation commences. During such investigation, the commission
 481 shall provide the subject of any such investigation with monthly
 482 updates concerning the status of such investigation.

| | | |
|---|---------------------|------------------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>July 1, 2009</i> | 9-601(25) |
| Sec. 2 | <i>July 1, 2009</i> | 9-601a(b) |
| Sec. 3 | <i>July 1, 2009</i> | 9-608(c) |
| Sec. 4 | <i>July 1, 2009</i> | 9-705(e) and (f) |
| Sec. 5 | <i>July 1, 2009</i> | 9-706(d) |
| Sec. 6 | <i>July 1, 2009</i> | 9-706(g) |
| Sec. 7 | <i>July 1, 2009</i> | New section |
| Sec. 8 | <i>July 1, 2009</i> | New section |
| Sec. 9 | <i>July 1, 2009</i> | New section |
| Sec. 10 | <i>July 1, 2009</i> | New section |
| Sec. 11 | <i>July 1, 2009</i> | New section |

GAE *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 10 \$ | FY 11 \$ |
|-------------------------|--|-----------------|-----------------|
| Elect. Enforcement Com. | Citizens' Election Fund - Cost/Savings | See Below | See Below |

Municipal Impact: None

Explanation

The bill makes several changes to state election laws concerning campaign finance and the Citizens' Election Program (CEP). The State Elections Enforcement Commission (SEEC) would need up to four positions to handle the condensed timeframe responsibilities outlined in the bill. The bill eliminates the grant differential between primary grants for candidates in party-dominant districts and those in non-party-dominant districts. In 2008, eighteen house candidates and two senate candidates received the higher party-dominant primary grants totaling \$350,000, which will result in a significant savings to the Citizens' Election Fund (CEF) in future election cycles.

The bill authorizes the SEEC to continue an application review for up to one week. The SEEC is required to inform the candidate of the reason for the continuation and the applicant may submit missing or incomplete information by 5:00 p.m. the day preceding the next time the SEEC meets to consider applications. The SEEC would need additional account examiner positions (\$58,685, plus fringe benefits) in order to conduct an audit in less than one business day to ensure that the applications are in compliance with the CEP requirements.

The bill allows participating and non-participating candidates to

host a meal or an event for up to two weeks after the election; under current law the event must not be later than election day. This extension of time would allow candidates to spend down their remaining grant funds on an event. The bill also allows participating candidates who receive grant money from the CEF to use any remaining funds for post-election audits or to pay treasurers up to \$1,000 for their services. In 2008, approximately \$1 million was returned to the CEF in unused grant funds, this extension of time to host an event and treasurer bonus payments could significantly reduce future returns.

Lastly, the bill requires the SEEC to complete any post-election investigations concerning the CEP within six months, as well as provide the respondents with monthly status updates. The SEEC would need additional staff attorney positions (\$64,511, plus fringe benefits) in order to comply with these time constraints.

The Out Years

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

*Sources: Department of Administrative Services website
State Elections Enforcement Commission*

OLR Bill Analysis**sHB 6663*****AN ACT CONCERNING REVISION OF CERTAIN CAMPAIGN FINANCE AND CITIZENS' ELECTION PROGRAM STATUTES.*****SUMMARY:**

This bill changes state election laws on campaign finance and the Citizens' Election Program. Concerning campaign finance, it lifts the cap on one type of organization expenditure and also specifies that such expenditures do not include de minimus activities. It exempts certain items and services from the definition of contribution, including the purchase of advertising space on signs at a town committee's fundraising affair. It authorizes candidates to organize post-primary or -election meals or events for campaign workers up to 14 days later.

With respect to the Citizens' Election Program, the bill authorizes candidates who participate in the program (participating candidates) to submit corrected grant applications if the State Elections Enforcement Commission (SEEC) rejects them for other than "substantial noncompliance" with application requirements and conditions. It eliminates the grant differential between primary grants for candidates in party-dominant districts and those in non-party-dominant districts. It allows participating candidates who receive grant money from the Citizens' Election Fund to use any remaining funds for post-election audits or to pay treasurers up to \$1,000 for their services.

The bill allows the SEEC to continue reviewing a grant application for up to one week beyond its deadline and also requires it to complete any post-election investigation of the program within six months.

EFFECTIVE DATE: July 1, 2009

CAMPAIGN FINANCE***Organization Expenditures***

By law, organization expenditures are made by legislative caucus, legislative leadership, or party committees for the benefit of candidates and their committees. Organization expenditures are not considered campaign contributions and thus are not restricted to lawful committee purposes.

The bill lifts the cap on organization expenditures consisting of the use of offices, telephones, computers, or similar equipment by removing the restriction on using the equipment when it results in an additional cost to the legislative caucus, legislative leadership, or party committee. It thus allows candidates to use this equipment when the committee making the expenditure incurs a cost.

The bill also specifies that organization expenditures do not include de minimus activities such as (1) using the personal computer or cell phone of an individual or business to send an email or a message, respectively, without pay or (2) posting or displaying at a town fair a candidate committee's name or a party candidate listing (see BACKGROUND). However, these activities may still have value and be considered campaign finance contributions or expenditures.

The bill eliminates the requirement that campaign treasurers for participating legislative candidates file a statement with the SEEC listing any committee that made an organization expenditure on the candidate's behalf, including the amount of the expenditure and its purpose. It retains the requirement that treasurers for party committees and legislative caucus and leadership committees include with each campaign finance statement an itemized accounting of organization expenditures.

Campaign Contributions

The bill exempts certain items and services from the definition of "contribution," including:

1. up to \$100 in personal items or services that are customarily

associated with occupying a residence and

2. up to \$20 (fair market value) in donated personal property a candidate committee possesses.

The bill also exempts from the definition the purchase of advertising space on signs at a town committee's fundraising affair, provided they clearly identify the purchaser. Although the law prohibits communicator lobbyists and their families and state and prospective state contractors and their principals from (1) purchasing advertising sign space in advertising books at a town committee's fundraiser and (2) contributing to or soliciting on behalf of candidates, generally, the bill allows them to purchase advertising space on signs at fundraising affairs.

The bill raises, from \$200 to \$400, the individual exemption for costs associated with hosting a house party (i.e., cost of invitations, food, drinks, and using real and personal property). Under the bill, as under existing law, individuals may apply this exemption to each candidate for whom they host a house party during a single election or primary campaign. It applies as an aggregate total during a calendar year for house parties to benefit party committees.

Volunteer Services

The bill authorizes paid committee workers to also volunteer their time with a candidate committee. Under the bill, they must sign an affidavit indicating the number of unpaid hours they will serve and provide it to the campaign treasurer of the committee with which they will volunteer. The treasurer must file the affidavit with the SEEC when he or she files any required periodic campaign finance statement. Presumably, the bill applies to individuals who work for and are paid by any type of candidate, party, or political committee.

"Thank You" Parties

The bill authorizes participating and non-participating candidates to host a meal or an event after a primary or an election to acknowledge committee workers' efforts. The party must occur no later than 14 days

after the primary or election, whichever is applicable (see BACKGROUND).

The bill does not include a monetary limit for each worker nor does it define “event.” However, the law allows candidates to spend up to \$100 on gifts for each of their campaign or committee workers in a calendar year. Regulations specify that participating candidates may purchase meals for them as follows: up to \$15, \$20, or \$30 per person per occasion for breakfast, lunch, or dinner, respectively (including tax and gratuity for each meal).

CITIZENS’ ELECTION PROGRAM

Grant Applications

By law, the candidate and campaign treasurer must sign the grant application. The application must include certain written certifications and a cumulative itemized accounting of campaign finances.

The bill allows candidates to submit corrected primary or general election grant applications if the SEEC rejects them for other than “substantial noncompliance” with application requirements or conditions. The bill does not define this term.

It appears that candidates must submit these applications, correcting each of the defects the commission identifies, in accordance with the schedule specified by law. However, the law containing the schedule is amended by the bill and contains two different schedules. Thus, it is unclear when candidates must submit corrected applications. The SEEC must review any corrected application in the same manner as it reviews original applications.

The bill also authorizes the SEEC to continue an application review for up to one week. One reason for continuing a review is missing documentation, but the bill does not specify any others.

However, if the SEEC continues a review for a reason other than missing documentation, the commission must inform the candidate of the basis. If the review is continued without prejudice until the

commission's next meeting, the applicant may submit missing or incomplete information by 5:00 p.m. the day before the commission next meets to consider applications. The bill does not specify how the SEEC must treat a candidate who fails to provide the required additional information timely.

Grants for Primary Campaigns

The bill eliminates the differential in primary grants for major party legislative candidates based on whether they run in a party-dominant district (i.e., one in which a major party has at least 20% more enrolled voters in his or her district than another major party has, as determined by the latest enrollment and voter registration records of the secretary of the state).

It instead provides that all candidates receive the primary grant allowed by law for those in non-party-dominant districts: \$35,000 for state senator and \$10,000 for state representative. Currently, a major party candidate for state senator or state representative in a party-dominant district receives a \$75,000 or \$25,000 primary grant, respectively.

Investigations

The law authorizes the SEEC to investigate possible violations of election law. The bill requires the SEEC to complete any investigation within six months that it conducts of the Citizens' Election Program. The commission must provide monthly status updates to the subject of such an investigation. The bill does not specify consequences for noncompliance.

Post-Election Payments

The bill authorizes participating candidates who receive a grant from the Citizens' Election Fund to use any remaining funds after an election to make a payment to their campaign treasurer of up to \$1,000 for services rendered. By law, candidates may compensate without limitation (1) campaign and committee staff and (2) attorneys, accountants, consultants, or other professionals for services during a

campaign. However, the SEEC has advised that participating candidates may not use campaign funds for bonus payments for campaign staff or volunteers on or after an election (see “Post Election Fact Sheet – November 2008”).

By law, the commission may inspect or audit the accounts or records of candidates who participate in the Citizens’ Election Program. The bill allows participating candidates to use remaining grant funds after an election to comply with any audit the SEEC conducts. Presumably, this applies only to an audit of a candidate’s own committee.

BACKGROUND

Party Candidate Listing

A “party candidate listing” is any communication that (1) lists the names of one or more candidates; (2) is distributed through public advertising including broadcast stations, cable television, newspapers or similar media, direct mail, telephone, electronic mail, public Internet sites, or personal delivery; and (3) treats all candidates in a substantially similar way. The content must be limited to (1) the identification of each candidate, including photographs; (2) the offices sought; (3) the offices the candidates currently hold, if any; (4) the party and a brief statement about the party or the candidates’ positions, philosophy, goals, accomplishments, or biographies; (5) an encouragement to vote for the candidates; and (6) information about voting, such as voting hours and locations.

“Thank You” Parties

For the 2008 election, the SEEC prepared a fact sheet stipulating that post-election parties held by participating candidates must occur on Election Day. In accordance with regulation, the sheet provided that campaigns could not exceed the “per person per occasion” meal limit set by regulation (see “Election Day Parties – November 2008”).

Related Bills

sHB 6438, reported favorably by the Government Administration

and Elections Committee, exempts certain activities and donations from the definition of “contribution.”

sHB 6662, reported favorably by the Government Administration and Elections Committee, makes changes to the Citizens’ Election Program, including the timeframe for reviewing some grant applications.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 15 Nay 0 (03/30/2009)