



General Assembly

Amendment

January Session, 2009

LCO No. 7831

SB0095307831SR0

Offered by:

SEN. MCKINNEY, 28th Dist.

SEN. FASANO, 34th Dist.

SEN. RORABACK, 30th Dist.

To: Subst. Senate Bill No. 953

File No. 171

Cal. No. 180

"AN ACT CONCERNING HEDGE FUNDS."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Subsection (b) of section 1-83 of the general statutes is
4 repealed and the following is substituted in lieu thereof (*Effective from*
5 *passage*):

6 (b) (1) The statement of financial interests, except as provided in
7 subdivision (2) of this subsection, shall include the following
8 information for the preceding calendar year in regard to the individual
9 required to file the statement and the individual's spouse and
10 dependent children residing in the individual's household: (A) The
11 names of all businesses with which associated; (B) all sources of
12 income, including the name of each employer, with a description of
13 each source, in excess of one thousand dollars, without specifying
14 amounts of income; (C) the name of securities in excess of five

15 thousand dollars at fair market value owned by such individual,
16 spouse or dependent children or held in the name of a corporation,
17 partnership or trust for the benefit of such individual, spouse or
18 dependent children; (D) the existence of any known blind trust and the
19 names of the trustees; (E) all real property and its location, whether
20 owned by such individual, spouse or dependent children or held in the
21 name of a corporation, partnership or trust for the benefit of such
22 individual, spouse or dependent children; (F) the names and addresses
23 of creditors to whom the individual, the individual's spouse or
24 dependent children, individually, owed debts of more than ten
25 thousand dollars; (G) any leases or contracts with the state held or
26 entered into by the individual or a business with which he or she was
27 associated; [and] (H) a description of any partnership, joint ownership
28 or similar business affiliation between (i) a business included under
29 subparagraph (A) of this subdivision with which the individual filing
30 the statement, the individual's spouse or a dependent child of the
31 individual is associated, and (ii) a lobbyist, a person that the individual
32 filing the statement knows or has reason to know is doing business
33 with or seeking to do business with the state or is engaged in activities
34 that are directly regulated by the department or agency in which the
35 individual is employed, or a business with which such lobbyist or
36 person is associated; and (I) the name of any hedge fund, as defined in
37 section 2 of this act, in which the individual is an investor or with
38 which the individual has a business affiliation.

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

42 Sec. 502. (NEW) (*Effective from passage*) (a) In addition to its inherent
43 power as a branch of the legislature, the Connecticut state Senate has
44 the constitutional authority under the Constitution of the state, Article
45 III, Section 13, to punish members for disorderly conduct, and, with
46 the consent of two-thirds of its members, expel a member. While the
47 constitution does not specify the grounds for expulsion or other
48 disciplinary action, such grounds may include conduct that impugns

49 the integrity of the Senate, reflects adversely on the Senate or
50 otherwise undermines public confidence in the institution of the
51 Senate. Although the constitutional power to discipline members may
52 be exercised summarily, it is the sentiment of the Senate that
53 disciplinary action should ordinarily be imposed only after a full
54 investigation and opportunity for a hearing. For the public to have
55 confidence in the Senate, it must have confidence in its members as
56 well as its procedures and institutional mechanisms. The public
57 interest, the interests of accused members and the interests of the
58 Senate as an institution require that the extraordinary power to expel
59 or publicly discipline a member be exercised in a fair and consistent
60 manner.

61 (b) There is established a Bipartisan Senate Committee on Standards
62 of Official Conduct that shall consist of six members, appointed as
63 follows: Three majority caucus senators by the president pro tempore
64 of the Senate, and three minority caucus senators by the president pro
65 tempore of the Senate upon the recommendation of the Senate
66 minority leader. The president pro tempore of the Senate shall appoint
67 two cochairpersons of the committee, one of whom shall be appointed
68 upon the recommendation of the Senate minority leader. Such
69 appointments shall be made not later than ten days after the effective
70 date of this section.

71 (c) Said committee shall have cognizance of any official Senate
72 action in response to any misconduct by any member of the Senate.
73 "Misconduct" shall include any violation of state or federal election
74 laws, any violation of the state code of ethics, including, but not
75 limited to, a violation of the conflict of interest provision contained in
76 subsection (a) of section 1-84 of the general statutes, any misuse of
77 state property including the submission of a false claim for
78 compensation or reimbursement, any legal or ethical wrong or other
79 conduct that materially impairs the ability of the member to perform
80 the duties of his or her office, or any conduct that impugns the
81 integrity of the Senate or undermines public trust and confidence in
82 the Senate. Nothing in this rule shall be construed to affect the powers

83 and duties of the Office of State Ethics or the Citizen's Ethics Advisory
84 Board.

85 (d) A quorum, consisting of not less than two members of each
86 caucus, shall be required to conduct any official business of the
87 committee. All committee decisions shall require four affirmative
88 votes.

89 (e) Upon the complaint of any person, signed under penalty of false
90 statement, or upon its own complaint, the committee shall conduct a
91 preliminary investigation into claims of any misconduct by any
92 member of the Senate. Any committee member who is the subject of
93 such a complaint shall recuse himself or herself from any committee
94 action pertaining to such complaint. Such member shall be replaced,
95 for purposes of committee action on such complaint, in the same
96 manner in which such member was appointed.

97 (f) Any such preliminary investigation shall be confidential and not
98 subject to disclosure. Upon the conclusion of any preliminary
99 investigation, the committee shall vote to either (1) dismiss the
100 complaint, or (2) make a finding of probable cause that misconduct has
101 occurred. Upon a finding of probable cause by the committee, all
102 information relating to the preliminary investigation shall, to the
103 extent allowed by state and federal law, be made available to the
104 public.

105 (g) The committee shall undertake a full investigation only after a
106 finding of probable cause. All information relating to a full
107 investigation shall, to the extent allowed by state and federal law, be
108 made available to the public. All proceedings relating to a full
109 investigation shall be open to the public. Upon the completion of a full
110 investigation, the committee shall report its findings and
111 recommendation in the form of a resolution to be voted upon by the
112 Senate. Such recommendation shall include one of the following: (1)
113 Expulsion, (2) censure, (3) reprimand, or (4) no action. The full Senate
114 shall vote on any such resolution not later than ten days after the

115 committee reports out any such resolution.

116 (h) The subject of any such complaint or investigation may be
117 represented by counsel.

118 (i) Not later than ninety days after the effective date of this section,
119 the committee shall adopt rules and procedures to govern its
120 proceedings. Such proposed rules shall include, but not be limited to:
121 (1) Standards, rules and methodology for conducting preliminary and
122 full investigations, respectively, and (2) criteria for the making of a
123 recommendation of expulsion, censure, reprimand and no action,
124 respectively."