

Legislative Regulation Review Committee

2011-020a

Office of State Ethics

**DISCLOSURE & GIFTS TO THE STATE &
Lobbyist Badges**

STATE OF CONNECTICUT

OFFICE OF STATE ETHICS

PROPOSED AMENDMENTS TO AGENCY REGULATIONS

Section 1. Section 1-92-46a of the Regulations of Connecticut State Agencies is amended to read as follows:

Sec. 1-92-46a. Registrant must disclose persons contributing two thousand dollars or more

- (a) When the registrant is an association, group of persons or an organization [formed primarily for lobbying], pursuant to Subdivision (3) of Subsection (a) of Section 1-95 of the Connecticut General Statutes, it [must] shall disclose, on the registration form prescribed by the Office of State Ethics, [the name and address of any person contributing two thousand dollars or more to the registrant's lobbying activities in any calendar year.] the name and address of the principal officers and directors of such association, group of persons or organization.
- (b) When the registrant is formed primarily for the purpose of lobbying, pursuant to Subdivision (3) of Subsection (a) of Section 1-95 of the Connecticut General Statutes, it must disclose, on the registration form prescribed by the Office of State Ethics, the name and address of any person contributing two thousand dollars or more to the registrant's lobbying activities in any calendar year. Additional names and addresses must be reported as the threshold is met, either by amending the registration form as necessary, or by reporting the information in the fundamental terms section on the registrant's next financial report.
- (c) For the purposes of this section, the following words and terms shall be construed as follows:
- “Principal officers and directors” means each person who is directly or indirectly the beneficial owner of more than a 5% percent interest in the association, group of persons or organization. “Principal officers and directors” also includes:
- (1) Any officer or director who is responsible for the supervision and management of the daily business operations of the registrant.
 - (2) The president; any vice president in charge of a principal business unit, division or function; the secretary; the treasurer; any principal financial officer, comptroller or principal accounting officer; and any other person performing a principal policy-making function, with respect to the registrant.
 - (3) Any person directing the registrant, or any person chosen to control, govern, or manage the affairs of the registrant.
- (d) The word “primarily”, for purposes of Subdivision (3) of Subsection (a) of Section 1-95 of the Connecticut General Statutes, is construed according to its commonly understood meaning (i.e., chiefly, principally, or in the main.) For example, groups organized around a single issue or piece of legislation (e.g., abortion rights, income tax, Senate Bill No. 3000) would be considered “formed primarily for lobbying.” There shall be a presumption, when over half of a registrant’s expenses are used for lobbying or in furtherance of lobbying in any six month period, that the registrant is formed primarily for the purposes of lobbying.

Section 2. Section 1-92-52 of the Regulations of Connecticut State Agencies is amended to read as follows:

Sec. 1-92-52. Distinguishing badge

The distinguishing badge to be worn as provided by section 1-101 of the Connecticut General Statutes is a [blue and white] plastic badge, approximately two inches by three inches in size. The colors of the badge shall be as prescribed by the Office of State Ethics and may be changed no more than once every two years. It will be issued to an individual lobbyist when he or she registers. Replacement badges may be purchased for \$1.

Statement of Purpose 1-92-46a:

This proposed amendment mirrors the distinction made in the statutes between entities formed primarily for lobbying and associations, groups of persons or organizations. It also defines the term principal officers and directors as found in the statute. The definitions were obtained from the federal *Securities and Exchange Commission*. (General Rules and Regulations promulgated under the Securities Act of 1933).

The language in the proposal only extends to client lobbyists—as they may be associations, groups of persons or organizations, whereas communicator lobbyists must always be individuals. The proposal does not, in any way, expand reporting requirements. Rather, it clarifies for those who must list principal officers and directors who those persons are. The client registration forms ask whether an entity is incorporated or not. Incorporated entities are not required to provide the requested information because such information is already on file with the Secretary of State's office.

Statement of Purpose 1-92-52:

This proposed amendment does away with the requirement that lobbyist badges be blue and white and provides more flexibility to the Office of State Ethics which may change the color of lobbyist badges from biennium to biennium. This will avoid any circumvention of the registration requirements of the Code of Ethics for Lobbyists in that lobbyists may not re-use old badges, but rather, must re-register in order to obtain the new lobbyist badge with a new, identifying color.

Be it known that the foregoing:

are: Regulation(s) Emergency Regulations
 Adopted Amended as hereinabove stated Repealed

By the aforesaid agency pursuant to:

Section 1-92 (a) of the Connecticut General Statutes.

Section 4-168 of the General Statutes.

Public Act No of the Public Acts.

After publication in the Connecticut Law Journal on March 22, 2011 the notice of the proposal to:

Adopt Amend Repeal such regulations

(If applicable): And the holding of an advertised public hearing on N/A

WHEREFORE, the foregoing regulations are hereby:

Adopted Amended as hereinabove stated Repealed

Effective:

When filed with the Secretary of the State.

(OR)

The 29th day of Aug 2011.

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| In Witness Whereof: | Date | SIGNED (Head/Representative of Board, Agency or Commission) <i>Carol Carson</i> | OFFICIAL TITLE, DULY AUTHORIZED EXECUTIVE DIRECTOR |
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| Approved by the Attorney General as to legal Sufficiency in accordance with Sec. 4-169, as Amended, C.G.S.: | SIGNED <u>9/2/11</u> <i>Joseph Rubin</i> | OFFICIAL TITLE, DULY AUTHORIZED ASSOC. ATTY. GENERAL |
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Approved

Disapproved

Disapproved in part, (Indicate Sections Numbers disapproved only)

Rejected without prejudice.

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|---|------|---|
| The Legislative Review Committee in accordance with Sec. 4-170, as amended, of the General Statutes | DATE | SIGNED (Clerk of the Legislative Regulation Review Committee) |
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Two certified copies received and filed, and one such copy forwarded to the Commission on Official Legal Publications in accordance with Section 4-172, as amended, of the General Statutes.

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| DATE | SIGNED (Secretary of the State) | BY |
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INSTRUCTIONS

One copy of all regulations for adoption, amendment or repeal, except emergency regulations, must be presented to the Attorney General for his determination of legal sufficiency. Section 4-169 of the General Statutes.

Eighteen copies of all regulations for adoption, amendment, or repeal, except emergency regulations, must be presented to the standing Legislative Regulation Review Committee for its approval. Section 4-170 of the General Statutes.

Each regulation must be in the publication form and must include the appropriate regulation section number and section heading. Section 4-172 of the General Statutes. Indicate by "(NEW)" in heading if new regulation. Amended regulations must contain new language in capital letters and deleted language in brackets. Section 4-170 of the General Statutes.