House of Representatives

General Assembly

File No. 180

February Session, 2012

Substitute House Bill No. 5255

House of Representatives, March 29, 2012

The Committee on Government Administration and Elections reported through REP. MORIN of the 28th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING CAMPAIGN FINANCE FILINGS, CERTIFICATION OF CONTRIBUTIONS AND TECHNICAL AND CONFORMING CHANGES TO CAMPAIGN FINANCE LAWS.

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

1 Section 1. Subsection (b) of section 9-601b of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (b) The term "expenditure" does not mean:

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

7 (2) A communication made by any corporation, organization or
8 association to its members, owners, stockholders, executive or
9 administrative personnel, or their families;

10 (3) Nonpartisan voter registration and get-out-the-vote campaigns

by any corporation, organization or association aimed at its members, owners, stockholders, executive or administrative personnel, or their families;

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

(5) Any news story, commentary or editorial distributed through the facilities of any broadcasting station, newspaper, magazine or other periodical, unless such facilities are owned or controlled by any political party, committee or candidate;

(6) The use of real or personal property, and the cost of invitations, food or beverages, voluntarily provided by an individual to a candidate, [or on behalf of a state central or town] including a nonparticipating or participating candidate under the Citizens' Election Program, party, political or slate committee, in rendering voluntary personal services [for candidate or party-related activities] at the individual's [residence] residential premises or a community room in the individual's residence facility, to the extent that the cumulative value of the invitations, food or beverages provided for any single event by [the] an individual on behalf of any [single] candidate [for nomination or election] or committee does not exceed [two] four hundred dollars with respect to any [single] calendar year or primary or general election, as the case may be, and [on behalf of all state central and town committees] does not exceed eight hundred dollars for any such event hosted by two or more individuals, provided at least one such individual owns or resides at the residential premises, and further provided the cumulative value of the invitations, food or beverages provided by an individual on behalf of any such candidate or committee does not exceed [four] eight hundred dollars in a calendar year or single election, as the case may be;

(7) Any unreimbursed payment for travel expenses made by an individual who, on his own behalf, volunteers his personal services to any single candidate to the extent that the cumulative value does not exceed two hundred dollars with respect to any single election, and on

behalf of all state or town committees does not exceed four hundred dollars in a calendar year; or

(8) An organization expenditure by a party committee, legislative caucus committee or legislative leadership committee.

Sec. 2. Subsection (c) of section 9-605 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(c) The **[**chairman**]** campaign treasurer of each political committee shall report any addition to or change in information previously submitted in a statement of organization to the proper authority not later than ten days after the addition or change, provided if an officer of the committee has changed, such amended statement shall be filed by the chairperson of the committee.

Sec. 3. Subsection (a) of section 9-608 of the 2012 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) (1) Each treasurer of a committee, other than a state central committee, shall file a statement, sworn under penalty of false statement with the proper authority in accordance with the provisions of section 9-603, (A) on the tenth calendar day in the months of January, April, July and October, provided, if such tenth calendar day is a Saturday, Sunday or legal holiday, the statement shall be filed on the next business day, except that in the case of a candidate or exploratory committee established for an office to be elected at a special election, statements pursuant to this subparagraph shall not be required, (B) on the seventh day preceding each regular state election, except that (i) in the case of a candidate or exploratory committee established for an office to be elected at a municipal election, the statement shall be filed on the seventh day preceding a regular municipal election in lieu of such date, except if the candidate's name is not eligible to appear on the ballot, in which case such statement shall not be required, (ii) in the case of a town committee, the

statement shall be filed on the seventh day preceding each municipal election in addition to such date, [and] (iii) in the case of a candidate committee in a state election that is required to file any supplemental campaign finance statements pursuant to subdivisions (1) and (2) of subsection (a) of section 9-712, as amended by this act, such supplemental campaign finance statements shall satisfy the filing requirement under this subdivision, and (iv) in the case of a candidate committee established by a candidate whose name is not eligible to appear on the ballot, such statement shall not be required, and (C) if the committee has made or received a contribution or expenditure in connection with any other election, a primary or a referendum, on the seventh day preceding the election, primary or referendum, except that in the case of a candidate committee in a primary that is required to file statements pursuant to subdivisions (1) and (2) of subsection (a) of section 9-712, as amended by this act, such statements shall satisfy the filing requirement under this subdivision. The statement shall be complete as of eleven fifty-nine o'clock p.m. of the last day of the month preceding the month in which the statement is required to be filed, except that for the statement required to be filed on the seventh day preceding the election, primary or referendum, the statement shall be complete as of eleven fifty-nine o'clock p.m. of the second day immediately preceding the required filing day. The statement shall cover a period to begin with the first day not included in the last filed statement. In the case of a candidate committee, the statement required to be filed in January shall be in lieu of the statement formerly required to be filed within forty-five days following an election.

(2) Each campaign treasurer of a candidate committee [, within] established by a candidate in a primary, not later than thirty days following [any] such primary, and each campaign treasurer of a political committee formed for a single primary, election or referendum, [within] not later than forty-five days after any election or referendum not held in November, shall file statements in the same manner as is required of them under subdivision (1) of this subsection. A candidate committee established by a candidate who is unsuccessful in the primary shall not be required to file any statements required

111 under subdivision (1) of this subsection following the primary unless
112 the candidate is eligible to appear on the general election ballot. If the
113 campaign treasurer of a candidate committee established by a
114 candidate, who is unsuccessful in the primary or has terminated his
115 candidacy prior to the primary, distributes all surplus funds within
116 thirty days following the scheduled primary and discloses the
117 distribution on the postprimary statement, such campaign treasurer
118 shall not be required to file any subsequent statement unless the
119 committee has a deficit, in which case he shall file any required
120 statements in accordance with the provisions of subdivision (3) of
121 subsection (e) of this section.

122 (3) In the case of state central committees, (A) on the tenth calendar
123 day in the months of January, April and July, provided, if such tenth
124 calendar day is a Saturday, Sunday or legal holiday, on the next
125 business day, **[**and**]** (B) on the twelfth day preceding any regular
126 election, and (C) if the committee has made or received a contribution
127 or expenditure in connection with any other election, or any primary
128 or referendum, on the twelfth day preceding the election, primary or
129 referendum, the campaign treasurer of each such committee shall file
130 with the proper authority, a statement, sworn under penalty of false
131 statement, complete as of the last day of the month immediately
132 preceding the month in which such statement is to be filed in the case
133 of statements required to be filed in January, April and July, and
134 complete as of the nineteenth day preceding an election, primary or
135 referendum in the case of the statement required to be filed on the
136 twelfth day preceding an election, primary or referendum, and in each
137 case covering a period to begin with the first day not included in the
138 last filed statement.

139 Sec. 4. Subdivision (1) of subsection (e) of section 9-608 of the 2012
140 supplement to the general statutes is repealed and the following is
141 substituted in lieu thereof (*Effective from passage*):

142 (e) (1) Notwithstanding any provisions of this chapter, in the event
143 of a surplus the campaign treasurer of a candidate committee or of a

144 political committee, other than a political committee formed for
145 ongoing political activities or an exploratory committee, shall
146 distribute or expend such surplus not later than ninety days, or for the
147 purposes of subparagraph (H) of this subdivision, one hundred twenty
148 days after a primary which results in the defeat of the candidate, an
149 election or referendum not held in November or by March thirty-first
150 following an election or referendum held in November, or for the
151 purposes of subparagraph (H) of this subdivision, June thirtieth
152 following an election or referendum held in November, in the
153 following manner:

154 (A) Such committees may distribute their surplus to a party
155 committee, or a political committee organized for ongoing political
156 activities, return such surplus to all contributors to the committee on a
157 prorated basis of contribution, distribute all or any part of such surplus
158 to the Citizens' Election Fund established in section 9-701 or distribute
159 such surplus to any charitable organization which is a tax-exempt
160 organization under Section 501(c)(3) of the Internal Revenue Code of
161 1986, or any subsequent corresponding internal revenue code of the
162 United States, as from time to time amended, provided (i) no candidate
163 committee may distribute such surplus to a committee which has been
164 established to finance future political campaigns of the candidate, (ii) a
165 candidate committee which received moneys from the Citizens'
166 Election Fund shall distribute such surplus to such fund, and (iii) a
167 candidate committee for a nonparticipating candidate, as described in
168 subsection (b) of section 9-703, may only distribute any such surplus to
169 the Citizens' Election Fund or to a charitable organization;

170 (B) Each such political committee established by an organization
171 which received its funds from the organization's treasury shall return
172 its surplus to its sponsoring organization;

173 (C) (i) Each political committee formed solely to aid or promote the
174 success or defeat of any referendum question, which does not receive
175 contributions from a business entity or an organization, shall distribute
176 its surplus to a party committee, to a political committee organized for

177 ongoing political activities, to a national committee of a political party,
178 to all contributors to the committee on a prorated basis of contribution,
179 to state or municipal governments or agencies or to any organization
180 which is a tax-exempt organization under Section 501(c)(3) of the
181 Internal Revenue Code of 1986, or any subsequent corresponding
182 internal revenue code of the United States, as from time to time
183 amended. (ii) Each political committee formed solely to aid or promote
184 the success or defeat of any referendum question, which receives
185 contributions from a business entity or an organization, shall distribute
186 its surplus to all contributors to the committee on a prorated basis of
187 contribution, to state or municipal governments or agencies, or to any
188 organization which is tax-exempt under said provisions of the Internal
189 Revenue Code. Notwithstanding the provisions of this subsection, a
190 committee formed for a single referendum shall not be required to
191 expend its surplus not later than ninety days after the referendum and
192 may continue in existence if a substantially similar referendum
193 question on the same issue will be submitted to the electorate within
194 six months after the first referendum. If two or more substantially
195 similar referenda on the same issue are submitted to the electorate,
196 each no more than six months apart, the committee shall expend such
197 surplus within ninety days following the date of the last such
198 referendum;

199 (D) The campaign treasurer of the candidate committee of a
200 candidate who is elected to office may, upon the authorization of such
201 candidate, expend surplus campaign funds to pay for the cost of
202 clerical, secretarial or other office expenses necessarily incurred by
203 such candidate in preparation for taking office; except such surplus
204 shall not be distributed for the personal benefit of any individual or to
205 any organization;

206 (E) The campaign treasurer of a candidate committee, or of a
207 political committee, other than a political committee formed for
208 ongoing political activities or an exploratory committee, shall, prior to
209 the dissolution of such committee, either (i) distribute any equipment
210 purchased, including, but not limited to, computer equipment, to any

211 recipient as set forth in subparagraph (A) of this subdivision, or (ii) sell
212 any equipment purchased, including but not limited to computer
213 equipment, to any person for fair market value and then distribute the
214 proceeds of such sale to any recipient as set forth in said subparagraph
215 (A);

216 (F) The campaign treasurer of a qualified candidate committee may,
217 following an election or unsuccessful primary, provide a post-primary
218 thank you meal or a post-election thank you meal for committee
219 workers, provided such meal (i) occurs not later than fourteen days
220 after the applicable election or primary day, and (ii) the cost for such
221 meal does not exceed thirty dollars per worker;

222 (G) The campaign treasurer of a qualified candidate committee may,
223 following an election or unsuccessful primary, <u>exclusive of any</u>
224 <u>payments that have been rendered pursuant to a written service</u>
225 <u>agreement,</u> make payment to a campaign treasurer for services
226 rendered to the candidate committee, provided such payment does not
227 exceed one thousand dollars; and

228 (H) The campaign treasurer of a candidate committee may,
229 following an election or unsuccessful primary, utilize funds for the
230 purpose of complying with any audit conducted by the State Elections
231 Enforcement Commission pursuant to subdivision (5) of subsection (a)
232 of section 9-7b.

233 Sec. 5. Subdivisions (1) and (2) of subsection (f) of section 9-610 of
234 the 2012 supplement to the general statutes are repealed and the
235 following is substituted in lieu thereof (*Effective from passage*):

236 (f) (1) A political committee established by two or more individuals
237 under subparagraph (B) of subdivision (3) of section 9-601, other than
238 a committee established solely for the purpose of aiding or promoting
239 any candidate or candidates for municipal office or the success or
240 defeat of a referendum question, shall be subject to the prohibition on
241 acceptance of lobbyist contributions under subsection (e) of this section
242 unless the campaign treasurer of the committee has filed a registration

243 statement as described in subsection (b) of section 9-605 with the State
244 Elections Enforcement Commission, on or before November 15, 2012,
245 for all such political committees in existence on such date, or, if the
246 committee is not in existence on such date, not later than ten days after
247 the organization of the committee pursuant to subsection (a) of section
248 9-605, and on or before November fifteenth of each even-numbered
249 year thereafter. Such statements shall be filed even if there are no
250 changes, additions or deletions to the registration statement previously
251 filed with the commission. Notwithstanding the provisions of this
252 subdivision, if an officer of the committee has changed since the last
253 registration statement filed with the commission, such registration
254 statement shall be filed by the chairperson of the committee.

255 (2) A political committee established for ongoing political activities
256 and required pursuant to subsection (a) of section 9-603 to file
257 statements with the commission shall be subject to the prohibition on
258 making contributions under subsection (e) of this section unless the
259 campaign treasurer of the committee has filed a registration statement
260 as described in subsection (b) of section 9-605 with the commission, on
261 forms prescribed by the commission, on or before November 15, 2012,
262 for all such political committees in existence on such date, or, if the
263 committee is not in existence on such date, not later than ten days after
264 the organization of the committee pursuant to subsection (a) of section
265 9-605, and on or before November fifteenth of each even-numbered
266 year thereafter. Such statements shall be filed even if there are no
267 changes, additions or deletions to the registration statement previously
268 filed with the commission. Notwithstanding the provisions of this
269 subdivision, if an officer of the committee has changed since the last
270 registration statement filed with the commission, such registration
271 statement shall be filed by the chairperson of the committee.

272 Sec. 6. Section 9-675 of the general statutes is repealed and the
273 following is substituted in lieu thereof (*Effective from passage*):

274 (a) The State Elections Enforcement Commission shall (1) create a
275 **[**software**]** web-based program **[**or programs**]** for the preparation and

276 electronic submission of financial disclosure statements required by
277 section 9-608, as amended by this act, and (2) prescribe the standard
278 reporting format and specifications for [other] software programs
279 created by vendors for such purpose. No software program created by
280 a vendor may be used for the electronic submission of such financial
281 disclosure statements, until the commission determines that the
282 program provides for the standard reporting format, and complies
283 with the specifications, which are prescribed under subdivision (2) of
284 this subsection for vendor software programs. The commission shall
285 provide training in the use of the [software] web-based program [or
286 programs] created by the commission.

287 [(b) The campaign treasurer of the candidate committee for each
288 candidate for nomination or election to the office of Governor,
289 Lieutenant Governor, Attorney General, State Comptroller, State
290 Treasurer or Secretary of the State who raises or spends two hundred
291 fifty thousand dollars or more during an election campaign shall file in
292 electronic form all financial disclosure statements required by section
293 9-608 by either transmitting disks, tapes or other electronic storage
294 media containing the contents of such statements to the State Elections
295 Enforcement Commission or transmitting the statements on-line to
296 said commission. Each such campaign treasurer shall use either (1) a
297 software program created by the commission under subdivision (1) of
298 subsection (a) of this section, for all such statements, or (2) another
299 software program which provides for the standard reporting format,
300 and complies with the specifications, which are prescribed by the
301 commission under subdivision (2) of subsection (a) of this section, for
302 all such statements. The commission shall accept any statement that
303 uses any such software program.]

304 (b) On and after April 1, 2012, the campaign treasurer of the
305 candidate committee or exploratory committee for each candidate for
306 nomination or election to the office of Governor, Lieutenant Governor,
307 Secretary of the State, Treasurer, Comptroller, Attorney General, state
308 senator or state representative that raises or spends four thousand five
309 hundred dollars or more during an election campaign shall file all

310 financial disclosure statements required by chapters 155 to 157,
311 inclusive, by electronic submission pursuant to subsection (a) of this
312 section. Once any such candidate committee has raised or spent [two
313 hundred fifty thousand] four thousand five hundred dollars or more
314 during an election campaign, all previously filed statements required
315 by [said] section 9-608, as amended by this act, which were not filed in
316 electronic form shall be refiled in such form [, using such a software
317 program,] not later than the date on which the campaign treasurer of
318 the committee is required to file the next regular statement [under said
319 section 9-608] for the committee.

320 (c) (1) The campaign treasurer of the candidate committee for any
321 other candidate, as defined in section 9-601, who is required to file
322 [the] financial disclosure statements required by [section 9-608]
323 chapters 155 to 157, inclusive, with the commission but that has not
324 reached the threshold set forth in subsection (b) of this section for
325 required electronic submission, and (2) the campaign treasurer of any
326 political committee or party committee, may file [in electronic form]
327 any financial disclosure statements required by [said section 9-608.
328 Such filings may be made by either transmitting disks, tapes or other
329 electronic storage media containing the contents of such statements to
330 the proper authority under section 9-603 or transmitting the statements
331 on-line to such proper authority. Each such campaign treasurer shall
332 use either (A) a software program created by the commission under
333 subdivision (1) of subsection (a) of this section, for all such statements
334 filed in electronic form, or (B) another software program which
335 provides for the standard reporting format, and complies with the
336 specifications, which are prescribed by the commission under
337 subdivision (2) of subsection (a) of this section, for all such statements
338 filed in electronic form. The proper authority under section 9-603 shall
339 accept any statement that uses any such software program] chapters
340 155 to 157, inclusive, by electronic submission pursuant to subsection
341 (a) of this section.

342 Sec. 7. Subsection (a) of section 9-712 of the 2012 supplement to the
343 general statutes is repealed and the following is substituted in lieu

thereof (*Effective from passage*):

(a) (1) The campaign treasurer of each candidate committee in a primary campaign or a general election campaign in which there is at least one participating candidate shall file weekly supplemental campaign finance statements with the commission in accordance with the provisions of subdivision (2) of this subsection. Such weekly statements shall be in lieu of the campaign finance statements due pursuant to subparagraphs (B) and (C) of subdivision (1) of subsection (a) of section 9-608, as amended by this act.

(2) Each such campaign treasurer shall file weekly supplemental campaign finance statements with the commission pursuant to the following schedule: (A) In the case of a primary campaign, on the **[**next**]** second Thursday following the date in July on which treasurers are required to file campaign finance statements pursuant to subparagraph (A) of subdivision (1) of subsection (a) of section 9-608, as amended by this act, and each Thursday thereafter up to and including the Thursday before the day of the primary, and (B) in the case of a general election campaign, on the **[**next**]** second Thursday following the date in October on which candidates are required to file campaign finance statements pursuant to subparagraph (A) of subdivision (1) of subsection (a) of section 9-608, as amended by this act, and each Thursday thereafter up to and including the Thursday before the day of the election. The statement shall be complete as of eleven fifty-nine o'clock p.m. of the second day immediately preceding the required filing day. The statement shall cover the period beginning with the first day not included in the last filed statement.

(3) Notwithstanding the provisions of subdivisions (1) and (2) of this subsection, if a participating candidate committee in a primary campaign or a general election campaign in which there is at least one participating candidate makes expenditures or incurs an obligation to make expenditures that, in the aggregate, exceed one hundred per cent of the applicable expenditure limit for the applicable primary or general election campaign period, the campaign treasurer of any such

377 candidate committee shall file a declaration of excess expenditures
378 statement with the commission, pursuant to the following schedule:
379 (A) If a candidate committee makes expenditures or incurs an
380 obligation to make such expenditures more than twenty days before
381 the day of such primary or election, the campaign treasurer of such
382 candidate shall file such statement with the commission not later than
383 forty-eight hours after making such expenditures or incurring an
384 obligation to make such expenditures, and (B) if a candidate committee
385 makes such expenditures or incurs an obligation to make such
386 expenditures twenty days or less before the day of such primary or
387 election, the campaign treasurer of such candidate shall file such
388 statement with the commission not later than twenty-four hours after
389 making such expenditures or incurring an obligation to make such
390 expenditures. The statement shall be complete as of eleven fifty-nine
391 o'clock p.m. of the first day immediately preceding the required filing
392 day. The statement shall cover a period beginning with the first day
393 not included in the last filed statement.

394 (4) Notwithstanding the provisions of this subsection, the
395 statements required to be filed pursuant to subdivisions (1) and (2) of
396 this subsection shall not be required to be filed by (A) a candidate
397 committee of a candidate that is exempt from filing campaign finance
398 statements pursuant to subsection (b) of section 9-608 unless or until
399 such a candidate committee receives or expends an amount in excess
400 of one thousand dollars for purposes of the primary or election for
401 which such committee was formed, (B) a candidate committee of a
402 candidate that is no longer eligible for a position on the ballot, or **[**(B)**]**
403 (C) a candidate committee of a participating candidate that is
404 unopposed, except that such candidate committee shall file a
405 supplemental statement on the last Thursday before the applicable
406 primary or general election. Such statement shall be complete as of
407 eleven fifty-nine o'clock p.m. of the second day immediately preceding
408 the required filing day. The statement shall cover a period beginning
409 with the first day not included in the last filed statement.

410 (5) Each supplemental statement required under subdivision (1), (2)

411 or (3) of this subsection for a candidate shall disclose the information
412 required under subsection (c) of section 9-608, as amended by this act.
413 The commission shall adopt regulations, in accordance with the
414 provisions of chapter 54, specifying permissible media for the
415 transmission of such statements to the commission, which shall
416 include electronic [mail] filing.

417 Sec. 8. Subsection (c) of section 9-608 of the 2012 supplement to the
418 general statutes is repealed and the following is substituted in lieu
419 thereof (*Effective January 1, 2013, and applicable to primaries and elections*
420 *held after said date*):

421 (c) (1) Each statement filed under subsection (a), (e) or (f) of this
422 section shall include, but not be limited to: (A) An itemized accounting
423 of each contribution, if any, including the full name and complete
424 address of each contributor and the amount of the contribution; (B) an
425 itemized accounting of each expenditure, if any, including the full
426 name and complete address of each payee, including secondary payees
427 whenever the primary or principal payee is known to include charges
428 which the primary payee has already paid or will pay directly to
429 another person, vendor or entity, the amount and the purpose of the
430 expenditure, the candidate supported or opposed by the expenditure,
431 whether the expenditure is made independently of the candidate
432 supported or is an in-kind contribution to the candidate, and a
433 statement of the balance on hand or deficit, as the case may be; (C) an
434 itemized accounting of each expense incurred but not paid, provided if
435 the expense is incurred by use of a credit card, the accounting shall
436 include secondary payees, and the amount owed to each such payee;
437 (D) the name and address of any person who is the guarantor of a loan
438 to, or the cosigner of a note with, the candidate on whose behalf the
439 committee was formed, or the campaign treasurer in the case of a party
440 committee or a political committee or who has advanced a security
441 deposit to a telephone company, as defined in section 16-1, for
442 telecommunications service for a committee; (E) for each business
443 entity or person purchasing advertising space in a program for a fund-
444 raising affair or on signs at a fund-raising affair, the name and address

445 of the business entity or the name and address of the person, and the
446 amount and aggregate amounts of such purchases; (F) for each
447 individual who contributes in excess of one hundred dollars but not
448 more than one thousand dollars, in the aggregate, to the extent known,
449 the principal occupation of such individual and the name of the
450 individual's employer, if any; (G) for each individual who contributes
451 in excess of one thousand dollars in the aggregate, the principal
452 occupation of such individual and the name of the individual's
453 employer, if any; (H) for each itemized contribution made by a
454 lobbyist, the spouse of a lobbyist or any dependent child of a lobbyist
455 who resides in the lobbyist's household, a statement to that effect; and
456 (I) for each individual who contributes in excess of four hundred
457 dollars in the aggregate to or for the benefit of any candidate's
458 campaign for nomination at a primary or election to the office of chief
459 executive officer or a slate or town committee financing the
460 nomination or election or a candidate for chief executive officer of a
461 town, city or borough, a statement indicating whether the individual
462 or a business with which he is associated has a contract with said
463 municipality that is valued at more than five thousand dollars. Each
464 campaign treasurer shall include in such statement (i) an itemized
465 accounting of the receipts and expenditures relative to any testimonial
466 affair held under the provisions of section 9-609 or any other fund-
467 raising affair, which is referred to in subsection (b) of section 9-601a,
468 and (ii) the date, location and a description of the affair, except that a
469 campaign treasurer shall not be required to include the name of any
470 individual who has purchased items at a fund-raising affair or food at
471 a town fair, county fair or similar mass gathering, if the cumulative
472 value of items purchased by such individual does not exceed one
473 hundred dollars, or the name of any individual who has donated food
474 or beverages for a meeting. A campaign treasurer shall not be required
475 to report or retain any receipts or expenditures related to any de
476 minimis donations described in subdivision (17) of subsection (b) of
477 section 9-601a.

478 (2) Each contributor described in subparagraph (F), (G), (H) or (I) of
479 subdivision (1) of this subsection shall, at the time the contributor

480 makes such a contribution, provide the information that the campaign
481 treasurer is required to include under said subparagraph in the
482 statement filed under subsection (a), (e) or (f) of this section.
483 Notwithstanding any provision of subdivision (2) of section 9-7b, any
484 contributor described in subparagraph (F) of subdivision (1) of this
485 subsection who does not provide such information at the time the
486 contributor makes such a contribution and any treasurer shall not be
487 subject to the provisions of subdivision (2) of section 9-7b. If a
488 campaign treasurer receives a contribution from an individual which
489 separately, or in the aggregate, is in excess of one thousand dollars and
490 the contributor has not provided the information required by said
491 subparagraph (G) or if a campaign treasurer receives a contribution
492 from an individual to or for the benefit of any candidate's campaign
493 for nomination at a primary or election to the office of chief executive
494 officer of a town, city or borough, which separately, or in the
495 aggregate, is in excess of four hundred dollars and the contributor has
496 not provided the information required by said subparagraph (I), the
497 campaign treasurer: (i) Not later than three business days after
498 receiving the contribution, shall send a request for such information to
499 the contributor by certified mail, return receipt requested; (ii) shall not
500 deposit the contribution until the campaign treasurer obtains such
501 information from the contributor, notwithstanding the provisions of
502 section 9-606; and (iii) shall return the contribution to the contributor if
503 the contributor does not provide the required information not later
504 than fourteen days after the treasurer's written request or the end of
505 the reporting period in which the contribution was received,
506 whichever is later. Any failure of a contributor to provide the
507 information which the campaign treasurer is required to include under
508 said subparagraph (F) or (H), which results in noncompliance by the
509 campaign treasurer with the provisions of said subparagraph (F) or
510 (H), shall be a complete defense to any action against the campaign
511 treasurer for failure to disclose such information.

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

515 Attorney General, State Comptroller, Secretary of the State, State
516 Treasurer, state senator or state representative, any political committee
517 authorized to make contributions to such candidates or committees,
518 and any party committee [that separately, or in the aggregate, exceeds
519 fifty dollars] shall provide with the contribution: (A) The name of the
520 contributor's employer, if any; (B) the contributor's status as a
521 communicator lobbyist, as defined in section 1-91, a member of the
522 immediate family of a communicator lobbyist, a state contractor, a
523 prospective state contractor or a principal of a state contractor or
524 prospective state contractor, as defined in section 9-612; and (C) a
525 certification that the contributor is not prohibited from making a
526 contribution to such candidate or committee. The State Elections
527 Enforcement Commission shall prepare a sample form for such
528 certification by the contributor and shall make it available to campaign
529 treasurers and contributors. Such sample form shall include an
530 explanation of the terms "communicator lobbyist", "principal of a state
531 contractor or prospective state contractor", "immediate family", "state
532 contractor" and "prospective state contractor". The information on such
533 sample form shall be included in any written solicitation conducted by
534 any such committee. If a campaign treasurer receives such a
535 contribution and the contributor has not provided such certification,
536 the campaign treasurer shall: (i) Not later than three business days
537 after receiving the contribution, send a request for the certification to
538 the contributor by certified mail, return receipt requested; (ii) not
539 deposit the contribution until the campaign treasurer obtains the
540 certification from the contributor, notwithstanding the provisions of
541 section 9-606; and (iii) return the contribution to the contributor if the
542 contributor does not provide the certification not later than fourteen
543 days after the treasurer's written request or at the end of the reporting
544 period in which the contribution was received, whichever is later. No
545 treasurer shall be required to obtain and keep more than one
546 certification from each contributor, unless information certified to by
547 the contributor, other than the amount contributed, changes. If a
548 campaign treasurer deposits a contribution based on a certification that
549 is later determined to be false, the treasurer shall have a complete

550 defense to any action, including but not limited to, any complaint
551 investigated by the State Elections Enforcement Commission or any
552 other investigation initiated by said commission, against such
553 campaign treasurer for the receipt of such contribution.

554 **[**(4) Contributions from a single individual to a campaign treasurer
555 in the aggregate totaling fifty dollars or less need not be individually
556 identified in the statement, but a sum representing the total amount of
557 all such contributions made by all such individuals during the period
558 to be covered by such statement shall be a separate entry, identified
559 only by the words "total contributions from small contributors".**]**

560 **[**(5)**]** (4) Each statement filed by the campaign treasurer of a party
561 committee, a legislative caucus committee or a legislative leadership
562 committee shall include an itemized accounting of each organization
563 expenditure made by the committee. Concomitant with the filing of
564 any such statement containing an accounting of an organization
565 expenditure made by the committee for the benefit of any candidate
566 for the office of state senator, state representative, Governor,
567 Lieutenant Governor, Attorney General, Secretary of the State, State
568 Comptroller or State Treasurer such campaign treasurer shall provide
569 notice of the organization expenditure to the candidate committee of
570 such candidate.

571 **[**(6)**]** (5) The commission shall post a link on the home page of the
572 commission's Internet web site to a listing of all organizational
573 expenditures reported by a party, legislative leadership or caucus
574 committee under subdivision **[**(5)**]** (4) of this subsection. Such
575 information shall include reported information on the committee
576 making the expenditure, the committee receiving the expenditure and
577 the date and purpose for the expenditure.

578 **[**(7)**]** (6) Statements filed in accordance with this section shall remain
579 public records of the state for five years from the date such statements
580 are filed.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*from passage*	9-601b(b)
Sec. 2	*from passage*	9-605(c)
Sec. 3	*from passage*	9-608(a)
Sec. 4	*from passage*	9-608(e)(1)
Sec. 5	*from passage*	9-610(f)(1) and (2)
Sec. 6	*from passage*	9-675
Sec. 7	*from passage*	9-712(a)
Sec. 8	*January 1, 2013, and applicable to primaries and elections held after said date*	9-608(c)

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 13 $	FY 14 $
Office of Governmental Accountability.	GF - Savings	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a savings to the State Elections Enforcement Commission of approximately $39,000 per election cycle. The bill lowers the threshold at which candidate committees for statewide office must file campaign finance statements electronically, and expands the threshold to include legislative candidate committees and exploratory committees. As election cycles cross fiscal years, savings for one election cycle could be achieved in different fiscal years.

The $39,000 in savings is associated with reduced paper filings. Currently, there is a cost to the State Elections Enforcement Commission of $39 per paper filing. The bill is anticipated to result in 100 fewer committees filing financial statements by paper. Committees on average submit 10 filings per election.

The bill makes several other changes that do not have a fiscal impact.

The Out Years

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

OLR Bill Analysis
sHB 5255

AN ACT CONCERNING CAMPAIGN FINANCE FILINGS, CERTIFICATION OF CONTRIBUTIONS AND TECHNICAL AND CONFORMING CHANGES TO CAMPAIGN FINANCE LAWS.

SUMMARY:

This bill changes campaign finance laws to:

1. lower the threshold at which statewide office candidates must file campaign finance statements electronically, extend it to legislative candidates committees and exploratory committees, and expand it to cover other financial disclosure statements;

2. make campaign treasurers, rather than chairpersons, of political committees (known as PACs) responsible for reporting changes to most information on registration statements;

3. eliminate certain campaign finance reporting requirements under specified circumstances;

4. specify that qualified Citizens' Election Program (CEP) candidates can pay a campaign treasurer under a written services agreement, in addition to the $1,000 currently permitted under the program from a committee's surplus funds (§ 4); and

5. subject individual contributions of $50 or less (whether made separately or in the aggregate) to the same reporting requirements as larger contributions.

The bill also makes several technical and conforming changes. Among them, it conforms the "house party" exemption under the definition of expenditure to the parallel exemption PA 11-48 made to the definition of contribution (§ 1).

EFFECTIVE DATE: Upon passage, except for the provision concerning small contributions, which is effective January 1, 2013 and applicable to primaries and elections held after that date.

§ 6 — MANDATORY ELECTRONIC FILING THRESHOLD

Current law requires statewide office candidate committees that raise or spend $250,000 or more during an election campaign to file their periodic campaign finance statements electronically with the SEEC.

Beginning April 1, 2012, the bill lowers this threshold to $4,500 and (1) extends the requirement to statewide office exploratory committees and legislative office candidate and exploratory committees and (2) expands it to include any financial disclosure statement these committees file to comply with campaign finance law or the CEP.

Under the bill, as under current law, candidate committees that do not reach the threshold in contributions or expenditures, political committees, and party committees may also file online.

Covered Financial Disclosure Statements

For covered committees and individuals, the bill expands the electronic filing requirement to include any financial disclosure statement they must file to comply with campaign finance law or the CEP. In addition to periodic campaign finance disclosure statements covered under current law, these include the cumulative itemized accounting that accompanies a CEP grant application, supplemental statements, excess expenditure reports, amended filings, and termination reports, among others.

Resubmitting Reports

Current law requires statewide office candidate committees that reach the threshold to electronically resubmit any previously filed statements that were not in electronic format. The bill extends this requirement to candidate committees for legislative candidates.

eCRIS

The bill eliminates references to a SEEC-created "software" program, replacing them with references to a "web-based" program. Since the law requires committee treasurers to submit all electronic filings online, the bill eliminates an obsolete provision allowing mandatory electronic filings to be made using alternative media forms (e.g., disks or tapes).

§§ 2 & 5 — REGISTRATION STATEMENTS

The law requires PACs to register with the SEEC by filing a registration statement, which includes a statement of purpose and the name and address of the chairperson, treasurer, and other principal officers, among other things. Changes to information on the statement must be reported within 10 days.

The bill requires the treasurer, rather than the chairperson, to report changes to most information on the registration statement. The chairperson remains responsible for filing the initial statement and reporting any committee officer changes.

§§ 3 & 7 — CAMPAIGN FINANCE DISCLOSURE STATEMENTS

The bill eliminates certain campaign finance reporting requirements for specified candidates and committees, which Table 1 shows. The candidates and committees remain responsible for filing termination reports when they dissolve.

Table 1: Eliminated Campaign Finance Statements

Section	*Candidate or Committee*	*Eliminated Reporting Requirement*
§ 3	Special election candidate and exploratory committees	Quarterly campaign finance reports
§ 3	Candidates in a municipal election who do not qualify for ballot access	Campaign finance report on the 7th day preceding the election
§§ 3 &7	Candidates in a state election who do not qualify for ballot access	(1) Campaign finance report on the 7th day preceding the election and (2) weekly supplemental campaign finance statements under the CEP

§ 3	Candidates who are unsuccessful in a primary	Periodic campaign finance reports following the primary

State Central Committees

Current law requires state central committees to file campaign disclosure statements on the 12th day preceding any regular or special election. For special elections, the bill limits the requirement to only those for which the committee makes or receives a contribution or expenditure. It retains the requirement for all regular elections.

The bill also extends this reporting requirement to primaries and referenda for which a state central committee makes or receives a contribution or expenditure.

Supplemental Campaign Finance Statement Schedule

By law, a candidate committee in a primary or general election with at least one candidate participating in the CEP must file supplemental weekly campaign finance statements according to a specified schedule. The bill extends, by one week, the deadline for filing the initial supplemental statement.

Under the bill, candidate committees must file the initial supplemental statement for a primary on the second, rather than the first, Thursday following the July filing deadline for quarterly campaign finance statements. Similarly, for a general election, they must file on the second, rather than the first, Thursday following the October filing deadline for quarterly campaign finance statements.

§ 8 — SMALL CONTRIBUTIONS

Under current law, contributions by individuals to candidates not participating in the CEP, PACs, or party committees need only be disclosed when they separately or in the aggregate exceed $50. Contributions to participating candidates of any amount must be disclosed.

The bill subjects these contributions to the same disclosure

requirements that the law establishes for larger contributions. This means that (1) individuals who make such contributions must certify that they are not prohibited from doing so and indicate whether they are a lobbyist or state contractor and (2) campaign treasurers must identify small contributions individually in campaign finance statements.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute
Yea 15 Nay 0 (03/12/2012)