

MARCH 25, 2013

To: GENERAL ADMINISTRATION AND ELECTIONS COMMITTEE

Fr: Connecticut Bankers Association
Contacts: Tom Mongellow, Fritz Conway

Re: Senate Bill 5, An Act Concerning Changes to Campaign Finance

The CBA is a non-profit trade association representing the 78 banks doing business throughout the State.

Senate Bill 5 would create a new disclosure requirement in certain instances, of who pays trade association membership dues and what the dues amount is. Trade Association membership lists are a valuable asset to any trade association and are usually not provided to the general public. Indeed most associations specifically restrict membership mail lists, emails addresses and phone numbers at the request of the very members who pay the dues.

The bill's provision under Section 8 would require this new disclosure in the event that the Association made "campaign" related contributions. These contributions are already reported in total on the 1120 POL federal income tax form. This new State "transparency" requirement is unnecessary and will harm the value of the each association's proprietary information. It would be similar to asking a commercial business to make their customer list and activity available to competitors. As the CBA has stated in their testimony, membership and dues payment information belongs to the applicable entity, not the public.

We also have a concern that Section 8 will shorten two existing timelines for reporting certain independent expenditures in half – which may create unintended compliance problems. This section cuts the reporting time in half, from 48-hours to 24-hours, for independent expenditures made/contracted more than 90 days before a primary or election and then also cuts in half the time to report from 24-hours to 12-hours independent expenditures within 90 days of a primary or election. We understand the need for prompt information during an election or primary and support the goal of transparency, when providing it. However the very short compliance times may be difficult to achieve.

Section 3 of the bill covers a key product of every Association, indeed its main reason for being – Communications. This section may restrict who an Association can send it's communications to – in order for those communications to be considered an exempt expenditure. The word "solely" brings into question definitions across a range of persons who may receive an association's communications. For instance, administrative versus non-administrative may vary widely between various members. Additionally, from an internal operations perspective, many Associations may have significant difficulty identifying who to send the information too. While we are unsure as to what the new language seeks to accomplish, we believe it would be better to not create a new and unclear standard in this section.

We look forward to any questions or comments from the Committee and thank you for your consideration of our concerns.

Written
3/25/13