

**TESTIMONY
BEFORE THE
GENERAL ADMINISTRATION AND ELECTIONS COMMITTEE
LEGISLATIVE OFFICE BUILDING
MARCH 25, 2013**

My name is Jennifer Herz and I am Assistant Counsel for the Connecticut Business & Industry Association (CBIA). CBIA represents approximately 10,000 businesses throughout Connecticut and the vast majority of these are small companies employing less than 50 people.

Thank you for the opportunity to share CBIA's specific **concerns with aspects of SB 5** An Act Concerning Changes to Campaign Finance.

Membership & Dues Disclosure

The first concern is the new requirement to disclose the source and amount of dues payments as stated in Section 8 of the bill which modifies Conn. Gen. Stat. 9-612(e)(6). This change is especially worrisome considering it is rare for many organizations to disclose their membership lists and dues payments. Yet, the language requires entities to disclose the source and amount of dues payments if the entity makes campaign-related disbursements out of its general treasury. This new mandate infringes on the proprietary information of organizations without justification. Information regarding membership and dues payments belongs to the applicable entity – not the public.

By compelling disclosure of this proprietary information, the state is restricting organizations from making otherwise legal expenditures without a compelling state interest.

Furthermore, membership and dues dollars must be distinguished from donations. Membership and dues dollars do not necessarily equate to campaign related expenditures and therefore such relationship must not be assumed. Rather, dues dollars must be handled differently and should not be disclosed simply because donations specifically received for campaign expenditures have been spent.

Finally, CBIA is very concerned about the precedent of this language. CBIA strongly believes in transparency but disclosing membership and dues payments when such information is not related to campaign expenditure is not justified or reasonable.

Limited Communications

The second issue we would like to address is modifications limiting who may receive an organization's communications in order for it to be considered an exempt expenditure (See Section 3 of the bill that modifies Conn. Gen. Stat. 9-601b(b)(2)). CBIA's concern with this

change is at the heart of how any given organization serves its membership – communication. The revised definition puts the word “solely” before listing those who may receive such an exempted communication, which currently includes: “members, owners, stockholders, executive or administrative personnel and their families”. Although the genesis of this change is unclear it presumably would further limit an organization’s communications. This is a significant concern since, as mentioned above; communication is at the core of a strong organization. Furthermore, this change may have a significant impact on the operating systems and ordinary business conduct of many organizations.

Reporting Timetable Cut In Half:

CBIA is also concerned about the shortened time frames for reporting independent expenditures as modified in Section 8 of the bill (modifies Conn. Gen. Stat. 9-612(e)(2)). 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. While CBIA appreciates the need for timely reporting the condensed timeframes are extremely short and are likely to create a compliance hardship.

In conclusion, this testimony highlights three of CBIA’s **concerns regarding SB 5** including:
(1) disclosure of membership and dues payments because such proprietary information is not necessarily related to campaign expenditures and therefore must not be treated as a donation,
(2) the limiting of an entity’s communications that are exempted expenditures since communication is a central component of a strong organization, and
(3) the reporting requirements timetables that are cut in half and impose a significant hardship on entities striving to comply with the law.

Again, thank you for the opportunity to offer CBIA’s comments and we look forward to having the opportunity to work with you on these items.