



Senate

General Assembly

February Session, 2014

File No. 523

Senate Bill No. 455

Senate, April 14, 2014

The Committee on Government Administration and Elections reported through SEN. MUSTO of the 22nd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING THE CITIZENS' ELECTION FUND.

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

1 Section 1. Section 9-750 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage and*
3 *applicable to primaries and elections held on or after such date*):

4 If, for the fiscal year ending June 30, 2006, or any fiscal year
5 thereafter, the amount of funds available under section 3-69a for
6 deposit in the Citizens' Election Fund established in section 9-701 is
7 less than the amount of funds required under said section 3-69a to be
8 deposited in said fund, or if during the election cycle the amount of
9 funds in the Citizens' Election Fund is less than the amount of funds
10 required to provide grants to each qualified candidate committee
11 pursuant to section 9-705, a portion of the revenues from the tax
12 imposed under chapter 208, equal to the difference between said
13 amounts, shall be deposited in said fund to allow for payment of
14 grants in accordance with the provisions of chapter 157.

15 Sec. 2. Section 9-716 of the general statutes is repealed and the
16 following is substituted in lieu thereof (*Effective from passage and*
17 *applicable to primaries and elections held on or after such date*):

18 (a) Not later than June 1, 2007, and annually thereafter, the State
19 Elections Enforcement Commission shall issue a report on the status of
20 the Citizens' Election Fund during the previous calendar year. Such
21 report shall include the amount of moneys deposited in the fund, the
22 sources of moneys received by category, the number of contributions,
23 the number of contributors, the amount of moneys expended by
24 category, the recipients of moneys distributed from the fund and an
25 accounting of the costs incurred by the commission in administering
26 the provisions of this chapter.

27 (b) Not later than January first in any year in which a state election
28 is to be held, the commission shall determine whether the amount of
29 moneys in the fund is sufficient to carry out the purposes of this
30 chapter. [If the commission determines that such amount is not
31 sufficient to carry out such purposes, the commission shall, not later
32 than three days after such later determination, (1) determine the
33 percentage of the fund's obligations that can be met for such election,
34 (2) recalculate the amount of each payment that each qualified
35 candidate committee is entitled to receive under section 9-706 by
36 multiplying such percentage by the amount that such committee
37 would have been entitled to receive under this chapter, if there were a
38 sufficient amount of moneys in the fund, and (3) notify each such
39 committee of such insufficiency, percentage and applicable
40 recalculation. After a qualified candidate committee under section 9-
41 706 first receives any such recalculated payment, the committee may
42 resume accepting contributions, which shall not be subject to the
43 restrictions on qualifying contributions under section 9-704, and
44 making expenditures from such contributions, up to the highest
45 amount of expenditures made by an opposing nonparticipating
46 candidate in the same primary campaign or general election
47 campaign.] The commission shall [also] issue a report on said
48 determination.

49 (c) The commission shall establish a reserve account in the fund. The
50 first twenty-five thousand dollars deposited in the fund during any
51 year shall be placed in said account. The commission shall use moneys
52 in the reserve account only during the seven days preceding a primary
53 or an election for payments [to candidates whose payments were
54 reduced under subsection (b) of this section] if the fund is insufficient.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage and applicable to primaries and elections held on or after such date</i>	9-750
Sec. 2	<i>from passage and applicable to primaries and elections held on or after such date</i>	9-716

GAE Joint Favorable

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 15 \$	FY 16 \$
Resources of the General Fund	GF - Potential Revenue Diversion From	Less than 3,000,000	None
Citizens' Election Program	Citizen's Election Fund - Potential Revenue Diversion To	Less than 3,000,000	None

Municipal Impact: None

Explanation

The bill establishes a transfer of corporation business tax revenues from the General Fund to the Citizens' Election Fund (CEF) during an election cycle in which the resources of the CEF are not sufficient to provide grants for participants in the Citizens' Election Program.

The CEF had a balance of \$30.8 million as of March 20, 2014, with remaining deposits of approximately \$500,000 expected during FY 14. Grants during the 2014 election cycle are anticipated to require \$26 - \$34 million. Should funds in the CEF be insufficient to make 2014 election cycle grants under the Citizens' Election Program, the bill would trigger a transfer from the resources of the General Fund, associated with the Corporation Business Tax, anticipated to be less than \$3 million in FY 15.

The Out Years

The fiscal impact identified above may arise in future election cycles subject to inflation in Citizens' Election Program grants and participation by candidates for elected office.

OLR Bill Analysis**SB 455*****AN ACT CONCERNING THE CITIZENS' ELECTION FUND.*****SUMMARY:**

By law, grants for candidates participating in the Citizens' Election Program (CEP) are made from the Citizens' Election Fund (CEF). This bill requires revenue from the corporation business tax to be deposited into the CEF whenever there are insufficient funds during the election cycle to cover grants to CEP candidates. The amount deposited must equal the difference between the amount in the CEF and the amount required to pay CEP grants.

The bill also (1) eliminates the current procedure for addressing insufficient grant funds and (2) allows the State Elections Enforcement Commission (SEEC) to use funds in the CEF's reserve account if the fund is insufficient.

EFFECTIVE DATE: Upon passage and applicable to primaries or elections held on or after that date.

PROCEDURE FOR ADDRESSING INSUFFICIENT FUNDS

By law, SEEC must determine, by January 1 in a state election year, whether there is enough money in the CEF to provide grants to CEP candidates. Under current law, if SEEC determines that there are insufficient CEF funds to fully cover the grants, it has three days to recalculate the amount of money qualified candidates can receive, on a proportionate basis, and notify the candidates. After the candidates receive their share of money from the fund, they can accept contributions that are not subject to qualifying contribution limits and restrictions and spend up to the highest amount that a nonparticipating opponent spends.

The bill eliminates this procedure and instead requires that revenue from the corporation business tax be deposited into the CEF whenever there are insufficient funds to cover grants to CEP candidates. It appears that SEEC can make this determination at any point during the election cycle; the procedure in current law is based on a determination SEEC makes by January 1 in a state election year.

The bill makes a similar change concerning the use of funds in the CEF's reserve account. Under current law, SEEC may use the reserve account only during the seven days before a primary or election for payments to candidates whose grants were reduced. The bill instead allows SEEC to use the reserve account during this time period if the CEF is insufficient.

The CEF is funded mostly by a statutorily determined amount of proceeds from the sale of abandoned property that escheats (reverts) to the state. (The fund may also receive voluntary contributions, surplus donations from candidate committees, and proceeds from its own investment earnings.) The law, unchanged by the bill, requires corporation business tax revenues to be deposited into the fund when, in any fiscal year, there are insufficient abandoned property funds to transfer to the CEF. The amount deposited must equal the difference between the statutorily required transfer of abandoned property funds and the amount actually transferred.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable

Yea 10 Nay 4 (03/24/2014)