



# Senate

General Assembly

**File No. 65**

January Session, 2015

Substitute Senate Bill No. 850

*Senate, March 12, 2015*

The Committee on Government Administration and Elections reported through SEN. CASSANO, S. of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT AMENDING THE CODE OF ETHICS FOR LOBBYISTS TO REDEFINE "EXPENDITURE" AND RAISE THE THRESHOLD FOR LOBBYIST REGISTRATION.***

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

1 Section 1. Section 1-91 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective January 1, 2016*):

3 When used in this part, unless the context otherwise requires:

4 (1) "Administrative action" means any action or nonaction of any  
5 executive agency of the state with respect to the proposal, drafting,  
6 development, consideration, amendment, adoption or repeal of any  
7 rule, regulation or utility rate, and any action or nonaction of any  
8 executive agency or quasi-public agency, as defined in section 1-79,  
9 regarding a contract, grant, award, purchasing agreement, loan, bond,  
10 certificate, license, permit or any other matter which is within the  
11 official jurisdiction or cognizance of such an agency.

12 (2) "Candidate for public office" means any person who has filed a  
13 declaration of candidacy or a petition to appear on the ballot for  
14 election as a public official, or who has raised or expended money in  
15 furtherance of such candidacy, or who has been nominated for  
16 appointment to serve as a public official; but does not include a  
17 candidate for the office of senator or representative in Congress.

18 (3) "Board" means the Citizen's Ethics Advisory Board established  
19 under section 1-80.

20 (4) "Compensation" means any value received or to be received by a  
21 person acting as a lobbyist, whether in the form of a fee, salary or  
22 forbearance.

23 (5) "Executive agency" means a commission, board, agency, or other  
24 body or official in the executive branch of the state government and  
25 any independent body of the state government that is not a part of the  
26 legislative or judicial branch.

27 (6) "Expenditure" means any advance, conveyance, deposit,  
28 distribution, transfer of funds, loan, payment, unless expressly  
29 excluded; any payments for telephone, mailing, postage, printing and  
30 other clerical or office services and materials; any paid  
31 communications, costing fifty dollars or more in any calendar year,  
32 disseminated by means of any printing, broadcasting or other  
33 medium, provided such communications refer to pending  
34 administrative or legislative action; any contract, agreement, promise  
35 or other obligation; any solicitation or solicitations, costing fifty dollars  
36 or more in the aggregate for any calendar year, of other persons to  
37 communicate with a public official or state employee for the purpose  
38 of influencing any legislative or administrative act and any pledge,  
39 subscription of money or anything of value. "Expenditure" does not  
40 include (A) the payment of a registrant's fee pursuant to section 1-95,  
41 as amended by this act, (B) any expenditure made by any club,  
42 committee, partnership, organization, business, union, association or  
43 corporation for the purpose of publishing a newsletter or other release  
44 [to] intended primarily for its members, shareholders or employees,

45 whether in written or electronic form or made orally during a  
46 regularly noticed meeting, (C) any expenditure made by any club,  
47 committee, partnership, organization, business, union, association or  
48 corporation for the purpose of transporting its members, shareholders  
49 or employees to or from a specific site, where such members,  
50 shareholders or employees received no other compensation or  
51 reimbursement for lobbying from such club, committee, partnership,  
52 organization, business, union, association or corporation, or (D)  
53 contributions, membership dues or other fees paid to associations,  
54 nonstock corporations or tax-exempt organizations under Section  
55 501(c) of the Internal Revenue Code of 1986, or any subsequent  
56 corresponding internal revenue code of the United States, as from time  
57 to time amended.

58 (7) "Gift" means anything of value, which is directly and personally  
59 received, unless consideration of equal or greater value is given in  
60 return. "Gift" does not include:

61 (A) A political contribution otherwise reported as required by law  
62 or a donation or payment described in subdivision (9) or (10) of  
63 subsection (b) of section 9-601a;

64 (B) Services provided by persons volunteering their time, if  
65 provided to aid or promote the success or defeat of any political party,  
66 any candidate or candidates for public office or the position of  
67 convention delegate or town committee member or any referendum  
68 question;

69 (C) A commercially reasonable loan made on terms not more  
70 favorable than loans made in the ordinary course of business;

71 (D) A gift received from (i) the individual's spouse, [fiance or  
72 fiancee] fiancé or fiancée, (ii) the parent, brother or sister of such  
73 spouse or such individual, or (iii) the child of such individual or the  
74 spouse of such child;

75 (E) Goods or services (i) that are provided to a state agency or quasi-

76 public agency (I) for use on state or quasi-public agency property, or  
77 (II) that support an event or the participation by a public official or  
78 state employee at an event, and (ii) that facilitate state or quasi-public  
79 agency action or functions. As used in this subparagraph, "state  
80 property" means property owned by the state or a quasi-public agency  
81 or property leased to a state or quasi-public agency;

82 (F) A certificate, plaque or other ceremonial award costing less than  
83 one hundred dollars;

84 (G) A rebate, discount or promotional item available to the general  
85 public;

86 (H) Printed or recorded informational material germane to state  
87 action or functions;

88 (I) Food or beverage or both, costing less than fifty dollars in the  
89 aggregate per recipient in a calendar year, and consumed on an  
90 occasion or occasions at which the person paying, directly or  
91 indirectly, for the food or beverage, or his representative, is in  
92 attendance;

93 (J) Food or beverage or both, costing less than fifty dollars per  
94 person and consumed at a publicly noticed legislative reception to  
95 which all members of the General Assembly are invited and which is  
96 hosted not more than once in any calendar year by a lobbyist or  
97 business organization. For the purposes of such limit, (i) a reception  
98 hosted by a lobbyist who is an individual shall be deemed to have also  
99 been hosted by the business organization which he owns or is  
100 employed by, and (ii) a reception hosted by a business organization  
101 shall be deemed to have also been hosted by all owners and employees  
102 of the business organization who are lobbyists. In making the  
103 calculation for the purposes of such fifty-dollar limit, the donor shall  
104 divide the amount spent on food and beverage by the number of  
105 persons whom the donor reasonably expects to attend the reception;

106 (K) Food or beverage or both, costing less than fifty dollars per

107 person and consumed at a publicly noticed reception to which all  
108 members of the General Assembly from a region of the state are  
109 invited and which is hosted not more than once in any calendar year  
110 by a lobbyist or business organization. For the purposes of such limit,  
111 (i) a reception hosted by a lobbyist who is an individual shall be  
112 deemed to have also been hosted by the business organization which  
113 he owns or is employed by, and (ii) a reception hosted by a business  
114 organization shall be deemed to have also been hosted by all owners  
115 and employees of the business organization who are lobbyists. In  
116 making the calculation for the purposes of such fifty-dollar limit, the  
117 donor shall divide the amount spent on food and beverage by the  
118 number of persons whom the donor reasonably expects to attend the  
119 reception. As used in this subparagraph, "region of the state" means  
120 the established geographic service area of the organization hosting the  
121 reception;

122 (L) A gift, including, but not limited to, food or beverage or both,  
123 provided by an individual for the celebration of a major life event,  
124 provided any such gift provided by an individual who is not a  
125 member of the family of the recipient does not exceed one thousand  
126 dollars in value;

127 (M) Gifts costing less than one hundred dollars in the aggregate or  
128 food or beverage provided at a hospitality suite at a meeting or  
129 conference of an interstate legislative association, by a person who is  
130 not a registrant or is not doing business with the state of Connecticut;

131 (N) Admission to a charitable or civic event, including food and  
132 beverage provided at such event, but excluding lodging or travel  
133 expenses, at which a public official or state employee participates in  
134 his or her official capacity, provided such admission is provided by the  
135 primary sponsoring entity;

136 (O) Anything of value provided by an employer of (i) a public  
137 official, (ii) a state employee, or (iii) a spouse of a public official or state  
138 employee, to such official, employee or spouse, provided such benefits  
139 are customarily and ordinarily provided to others in similar

140 circumstances;

141 (P) Anything having a value of not more than ten dollars, provided  
142 the aggregate value of all things provided by a donor to a recipient  
143 under this subdivision in any calendar year does not exceed fifty  
144 dollars; or

145 (Q) Training that is provided by a vendor for a product purchased  
146 by a state or quasi-public agency that is offered to all customers of  
147 such vendor.

148 (8) "Immediate family" means any spouse, dependent children or  
149 dependent relatives who reside in the individual's household.

150 (9) "Individual" means a natural person.

151 (10) "Legislative action" means introduction, sponsorship,  
152 consideration, debate, amendment, passage, defeat, approval, veto,  
153 overriding of a veto or any other official action or nonaction with  
154 regard to any bill, resolution, amendment, nomination, appointment,  
155 report, or any other matter pending or proposed in a committee or in  
156 either house of the legislature, or any matter that is within the official  
157 jurisdiction or cognizance of the legislature.

158 (11) "Lobbying" means communicating directly or soliciting others  
159 to communicate with any official or his staff in the legislative or  
160 executive branch of government or in a quasi-public agency, for the  
161 purpose of influencing any legislative or administrative action except  
162 that the term "lobbying" does not include (A) communications by or on  
163 behalf of a party to, or an intervenor in, a contested case, as described  
164 in regulations adopted by the Office of State Ethics in accordance with  
165 the provisions of chapter 54, before an executive agency or a quasi-  
166 public agency, [as defined in section 1-79,] (B) communications by a  
167 representative of a vendor or by an employee of the registered client  
168 lobbyist which representative or employee acts as a salesperson and  
169 does not otherwise engage in lobbying regarding any administrative  
170 action, (C) communications by an attorney made while engaging in the

171 practice of law and regarding any matter other than legislative action  
172 as defined in subdivision (10) of this section or the proposal, drafting,  
173 development, consideration, amendment, adoption or repeal of any  
174 rule or regulation, or (D) other communications exempted by  
175 regulations adopted by the Office of State Ethics in accordance with  
176 the provisions of chapter 54.

177 (12) "Lobbyist" means a person who in lobbying and in furtherance  
178 of lobbying makes or agrees to make expenditures, or receives or  
179 agrees to receive compensation, reimbursement, or both, and such  
180 compensation, reimbursement or expenditures are [two] three  
181 thousand dollars or more in any calendar year or the combined  
182 amount thereof is [two] three thousand dollars or more in any such  
183 calendar year. "Lobbyist" does not include:

184 (A) A public official, employee of a branch of state government or a  
185 subdivision thereof, including an official or employee of a quasi-public  
186 agency, or elected or appointed official of a municipality or his or her  
187 designee other than an independent contractor, who is acting within  
188 the scope of his or her authority or employment;

189 (B) A publisher, owner or an employee of the press, radio or  
190 television while disseminating news or editorial comment to the  
191 general public in the ordinary course of business;

192 (C) An individual representing himself or herself or another person  
193 before the legislature or a state agency other than for the purpose of  
194 influencing legislative or administrative action;

195 (D) Any individual or employee who receives no compensation or  
196 reimbursement specifically for lobbying and who limits his activities  
197 solely to formal appearances to give testimony before public sessions  
198 of committees of the General Assembly or public hearings of state  
199 agencies and who, if he or she testifies, registers his or her appearance  
200 in the records of such committees or agencies;

201 (E) A member of an advisory board acting within the scope of his or

202 her appointment;

203 (F) A senator or representative in Congress acting within the scope  
204 of his or her office;

205 (G) Any person who receives no compensation or reimbursement  
206 specifically for lobbying and who spends no more than five hours in  
207 furtherance of lobbying unless such person (i) exclusive of salary,  
208 receives compensation or makes expenditures, or both, of [two] three  
209 thousand dollars or more in any calendar year for lobbying or the  
210 combined amount thereof is [two] three thousand dollars or more in  
211 any such calendar year, or (ii) expends fifty dollars or more for the  
212 benefit of a public official in the legislative or executive branch, a  
213 member of his or her staff or immediate family;

214 (H) A communicator lobbyist who receives or agrees to receive  
215 compensation, reimbursement, or both, the aggregate amount of which  
216 is less than [two] three thousand dollars from each client in any  
217 calendar year.

218 (13) "Member of an advisory board" means any person appointed by  
219 a public official as an advisor or consultant or member of a committee,  
220 commission or council established to advise, recommend or consult  
221 with a public official or branch of government or committee thereof  
222 and who receives no public funds other than per diem payments or  
223 reimbursement for his or her actual and necessary expenses incurred  
224 in the performance of his or her official duties and who has no  
225 authority to expend any public funds or to exercise the power of the  
226 state.

227 (14) "Person" means an individual, a business, corporation, limited  
228 liability company, union, association, firm, partnership, committee,  
229 club or other organization or group of persons.

230 (15) "Political contribution" has the same meaning as in section 9-  
231 601a except that for purposes of this part, the provisions of subsection  
232 (b) of said section shall not apply.

233 (16) "Public official" means any state-wide elected state officer, any  
234 member or member-elect of the General Assembly, any person  
235 appointed to any office of the legislative, judicial or executive branch  
236 of state government by the Governor, with or without the advice and  
237 consent of the General Assembly, the spouse of the Governor and any  
238 person appointed or elected by the General Assembly or any member  
239 of either house thereof; but does not include a member of an advisory  
240 board or a senator or representative in Congress.

241 (17) "Registrant" means a person who is required to register  
242 pursuant to section 1-94, as amended by this act.

243 (18) "Reimbursement" means any money or thing of value received  
244 or to be received in the form of payment for expenses as a lobbyist, not  
245 including compensation.

246 (19) "State employee" means any employee in the executive, judicial  
247 or legislative branch of state government, whether in the classified or  
248 unclassified service and whether full or part-time.

249 (20) "Business organization" means a sole proprietorship,  
250 corporation, limited liability company, association, firm or partnership,  
251 other than a client lobbyist, that is owned by, or employs one or more  
252 individual lobbyists.

253 (21) "Client lobbyist" means a lobbyist on behalf of whom lobbying  
254 takes place and who makes expenditures for lobbying and in  
255 furtherance of lobbying.

256 (22) "Communicator lobbyist" means a lobbyist who communicates  
257 directly or solicits others to communicate with an official or the  
258 official's staff in the legislative or executive branch of government or in  
259 a quasi-public agency for the purpose of influencing legislative or  
260 administrative action.

261 (23) "State agency" means any office, department, board, council,  
262 commission, institution, constituent unit of the state system of higher  
263 education, technical high school or other agency in the executive,

264 legislative or judicial branch of state government.

265 (24) "Quasi-public agency" means quasi-public agency, as defined in  
266 section 1-79.

267 Sec. 2. Section 1-94 of the general statutes is repealed and the  
268 following is substituted in lieu thereof (*Effective January 1, 2016*):

269 A lobbyist shall register with the Office of State Ethics pursuant to  
270 this part if it or he:

271 (1) Receives or agrees to receive compensation or reimbursement for  
272 actual expenses, or both, in a combined amount of [two] three  
273 thousand dollars or more in a calendar year for lobbying, whether that  
274 receipt of compensation or reimbursement or agreement to receive  
275 such compensation or reimbursement is solely for lobbying or the  
276 lobbying is incidental to that person's regular employment; or

277 (2) Makes or incurs an obligation to make expenditures of [two]  
278 three thousand dollars or more in a calendar year for lobbying.

279 Sec. 3. Subsection (a) of section 1-95 of the general statutes is  
280 repealed and the following is substituted in lieu thereof (*Effective*  
281 *January 1, 2016*):

282 (a) Each registrant shall file every two years with the Office of State  
283 Ethics on a registration form signed under penalty of false statement  
284 on or before January fifteenth of odd-numbered years or prior to the  
285 commencement of lobbying whichever is later. If the registrant is not  
286 an individual, an authorized officer or agent of the registrant shall sign  
287 the form. Such registration shall be on a form prescribed by the board  
288 and shall include:

289 (1) If the registrant is an individual, the registrant's name,  
290 permanent address and temporary address while lobbying and the  
291 name, address and nature of business of any person who compensates  
292 or reimburses, or agrees to compensate or reimburse the registrant and  
293 the terms of the compensation, reimbursement or agreement, but shall

294 not include the compensation paid to an employee for his involvement  
295 in activities other than lobbying;

296 (2) If the registrant is a corporation, the name, address, place of  
297 incorporation and the principal place of business of the corporation;

298 (3) If the registrant is an association, group of persons or an  
299 organization, the name and address of the principal officers and  
300 directors of such association, group of persons or organization. If the  
301 registrant is formed primarily for the purpose of lobbying, it shall  
302 disclose the name and address of any person contributing [two] three  
303 thousand dollars or more to the registrant's lobbying activities in any  
304 calendar year;

305 (4) If the registrant is not an individual, the name and address of  
306 each individual who will lobby on the registrant's behalf; and

307 (5) The identification, with reasonable particularity, of areas of  
308 legislative or administrative action on which the registrant expects to  
309 lobby, including the names of executive agencies and quasi-public  
310 agencies and, where applicable, solicitations for state contracts and  
311 procurements.

312 Sec. 4. Subsection (a) of section 1-96 of the general statutes is  
313 repealed and the following is substituted in lieu thereof (*Effective*  
314 *January 1, 2016*):

315 (a) Each client lobbyist registrant shall file with the Office of State  
316 Ethics between the first and tenth day of April, July and January a  
317 financial report, signed under penalty of false statement. The April and  
318 July reports shall cover its lobbying activities during the previous  
319 calendar quarter and the January report shall cover its lobbying  
320 activities during the previous two calendar quarters. In addition to  
321 such reports, each client lobbyist registrant which attempts to  
322 influence legislative action shall file, under penalty of false statement,  
323 interim monthly reports of its lobbying activities for each month the  
324 General Assembly is in regular session, except that no monthly report

325 shall be required for any month in which it neither expends nor agrees  
 326 to expend one hundred dollars or more in furtherance of lobbying.  
 327 Such interim monthly reports shall be filed with the Office of State  
 328 Ethics no later than the tenth day of the month following the last day  
 329 of the month reported. If the client lobbyist registrant is not an  
 330 individual, an authorized officer or agent of the client lobbyist  
 331 registrant shall sign the form. A communicator lobbyist for a  
 332 municipality or any subdivision of a municipality [, a branch of state  
 333 government or any subdivision of state government or a quasi-public  
 334 agency] shall file the reports described in this subsection utilizing the  
 335 client lobbyist reporting schedule.

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2016	1-91
Sec. 2	January 1, 2016	1-94
Sec. 3	January 1, 2016	1-95(a)
Sec. 4	January 1, 2016	1-96(a)

**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 16 \$	FY 17 \$
Governmental Accountability, Off.	GF - Revenue Loss	Less than \$2,500	Less than \$7,500

**Municipal Impact:** None

**Explanation**

The bill modifies certain definitions and requirements within the statutory code of ethics for lobbyists and also exempts state agency communicator lobbyists from certain reporting requirements.

Certain provisions of the bill increase the point at which a lobbyist is required to register with the Office of Governmental Accountability's Office of State Ethics. Raising the threshold from \$2,000 of qualifying activity in a calendar year to \$3,000 is anticipated to result in a revenue loss of less than \$2,500 in FY 16 and less than \$7,500 in FY 17. The revenue loss in even-numbered fiscal years is reduced due to the proration of registration fees in the second year of the biennial registration term.

During the recently concluded 2013-2014 registration period, approximately 30 registered lobbyists reported less than \$3,000 in revenues or expenses among the approximately 3,800 registered lobbyists.

There is no fiscal impact arising from the other provisions of the bill.

**The Out Years**

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

**OLR Bill Analysis****sSB 850*****AN ACT AMENDING THE CODE OF ETHICS FOR LOBBYISTS TO REDEFINE "EXPENDITURE" AND RAISE THE THRESHOLD FOR LOBBYIST REGISTRATION.*****SUMMARY:**

This bill increases, from \$2,000 to \$3,000, the income and expenditure thresholds that require a person to register as a lobbyist with the Office of State Ethics (OSE). Under current law, a person must register with OSE if he or she receives, spends, or agrees to receive or spend at least \$2,000 in a calendar year to lobby. Similarly, the bill requires registered lobbyists that are (1) associations, groups, or organizations and (2) formed primarily for lobbying to include with their biennial registration the names and addresses of everyone who contributes \$3,000, rather than \$2,000, to their lobbying activities.

The bill exempts from the definition of lobbying expenditure the costs to an entity for transporting its members, shareholders, or employees to or from a specific site, as long as these individuals received no other compensation or reimbursement for lobbying. It also specifies that current law's expenditure exemption for an entity's publication of a newsletter or other release to its members, shareholders, or employees (1) must be intended primarily for these individuals (current law refers only to communications made to these individuals) and (2) applies whether the communication is in written or electronic form or made orally during a regularly noticed meeting.

The bill also makes technical changes.

EFFECTIVE DATE: January 1, 2016

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 15    Nay 0    (02/25/2015)