



**Substitute Senate Bill No. 850**

**Public Act No. 15-15**

**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:

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 Section 1-91 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2016*):

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

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

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

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candidate for the office of senator or representative in Congress.

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

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

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

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

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committee, partnership, organization, business, union, association or corporation for the purpose of transporting its members, shareholders or employees to or from a specific site, where such members, shareholders or employees received no other compensation or reimbursement for lobbying from such club, committee, partnership, organization, business, union, association or corporation, or (D) contributions, membership dues or other fees paid to associations, nonstock corporations or tax-exempt organizations under Section 501(c) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended.

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

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

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

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

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

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

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

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

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

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

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

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

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persons whom the donor reasonably expects to attend the reception;

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

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

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

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

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primary sponsoring entity;

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

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

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

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

(9) "Individual" means a natural person.

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

(11) "Lobbying" means communicating directly or soliciting others to communicate with any official or his staff in the legislative or executive branch of government or in a quasi-public agency, for the purpose of influencing any legislative or administrative action except that the term "lobbying" does not include (A) communications by or on

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behalf of a party to, or an intervenor in, a contested case, as described in regulations adopted by the Office of State Ethics in accordance with the provisions of chapter 54, before an executive agency or a quasi-public agency, [as defined in section 1-79,] (B) communications by a representative of a vendor or by an employee of the registered client lobbyist which representative or employee acts as a salesperson and does not otherwise engage in lobbying regarding any administrative action, (C) communications by an attorney made while engaging in the practice of law and regarding any matter other than legislative action as defined in subdivision (10) of this section or the proposal, drafting, development, consideration, amendment, adoption or repeal of any rule or regulation, or (D) other communications exempted by regulations adopted by the Office of State Ethics in accordance with the provisions of chapter 54.

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

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

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

(C) An individual representing himself or herself or another person

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before the legislature or a state agency other than for the purpose of influencing legislative or administrative action;

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

(E) A member of an advisory board acting within the scope of his or her appointment;

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

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

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

(13) "Member of an advisory board" means any person appointed by a public official as an advisor or consultant or member of a committee, commission or council established to advise, recommend or consult with a public official or branch of government or committee thereof

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and who receives no public funds other than per diem payments or reimbursement for his or her actual and necessary expenses incurred in the performance of his or her official duties and who has no authority to expend any public funds or to exercise the power of the state.

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

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

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

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

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

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

(20) "Business organization" means a sole proprietorship,

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corporation, limited liability company, association, firm or partnership, other than a client lobbyist, that is owned by, or employs one or more individual lobbyists.

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

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

(23) "State agency" means any office, department, board, council, commission, institution, constituent unit of the state system of higher education, technical high school or other agency in the executive, legislative or judicial branch of state government.

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

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

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

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

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

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

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

(1) If the registrant is an individual, the registrant's name, permanent address and temporary address while lobbying and the name, address and nature of business of any person who compensates or reimburses, or agrees to compensate or reimburse the registrant and the terms of the compensation, reimbursement or agreement, but shall not include the compensation paid to an employee for his involvement in activities other than lobbying;

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

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

(4) If the registrant is not an individual, the name and address of

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each individual who will lobby on the registrant's behalf; and

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

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

(a) Each client lobbyist registrant shall file with the Office of State Ethics between the first and tenth day of April, July and January a financial report, signed under penalty of false statement. The April and July reports shall cover its lobbying activities during the previous calendar quarter and the January report shall cover its lobbying activities during the previous two calendar quarters. In addition to such reports, each client lobbyist registrant which attempts to influence legislative action shall file, under penalty of false statement, interim monthly reports of its lobbying activities for each month the General Assembly is in regular session, except that no monthly report shall be required for any month in which it neither expends nor agrees to expend one hundred dollars or more in furtherance of lobbying. Such interim monthly reports shall be filed with the Office of State Ethics no later than the tenth day of the month following the last day of the month reported. If the client lobbyist registrant is not an individual, an authorized officer or agent of the client lobbyist registrant shall sign the form. A communicator lobbyist for a municipality or any subdivision of a municipality [, a branch of state government or any subdivision of state government or a quasi-public agency] shall file the reports described in this subsection utilizing the client lobbyist reporting schedule.

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Approved May 26, 2015