



House of Representatives

File No. 806

General Assembly

January Session, 2017

(Reprint of File No. 577)

Substitute House Bill No. 5589
As Amended by House Amendment
Schedule "B"

Approved by the Legislative Commissioner
May 30, 2017

AN ACT CONCERNING CAMPAIGN FINANCE REFORM.

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

1 Section 1. Subdivision (3) of section 9-601 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (3) "Political committee" means (A) a committee organized by a
5 business entity or organization, (B) persons other than individuals, or
6 two or more individuals organized or acting jointly conducting their
7 activities in or outside the state, (C) an exploratory committee, (D) a
8 committee established by or on behalf of a slate of candidates in a
9 primary for the office of justice of the peace, but does not mean a
10 candidate committee or a party committee, (E) a legislative caucus
11 committee, [or] (F) a legislative leadership committee, or (G) an
12 independent expenditure political committee, as defined in section 2 of
13 this act.

14 Sec. 2. (NEW) (*Effective from passage*) As used in chapters 155 and 157
15 of the general statutes, "independent expenditure political committee"

16 means a political committee that makes only (1) independent
17 expenditures, as defined in section 9-601c of the general statutes, and
18 (2) contributions to other independent expenditure political
19 committees.

20 Sec. 3. Subdivision (1) of subsection (g) of section 9-607 of the
21 general statutes is repealed and the following is substituted in lieu
22 thereof (*Effective from passage*):

23 (g) (1) As used in this subsection, (A) "the lawful purposes of the
24 committee" means: (i) For a candidate committee or exploratory
25 committee, the promoting of the nomination or election of the
26 candidate who established the committee, except that after a political
27 party nominates candidates for election to the offices of Governor and
28 Lieutenant Governor, whose names shall be so placed on the ballot in
29 the election that an elector will cast a single vote for both candidates,
30 as prescribed in section 9-181, a candidate committee established by
31 either such candidate may also promote the election of the other such
32 candidate; (ii) for a political committee, other than an independent
33 expenditure political committee described in subparagraph (A)(iv) of
34 this subdivision, the promoting of (I) a political party, including party
35 building activities, (II) the success or defeat of candidates for
36 nomination [and] or election to public office or position subject to the
37 requirements of this chapter, or (III) the success or defeat of
38 referendum questions, provided a political committee formed for a
39 single referendum question shall not promote the success or defeat of
40 any candidate, and provided further a legislative leadership committee
41 or a legislative caucus committee may expend funds to defray costs for
42 conducting legislative or constituency-related business which are not
43 reimbursed or paid by the state; [and] (iii) for a party committee, the
44 promoting of the party, party building activities, the candidates of the
45 party and continuing operating costs of the party; and (iv) for an
46 independent expenditure political committee, the promoting of (I) a
47 political party, (II) the success or defeat of candidates for nomination
48 or election to public office or position subject to the requirements of
49 this chapter, or (III) the success or defeat of referendum questions,

50 provided an independent expenditure political committee shall act
51 entirely independently of a candidate, candidate committee, party
52 committee or political committee that is not an independent
53 expenditure political committee, or any agent of such candidate or
54 committee, and (B) "immediate family" means a spouse or dependent
55 child of a candidate who resides in the candidate's household.

56 Sec. 4. Subsection (c) of section 9-608 of the general statutes is
57 repealed and the following is substituted in lieu thereof (*Effective from*
58 *passage*):

59 (c) (1) Each statement filed under subsection (a), (e) or (f) of this
60 section shall include, but not be limited to: (A) An itemized accounting
61 of each contribution, if any, including the full name and complete
62 address of each contributor and the amount of the contribution; (B) an
63 itemized accounting of each expenditure, if any, including the full
64 name and complete address of each payee, including secondary payees
65 whenever the primary or principal payee is known to include charges
66 which the primary payee has already paid or will pay directly to
67 another person, vendor or entity, the amount and the purpose of the
68 expenditure, the candidate supported or opposed by the expenditure,
69 whether the expenditure is made independently of the candidate
70 supported or is an in-kind contribution to the candidate, and a
71 statement of the balance on hand or deficit, as the case may be; (C) an
72 itemized accounting of each expense incurred but not paid, provided if
73 the expense is incurred by use of a credit card, the accounting shall
74 include secondary payees, and the amount owed to each such payee;
75 (D) the name and address of any person who is the guarantor of a loan
76 to, or the cosigner of a note with, the candidate on whose behalf the
77 committee was formed, or the treasurer in the case of a party
78 committee or a political committee or who has advanced a security
79 deposit to a telephone company, as defined in section 16-1, for
80 telecommunications service for a committee; (E) for each business
81 entity or person purchasing advertising space in a program for a fund-
82 raising affair or on signs at a fund-raising affair, the name and address
83 of the business entity or the name and address of the person, and the

84 amount and aggregate amounts of such purchases; (F) for each
85 individual who contributes in excess of one hundred dollars but not
86 more than one thousand dollars, in the aggregate, to the extent known,
87 the principal occupation of such individual and the name of the
88 individual's employer, if any; (G) for each individual who contributes
89 in excess of one thousand dollars in the aggregate, the principal
90 occupation of such individual and the name of the individual's
91 employer, if any; (H) for each itemized contribution made by a
92 lobbyist, the spouse of a lobbyist or any dependent child of a lobbyist
93 who resides in the lobbyist's household, a statement to that effect; and
94 (I) for each individual who contributes in excess of four hundred
95 dollars in the aggregate to or for the benefit of any candidate's
96 campaign for nomination at a primary or election to the office of chief
97 executive officer or a slate or town committee financing the
98 nomination or election or a candidate for chief executive officer of a
99 town, city or borough, a statement indicating whether the individual
100 or a business with which he is associated has a contract with said
101 municipality that is valued at more than five thousand dollars. Each
102 treasurer shall include in such statement (i) an itemized accounting of
103 the receipts and expenditures relative to any testimonial affair held
104 under the provisions of section 9-609 or any other fund-raising affair,
105 which is referred to in subsection (b) of section 9-601a, and (ii) the date,
106 location and a description of the affair, except that a treasurer shall not
107 be required to include the name of any individual who has purchased
108 items at a fund-raising affair or food at a town fair, county fair or
109 similar mass gathering, if the cumulative value of items purchased by
110 such individual does not exceed one hundred dollars, or the name of
111 any individual who has donated food or beverages for a meeting. A
112 treasurer shall not be required to report or retain any receipts or
113 expenditures related to any de minimis donations described in
114 subdivision (17) of subsection (b) of section 9-601a.

115 (2) Each contributor described in subparagraph (F), (G), (H) or (I) of
116 subdivision (1) of this subsection shall, at the time the contributor
117 makes such a contribution, provide the information that the treasurer

118 is required to include under said subparagraph in the statement filed
119 under subsection (a), (e) or (f) of this section. Notwithstanding any
120 provision of subdivision (2) of section 9-7b, any contributor described
121 in subparagraph (F) of subdivision (1) of this subsection who does not
122 provide such information at the time the contributor makes such a
123 contribution and any treasurer shall not be subject to the provisions of
124 subdivision (2) of section 9-7b. If a treasurer receives a contribution
125 from an individual which separately, or in the aggregate, is in excess of
126 one thousand dollars and the contributor has not provided the
127 information required by said subparagraph (G) or if a treasurer
128 receives a contribution from an individual to or for the benefit of any
129 candidate's campaign for nomination at a primary or election to the
130 office of chief executive officer of a town, city or borough, which
131 separately, or in the aggregate, is in excess of four hundred dollars and
132 the contributor has not provided the information required by said
133 subparagraph (I), the treasurer: (i) Not later than three business days
134 after receiving the contribution, shall send a request for such
135 information to the contributor by certified mail, return receipt
136 requested; (ii) shall not deposit the contribution until the treasurer
137 obtains such information from the contributor, notwithstanding the
138 provisions of section 9-606; and (iii) shall return the contribution to the
139 contributor if the contributor does not provide the required
140 information not later than fourteen days after the treasurer's written
141 request or the end of the reporting period in which the contribution
142 was received, whichever is later. Any failure of a contributor to
143 provide the information which the treasurer is required to include
144 under said subparagraph (F) or (H), which results in noncompliance
145 by the treasurer with the provisions of said subparagraph (F) or (H),
146 shall be a complete defense to any action against the treasurer for
147 failure to disclose such information.

148 (3) In addition to the requirements of subdivision (2) of this
149 subsection, each contributor who makes a contribution to a candidate
150 or exploratory committee for Governor, Lieutenant Governor,
151 Attorney General, State Comptroller, Secretary of the State, State

152 Treasurer, state senator or state representative, any political committee
153 authorized to make contributions to such candidates or committees,
154 and any party committee that separately, or in the aggregate, exceeds
155 fifty dollars shall provide with the contribution: (A) The name of the
156 contributor's employer, if any; (B) the contributor's status as a
157 communicator lobbyist, as defined in section 1-91, a member of the
158 immediate family of a communicator lobbyist, a state contractor, a
159 prospective state contractor or a principal of a state contractor or
160 prospective state contractor, as defined in section 9-612, as amended by
161 this act; and (C) a certification that the contributor is not prohibited
162 from making a contribution to such candidate or committee. The State
163 Elections Enforcement Commission shall prepare a sample form for
164 such certification by the contributor and shall make it available to
165 treasurers and contributors. Such sample form shall include an
166 explanation of the terms "communicator lobbyist", "principal of a state
167 contractor or prospective state contractor", "immediate family", "state
168 contractor" and "prospective state contractor". The information on such
169 sample form shall be included in any written solicitation conducted by
170 any such committee. If a treasurer receives such a contribution and the
171 contributor has not provided such certification, the treasurer shall: (i)
172 Not later than three business days after receiving the contribution,
173 send a request for the certification to the contributor by certified mail,
174 return receipt requested; (ii) not deposit the contribution until the
175 treasurer obtains the certification from the contributor,
176 notwithstanding the provisions of section 9-606; and (iii) return the
177 contribution to the contributor if the contributor does not provide the
178 certification not later than fourteen days after the treasurer's written
179 request or at the end of the reporting period in which the contribution
180 was received, whichever is later. No treasurer shall be required to
181 obtain and keep more than one certification from each contributor,
182 unless information certified to by the contributor, other than the
183 amount contributed, changes. If a treasurer deposits a contribution
184 based on a certification that is later determined to be false, the
185 treasurer shall have a complete defense to any action, including, but
186 not limited to, any complaint investigated by the State Elections

187 Enforcement Commission or any other investigation initiated by [said]
188 the commission, against such treasurer for the receipt of such
189 contribution.

190 (4) When an independent expenditure political committee discloses
191 a contribution or contributions pursuant to subparagraph (A) of
192 subdivision (1) of this subsection in excess of one thousand dollars, in
193 the aggregate, and the contributor is also a recipient of a covered
194 transfer, the independent expenditure political committee shall include
195 for any covered transfer or transfers in excess of five thousand dollars,
196 in the aggregate, the source and the amount of such covered transfer or
197 transfers to such contributor during the twelve-month period
198 immediately prior to the primary or election, as applicable.

199 (5) (A) If a person makes a contribution or contributions in excess of
200 one thousand dollars, in the aggregate, to an independent expenditure
201 political committee and such person derives all funds of such
202 contribution or contributions from a dedicated independent
203 expenditure account established by such person that is segregated
204 from all other accounts controlled by such person, such person shall
205 provide to the treasurer of such committee the source and the amount
206 of each donation, transfer or payment that is in excess of five thousand
207 dollars, in the aggregate, to such dedicated account. Such dedicated
208 independent expenditure account may receive covered transfers
209 directly from persons other than the person who established such
210 dedicated account and shall not receive covered transfers from any
211 other account controlled by the person who established such dedicated
212 account, except as provided in subparagraph (B) of this subdivision.
213 The treasurer of such independent expenditure political committee
214 shall include the information so provided under this subdivision with
215 the disclosure of such contribution or contributions.

216 (B) If a person who made a covered transfer to any other account
217 controlled by the person who established a dedicated independent
218 expenditure account requests that such covered transfer be used for
219 the purpose of making an independent expenditure or expenditures

220 from such dedicated account, the amount of such covered transfer may
221 be transferred to such dedicated account and shall be treated as a
222 covered transfer directly to such dedicated account.

223 (6) If a person makes a contribution or contributions in excess of one
224 thousand dollars, in the aggregate, to an independent expenditure
225 political committee and such person derives any funds of such
226 contribution or contributions from any source other than a dedicated
227 independent expenditure account established by such person that is
228 segregated from all other accounts controlled by such person, such
229 person shall provide to the treasurer of such committee the source and
230 the amount of each donation, transfer or payment to such person that
231 is in excess of five thousand dollars, in the aggregate, during the
232 twelve-month period prior to the primary or election, as applicable, for
233 which an independent expenditure is made. The treasurer of such
234 independent expenditure political committee shall include the
235 information so provided under this subdivision with the disclosure of
236 such contribution or contributions.

237 (7) (A) The treasurer of an independent expenditure political
238 committee shall not accept a contribution or contributions in excess of
239 one thousand dollars, in the aggregate, unless the information required
240 to be provided under subdivision (8) of this subsection is so provided.

241 (B) The recipient of a covered transfer or transfers in excess of five
242 thousand dollars, in the aggregate, shall not knowingly make any
243 contribution to an independent expenditure political committee unless
244 the information required to be disclosed or provided, as applicable,
245 under subdivision (4), (5) or (6) of this subsection is so disclosed or
246 provided.

247 (8) In addition to the requirements of subdivision (2) of this
248 subsection, each contributor who is the recipient of any covered
249 transfer or transfers that, in the aggregate, exceed five thousand dollars
250 and who makes a contribution to an independent expenditure political
251 committee that separately, or in the aggregate, exceeds one thousand

252 dollars per calendar year shall provide with the contribution a
253 statement signed under penalty of false statement, which statement
254 shall include: (A) If the contributor is a human being, the name of the
255 contributor's employer or employers, if any; (B) the contributor's status
256 as a client lobbyist or communicator lobbyist, as defined in section 1-
257 91, or a member of the immediate family of a communicator lobbyist;
258 (C) a certification that the contributor is not a state contractor, a
259 principal of a state contractor, a foreign-influenced entity or otherwise
260 prohibited from making such contribution; and (D) the name of any
261 person required to be disclosed or provided, as applicable, under
262 subdivision (4), (5) or (6) of this subsection and the amounts of the
263 covered transfers of any such person. The State Elections Enforcement
264 Commission shall prepare a form for such certification by the
265 contributor and shall make it available to treasurers and contributors.
266 Such form shall include an explanation of the terms "covered transfer"
267 and "campaign-related disbursement", as they are defined in section 9-
268 601, as amended by this act, as well as notice of the prior authorization
269 requirements set forth in section 13 of this act. The information on such
270 sample form shall be included in any written solicitation conducted by
271 such independent expenditure political committee. If a treasurer
272 receives a contribution and the contributor has not provided such
273 certification, the treasurer shall: (i) Not later than three business days
274 after receiving the contribution, send a request for the certification to
275 the contributor by certified mail, return receipt requested; (ii) not
276 deposit the contribution until the treasurer obtains the certification
277 from the contributor, notwithstanding the provisions of section 9-606;
278 and (iii) return the contribution to the contributor if the contributor
279 does not provide the certification not later than fourteen days after the
280 treasurer's written request or at the end of the reporting period in
281 which the contribution was received, whichever is later. If a treasurer
282 deposits a contribution based on a certification signed under penalty of
283 false statement that is later determined to be false, the treasurer shall
284 have a complete defense to any action, including, but not limited to,
285 any complaint investigated by the State Elections Enforcement
286 Commission or any other investigation initiated by the commission,

287 against such treasurer for the receipt of such contribution.

288 [(4)] (9) Contributions from a single individual to a treasurer in the
289 aggregate totaling fifty dollars or less need not be individually
290 identified in the statement, but a sum representing the total amount of
291 all such contributions made by all such individuals during the period
292 to be covered by such statement shall be a separate entry, identified
293 only by the words "total contributions from small contributors".

294 [(5)] (10) Each statement filed by the treasurer of a party committee,
295 a legislative caucus committee or a legislative leadership committee
296 shall include an itemized accounting of each organization expenditure
297 made by the committee. Concomitant with the filing of any such
298 statement containing an accounting of an organization expenditure
299 made by the committee for the benefit of any candidate for the office of
300 state senator, state representative, Governor, Lieutenant Governor,
301 Attorney General, Secretary of the State, State Comptroller or State
302 Treasurer such treasurer shall provide notice of the organization
303 expenditure to the candidate committee of such candidate.

304 [(6)] (11) The commission shall post a link on the home page of the
305 commission's Internet web site to a listing of all organizational
306 expenditures reported by a party, legislative leadership or caucus
307 committee under subdivision [(5)] (10) of this subsection. Such
308 information shall include reported information on the committee
309 making the expenditure, the committee receiving the expenditure and
310 the date and purpose for the expenditure.

311 [(7)] (12) Statements filed in accordance with this section shall
312 remain public records of the state for five years from the date such
313 statements are filed.

314 Sec. 5. Subparagraph (C) of subdivision (1) of subsection (e) of
315 section 9-608 of the general statutes is repealed and the following is
316 substituted in lieu thereof (*Effective from passage*):

317 (C) (i) Each political committee formed solely to aid or promote the

318 success or defeat of any referendum question, which does not receive
319 contributions from a business entity or an organization, shall distribute
320 its surplus to a party committee, to a political committee organized for
321 ongoing political activities, to a national committee of a political party,
322 to all contributors to the committee on a prorated basis of contribution,
323 to state or municipal governments or agencies or to any organization
324 which is a tax-exempt organization under Section 501(c)(3) of the
325 Internal Revenue Code of 1986, or any subsequent corresponding
326 internal revenue code of the United States, as from time to time
327 amended. (ii) Each political committee formed solely to aid or promote
328 the success or defeat of any referendum question, which receives
329 contributions from a business entity or an organization, and each
330 independent expenditure political committee other than an
331 independent expenditure political committee formed for ongoing
332 political activities, shall distribute its surplus to all contributors to the
333 committee on a prorated basis of contribution, to state or municipal
334 governments or agencies, or to any organization which is tax-exempt
335 under said provisions of the Internal Revenue Code. Notwithstanding
336 the provisions of this subsection, a committee formed for a single
337 referendum shall not be required to expend its surplus not later than
338 ninety days after the referendum and may continue in existence if a
339 substantially similar referendum question on the same issue will be
340 submitted to the electorate within six months after the first
341 referendum. If two or more substantially similar referenda on the same
342 issue are submitted to the electorate, each no more than six months
343 apart, the committee shall expend such surplus within ninety days
344 following the date of the last such referendum;

345 Sec. 6. Subsection (a) of section 9-612 of the general statutes is
346 repealed and the following is substituted in lieu thereof (*Effective from*
347 *passage*):

348 (a) No individual shall make a contribution or contributions in any
349 one calendar year in excess of ten thousand dollars to the state central
350 committee of any party, or for the benefit of such committee pursuant
351 to its authorization or request; or two thousand dollars to a town

352 committee of any political party, or for the benefit of such committee
353 pursuant to its authorization or request; or two thousand dollars to a
354 legislative caucus committee or legislative leadership committee; [,] or
355 one thousand dollars to any other political committee other than (1) a
356 political committee formed solely to aid or promote the success or
357 defeat of a referendum question, (2) an exploratory committee, (3) a
358 political committee established by an organization, or for the benefit of
359 such committee pursuant to its authorization or request, [or] (4) a
360 political committee formed by a slate of candidates in a primary for the
361 office of justice of the peace of the same town, or (5) an independent
362 expenditure political committee.

363 Sec. 7. Section 9-613 of the general statutes is repealed and the
364 following is substituted in lieu thereof (*Effective from passage*):

365 (a) [No] Except as provided in subsection (g) of this section, a
366 business entity shall not make any contributions or expenditures (1) to,
367 or for the benefit of, any candidate's campaign (A) for election to any
368 public office or position subject to this chapter, or (B) for nomination at
369 a primary for any such office or position, or (2) to promote the defeat
370 of any candidate for any such office or position. [No] A business entity
371 shall not make any other contributions or expenditures to promote the
372 success or defeat of any political party. [, except as provided in
373 subsection (b) of this section. No] A business entity shall not establish
374 more than one political committee. A political committee shall be
375 deemed to have been established by a business entity if the initial
376 disbursement or contribution to the committee is made under
377 subsection (b) of this section or by an officer, director, owner, limited
378 or general partner or holder of stock constituting five per cent or more
379 of the total outstanding stock of any class of the business entity.

380 (b) A business entity may make reasonable and necessary transfers
381 or disbursements to, or for the benefit of, a political committee
382 established by such business entity, for the administration of, or
383 solicitation of contributions to, such political committee. Nonmonetary
384 contributions by a business entity which are incidental in nature and

385 are directly attributable to the administration of such political
386 committee shall be exempt from the reporting requirements of this
387 chapter.

388 (c) The provisions of this section shall not preclude a business entity
389 from making contributions or expenditures to promote the success or
390 defeat of a referendum question.

391 (d) [A] Except as provided in subsection (g) of this section, a
392 political committee organized by a business entity shall not make a
393 contribution or contributions to, or for the benefit of, any candidate's
394 campaign for nomination at a primary or any candidate's campaign for
395 election to the office of: (1) Governor, in excess of five thousand
396 dollars; (2) Lieutenant Governor, Secretary of the State, Treasurer,
397 Comptroller or Attorney General, in excess of three thousand dollars;
398 (3) state senator, probate judge or chief executive officer of a town, city
399 or borough, in excess of one thousand five hundred dollars; (4) state
400 representative, in excess of seven hundred fifty dollars; or (5) any other
401 office of a municipality not included in subdivision (3) of this
402 subsection, in excess of three hundred seventy-five dollars. The limits
403 imposed by this subsection shall apply separately to primaries and
404 elections and contributions by any such committee to candidates
405 designated in this subsection shall not exceed one hundred thousand
406 dollars in the aggregate for any single election and primary
407 preliminary thereto. Contributions to such committees shall also be
408 subject to the provisions of section 9-618, as amended by this act, in the
409 case of committees formed for ongoing political activity or section 9-
410 619, as amended by this act, in the case of committees formed for a
411 single election or primary.

412 (e) [No] Except as provided in subsection (g) of this section, a
413 political committee organized by a business entity shall not make a
414 contribution or contributions to (1) a state central committee of a
415 political party, in excess of seven thousand five hundred dollars in any
416 calendar year, (2) a town committee of any political party, in excess of
417 one thousand five hundred dollars in any calendar year, (3) an

418 exploratory committee in excess of three hundred seventy-five dollars,
419 or (4) any other kind of political committee, in excess of two thousand
420 dollars in any calendar year.

421 (f) As used in this subsection, "investment services" means
422 investment legal services, investment banking services, investment
423 advisory services, underwriting services, financial advisory services or
424 brokerage firm services. [No] A political committee established by a
425 firm which provides investment services and to which the State
426 Treasurer pays compensation, expenses or fees or issues a contract
427 shall not make a contribution to, or solicit contributions on behalf of,
428 an exploratory committee or candidate committee established by a
429 candidate for nomination or election to the office of State Treasurer
430 during the term of office of the State Treasurer who does business with
431 such firm.

432 (g) (1) Notwithstanding the provisions of [this section, a
433 corporation, cooperative association, limited partnership, professional
434 association, limited liability company or limited liability partnership,
435 whether formed in this state or any other, acting alone,] subsections (a)
436 to (f), inclusive, of this section, a business entity may make
437 independent expenditures and contributions to an independent
438 expenditure political committee.

439 (2) An independent expenditure political committee, as defined in
440 section 2 of this act, organized by a business entity shall not make any
441 contribution unless such contribution is to another independent
442 expenditure political committee.

443 Sec. 8. Section 9-614 of the general statutes is repealed and the
444 following is substituted in lieu thereof (*Effective from passage*):

445 (a) An organization may make contributions or expenditures, other
446 than [those made to promote] for the purpose of promoting the success
447 or defeat of a referendum question, only by first forming its own
448 political committee. [The] Unless such political committee is an
449 independent expenditure political committee, the political committee

450 shall then be authorized to (1) receive funds (A) exclusively from the
451 organization's treasury or from voluntary contributions made by its
452 members, but not both, (B) from another political committee, or [,] (C)
453 from a candidate committee distributing a surplus, and [(1) to] (2)
454 make (A) contributions or expenditures to, or for the benefit of, a
455 candidate's campaign or a political party, or [(2) to make] (B)
456 contributions to another political committee. [No] An organization
457 shall not form more than one political committee. A political
458 committee shall be deemed to have been established by an
459 organization if the initial contribution to the committee is made by the
460 organization's treasury or an officer or director of the organization.

461 (b) A political committee established by an organization may elect
462 to alter the manner in which it is funded if it complies with the
463 requirements of this subsection. The committee chairperson shall
464 notify the repository with which the committee's most recent statement
465 of organization is filed, in writing, of the committee's intent to alter its
466 manner of funding. [Within] Not later than fifteen days after the date
467 of receipt of such notification, the treasurer of such political committee
468 shall return any funds remaining in the account of the committee to
469 the organization's treasury after payment of each outstanding liability.
470 [Within] Not later than seven days after the distribution and payments
471 have been made, the treasurer shall file a statement with the same
472 repository itemizing each such distribution and payment. Upon such
473 filing, the treasurer may receive voluntary contributions from any
474 member of the organization which established such committee subject
475 to the limitations imposed in subsection (b) of section 9-612.

476 (c) The chairperson of each political committee established by an
477 organization on or after July 1, 1985, shall designate the manner in
478 which the committee shall be funded in the committee's statement of
479 organization.

480 (d) Notwithstanding the provisions of this section, an organization
481 [, acting alone,] may make independent expenditures and
482 contributions to an independent expenditure political committee.

483 Sec. 9. Section 9-615 of the general statutes is repealed and the
484 following is substituted in lieu thereof (*Effective from passage*):

485 (a) [No] A political committee established by an organization shall
486 not make a contribution or contributions to, or for the benefit of, any
487 candidate's campaign for nomination at a primary or for election to the
488 office of: (1) Governor, in excess of five thousand dollars; (2)
489 Lieutenant Governor, Secretary of the State, Treasurer, Comptroller or
490 Attorney General, in excess of three thousand dollars; (3) chief
491 executive officer of a town, city or borough, in excess of one thousand
492 five hundred dollars; (4) state senator or probate judge, in excess of
493 one thousand five hundred dollars; (5) state representative, in excess of
494 seven hundred fifty dollars; or (6) any other office of a municipality
495 not previously included in this subsection, in excess of three hundred
496 seventy-five dollars.

497 (b) [No] Any such committee shall not make a contribution or
498 contributions to, or for the benefit of, an exploratory committee, in
499 excess of three hundred seventy-five dollars. Any such committee may
500 make unlimited contributions to a political committee formed solely to
501 aid or promote the success or defeat of a referendum question.

502 (c) The limits imposed by subsection (a) of this section shall apply
503 separately to primaries and elections and no such committee shall
504 make contributions to the candidates designated in this section which
505 in the aggregate exceed fifty thousand dollars for any single election
506 and primary preliminary thereto.

507 (d) [No] Except as provided in subsection (f) of this section, a
508 political committee established by an organization shall not make
509 contributions in any one calendar year to, or for the benefit of, (1) the
510 state central committee of a political party, in excess of seven thousand
511 five hundred dollars; (2) a town committee, in excess of one thousand
512 five hundred dollars; or (3) any political committee, other than an
513 exploratory committee or a committee formed solely to aid or promote
514 the success or defeat of a referendum question, in excess of two

515 thousand dollars.

516 (e) Contributions to a political committee established by an
517 organization for the purpose of making contributions shall be subject
518 to the provisions of section 9-618, as amended by this act, in the case of
519 a committee formed for ongoing political activity or section 9-619, as
520 amended by this act, in the case of a committee formed for a single
521 election or primary.

522 (f) An independent expenditure political committee, as defined in
523 section 2 of this act, established by an organization shall not make any
524 contribution unless such contribution is to another independent
525 expenditure political committee.

526 Sec. 10. Subsection (a) of section 9-618 of the general statutes is
527 repealed and the following is substituted in lieu thereof (*Effective from*
528 *passage*):

529 (a) (1) A political committee organized for ongoing political
530 activities may make unlimited contributions to, or for the benefit of,
531 any national committee of a political party [;] or a committee of a
532 candidate for federal or out-of-state office. Except as provided in
533 subdivision (3) of subsection (d) of this section, no such political
534 committee shall make a contribution or contributions in excess of two
535 thousand dollars to another political committee in any calendar year.
536 No political committee organized for ongoing political activities shall
537 make a contribution in excess of three hundred seventy-five dollars to
538 an exploratory committee. If such an ongoing committee is established
539 by an organization or a business entity, its contributions shall be
540 subject to the limits imposed by sections 9-613 to 9-615, inclusive, as
541 amended by this act. A political committee organized for ongoing
542 political activities may make [contributions] donations to a charitable
543 organization which is a tax-exempt organization under Section
544 501(c)(3) of the Internal Revenue Code, as from time to time amended,
545 or make memorial [contributions] donations.

546 (2) An independent expenditure political committee organized for

547 ongoing political activities shall not make any contribution unless such
548 contribution is to another independent expenditure political
549 committee.

550 Sec. 11. Subsection (a) of section 9-619 of the general statutes is
551 repealed and the following is substituted in lieu thereof (*Effective from*
552 *passage*):

553 (a) (1) No political committee established for a single primary or
554 election shall make contributions to a national committee, or a
555 committee of a candidate for federal or out-of-state office. If such a
556 political committee is established by an organization or a business
557 entity, its contributions shall also be subject to the limitations imposed
558 by sections 9-613 to 9-615, inclusive, as amended by this act. Except as
559 provided in subdivision (2) of subsection (d) of this section, no political
560 committee formed for a single election or primary shall, with respect to
561 such election or primary, make a contribution or contributions in
562 excess of two thousand dollars to another political committee,
563 provided no such political committee shall make a contribution in
564 excess of three hundred seventy-five dollars to an exploratory
565 committee.

566 (2) An independent expenditure political committee shall not make
567 any contribution unless such contribution is to another independent
568 expenditure political committee.

569 Sec. 12. Section 9-620 of the general statutes is repealed and the
570 following is substituted in lieu thereof (*Effective from passage*):

571 (a) A political committee formed solely to aid or promote the
572 success or defeat of a referendum question shall not make
573 contributions to, or for the benefit of, a party committee, a political
574 committee, a national committee, a committee of a candidate for
575 federal or out-of-state office or a candidate committee, except in the
576 distribution of a surplus, as provided in subsection (e) of section 9-608,
577 as amended by this act.

578 (b) A political committee formed solely to aid or promote the
579 success or defeat of a referendum question shall not receive
580 contributions from a national committee or from a committee of a
581 candidate for federal or out-of-state office.

582 (c) [No] A person, other than an individual or a committee, shall not
583 make a contribution to a political committee formed solely to aid or
584 promote the success or defeat of a referendum question, or to any
585 other person [,] to aid or promote the success or defeat of a referendum
586 question, in excess of ten cents for each individual residing in the state
587 or political subdivision thereof in which such referendum question is
588 to be voted upon, in accordance with the last federal decennial census.

589 (d) Notwithstanding the provisions of subsections (a) to (c),
590 inclusive, of this section, an independent expenditure political
591 committee, as defined in section 2 of this act, formed solely to aid or
592 promote the success or defeat of a referendum question shall not make
593 any contribution unless such contribution is made to another
594 independent expenditure political committee.

595 Sec. 13. (NEW) (*Effective from passage*) Notwithstanding any
596 provision of the general statutes, the board of governance, if any, for
597 any entity incorporated, organized or operating in this state, shall vote
598 for prior authorization for each payment or distribution of money in
599 an amount in excess of ten thousand dollars, in the aggregate for a
600 calendar year, to be used as a campaign-related disbursement, as
601 defined in section 9-601 of the general statutes, as amended by this act.
602 The board shall be informed of the specific use of the money, including
603 any candidate that might be the target or beneficiary of an
604 independent expenditure, as defined in section 9-601c of the general
605 statutes, from such campaign-related disbursement prior to any such
606 vote. Individual board member votes and the details of such
607 expenditures shall be disclosed (1) to the public on the entity's Internet
608 web site not later than forty-eight hours after the vote, and (2) to the
609 State Elections Enforcement Commission electronically and in a
610 manner prescribed by the commission.

611 Sec. 14. Subsection (a) of section 9-605 of the general statutes is
612 repealed and the following is substituted in lieu thereof (*Effective from*
613 *passage*):

614 (a) [The] Except as provided in subsection (d) of this section, the
615 chairperson of each political committee shall be an individual who has
616 direct, extensive and substantive decision-making authority over such
617 committee's activities with respect to raising and spending funds, shall
618 designate a treasurer and may designate a deputy treasurer. The
619 treasurer and any deputy treasurer so designated shall sign a
620 statement accepting the designation. The chairperson of each political
621 committee shall file a registration statement described in subsection (b)
622 of this section along with the statement signed by the designated
623 treasurer and deputy treasurer with the proper authority, within ten
624 days after its organization, provided that the chairperson of any
625 political committee organized within ten days prior to any primary,
626 election or referendum in connection with which it intends to make
627 any contributions or expenditures, shall immediately file a registration
628 statement.

629 Sec. 15. Section 9-601 of the general statutes is amended by adding
630 subdivisions (32) to (34), inclusive, as follows (*Effective from passage*):

631 (NEW) (32) "Foreign owner" means (A) a foreign national, as
632 defined in 52 USC 30121(b), as amended from time to time, or (B) an
633 entity of which a foreign national holds, owns, controls or otherwise
634 has directly or indirectly acquired beneficial ownership of equity or
635 voting shares in an amount equal to or greater than fifty per cent of
636 total equity or outstanding voting shares.

637 (NEW) (33) "Foreign-influenced entity" means any entity of which
638 (A) one foreign owner holds, owns, controls or otherwise has directly
639 or indirectly acquired beneficial ownership of equity or voting shares
640 in an amount equal to or greater than five per cent of total equity or
641 outstanding voting shares, (B) two or more foreign owners hold, own,
642 control or otherwise have directly or indirectly acquired beneficial

643 ownership of equity or voting shares in an amount equal to or greater
644 than twenty per cent of total equity or outstanding voting shares, or
645 (C) any foreign owner participates in any way, directly or indirectly, in
646 the process of making decisions with regard to the political activities of
647 such entity in the United States, including, but not limited to, the
648 political activities of such entity during an election in the state or any
649 town, city, municipality, borough or other unit of local government
650 within the state.

651 (NEW) (34) "Campaign-related disbursement" means an
652 independent expenditure, as defined in section 9-601c, or a covered
653 transfer to an independent expenditure political committee, as defined
654 in section 2 of this act.

655 Sec. 16. (NEW) (*Effective from passage*) (a) A foreign-influenced
656 entity, as defined in section 9-601 of the general statutes, as amended
657 by this act, shall not make any independent expenditure or any
658 contribution to an independent expenditure political committee.

659 (b) Any person who violates any provision of subsection (a) of this
660 section shall be subject to a civil penalty, imposed by the State
661 Elections Enforcement Commission, of not more than five thousand
662 dollars or three times the amount of any independent expenditure or
663 contribution to an independent expenditure political committee made,
664 whichever is greater.

665 (c) No violation of the prohibitions contained in subsection (a) of
666 this section shall be deemed to have occurred if, and only if, the chief
667 executive or chief financial officer, or an equivalent officer, of the entity
668 made due inquiry to determine that such entity was not a foreign-
669 influenced entity, as defined in section 9-601 of the general statutes, as
670 amended by this act, prior to making the independent expenditure or
671 contribution to an independent expenditure political committee in
672 question.

673 Sec. 17. Subsection (c) of section 9-601d of the general statutes is
674 repealed and the following is substituted in lieu thereof (*Effective from*

675 *passage*):

676 (c) The independent expenditure long-form report shall identify: (1)
677 The name of the person making or obligating to make such
678 independent expenditure or expenditures and, in the case of a person
679 other than a human being, the name of an individual who had direct,
680 extensive and substantive decision-making authority over the
681 independent expenditure or expenditures made or obligated to be
682 made; (2) the tax exempt status of such person, if applicable; (3) the
683 mailing address of such person; (4) the principal business address of
684 the person, if different from the mailing address; (5) the address,
685 telephone number and electronic mail address of the agent for service
686 of process in this state of such person; (6) the date of the primary or
687 election for which the independent expenditure or expenditures were
688 made or obligated to be made; (7) the name of any candidate who was
689 the subject of any independent expenditure or expenditures and
690 whether the independent expenditure or expenditures were in support
691 of or in opposition to such candidate; and (8) the name, telephone
692 number and electronic mail address for the individual filing such
693 report. Such individual filing such report shall, under penalty of false
694 statement, (A) affirm that the expenditure reported is an independent
695 expenditure, [under penalty of false statement] and (B) certify that due
696 inquiry has been made by the chief executive or chief financial officer,
697 or an equivalent officer, of such person to determine that such person
698 is not a foreign-influenced entity on the date such independent
699 expenditure was made or obligated to be made.

700 Sec. 18. Subsection (a) of section 9-601d of the general statutes is
701 repealed and the following is substituted in lieu thereof (*Effective from*
702 *passage*):

703 (a) Any person, as defined in section 9-601, as amended by this act,
704 may, unless otherwise restricted or prohibited by law, including, but
705 not limited to, any provision of this chapter or chapter 157, (1) make
706 unlimited independent expenditures, as defined in section 9-601c, and
707 (2) accept [unlimited] covered transfers, as defined in said section 9-

708 601, provided the amount of any such covered transfer or transfers
709 accepted by an independent expenditure political committee, as
710 defined in section 2 of this act, from any one person in any calendar
711 year shall not exceed seventy thousand dollars in the aggregate. Except
712 as provided pursuant to this section, any such person who makes or
713 obligates to make an independent expenditure or expenditures in
714 excess of one thousand dollars, in the aggregate, shall file statements
715 according to the same schedule and in the same manner as is required
716 of a treasurer of a candidate committee pursuant to section 9-608, as
717 amended by this act.

718 Sec. 19. Subsections (h) to (m), inclusive, of section 9-621 of the
719 general statutes are repealed and the following is substituted in lieu
720 thereof (*Effective from passage*):

721 (h) (1) No person shall make or incur an independent expenditure
722 for any written, typed or other printed communication, including on a
723 billboard, or any web-based, written communication, unless such
724 communication bears upon its face, as a disclaimer, (A) the words
725 "Paid for by", [and] (B) the name of such person and, if such person is
726 an entity, the name of such entity's chief executive officer or equivalent
727 and such entity's principal business address, and (C) the following
728 statement: "This message was made independent of any candidate or
729 political party.". In the case of a person making or incurring such an
730 independent expenditure during the ninety-day period immediately
731 prior to the primary or election for which the independent expenditure
732 is made, such communication shall also bear upon its face the names of
733 the five persons who made the five largest aggregate covered transfers
734 to the person making such communication during the twelve-month
735 period immediately prior to such primary or election, as applicable.
736 The communication shall also state that additional information about
737 the person making such communication may be found on the State
738 Elections Enforcement Commission's Internet web site.

739 (2) In addition to the requirements of subdivision (1) of this
740 subsection, and except as provided in this subdivision for an entity, no

741 person shall make or incur an independent expenditure for a video
742 broadcast by television, satellite or Internet, unless at the end of such
743 advertising there appears for a period of not less than four seconds as a
744 disclaimer, the following as an audio message and a written statement:
745 "This message was paid for by (person making the communication)
746 and made independent of any candidate or political party.". If such
747 person is an entity, there shall simultaneously appear at the end of
748 such advertising, for a period of not less than four seconds, (A) a
749 clearly identifiable video, photographic or similar image of such
750 entity's chief executive officer or equivalent, and (B) a personal audio
751 message, in the following form: "I am (name of entity's chief
752 executive officer or equivalent), (title) of (entity). This message
753 was made independent of any candidate or political party, and I
754 approved its content." In the case of a person making or incurring
755 such an independent expenditure during the ninety-day period
756 immediately prior to the primary or election for which the
757 independent expenditure is made, such communication shall also list
758 the names of the five persons who made the five largest aggregate
759 covered transfers to the person making such communication during
760 the twelve-month period immediately prior to such primary or
761 election, as applicable. The communication shall also state that
762 additional information about the person making such communication
763 may be found on the State Elections Enforcement Commission's
764 Internet web site.

765 (3) In addition to the requirements of subdivision (1) of this
766 subsection, and except as provided in this subdivision for an entity, no
767 person shall make or incur an independent expenditure for an audio
768 communication broadcast by radio, satellite or Internet, unless the
769 advertising ends with a disclaimer that is a personal audio statement
770 by such person's agent or, if such person is an entity, such entity's chief
771 executive officer or equivalent (A) identifying the person paying for
772 the expenditure, and (B) indicating that the message was made
773 independent of any candidate or political party, using the following
774 form: "I am (name of the person's agent), (title), of (the

775 person). This message was made independent of any candidate or
776 political party.". If such person is an entity, the personal audio
777 statement by such entity's chief executive officer or equivalent shall
778 use the following form: "I am (name of entity's chief executive
779 officer or equivalent), (title) of (entity). This message was made
780 independent of any candidate or political party, and I approved its
781 content." In the case of a person making or incurring such an
782 independent expenditure during the ninety-day period immediately
783 prior to the primary or election for which the independent expenditure
784 is made, such communication shall state the names of the five persons
785 who made the five largest aggregate covered transfers to the person
786 making such communication during the twelve-month period
787 immediately prior to such primary or election, as applicable. The
788 communication shall also state that additional information about the
789 person making such communication may be found on the State
790 Elections Enforcement Commission's Internet web site.

791 (4) In addition to the requirements of subdivision (1) of this
792 subsection, no person shall make or incur an independent expenditure
793 for telephone calls, unless the narrative of the telephone call identifies
794 the person making the expenditure and, if such person is an entity,
795 such entity's chief executive officer or equivalent. In the case of a
796 person making or incurring such an independent expenditure during
797 the ninety-day period immediately prior to the primary or election for
798 which the independent expenditure is made, such communication
799 shall state the names of the five persons who made the five largest
800 aggregate covered transfers to the person making such communication
801 during the twelve-month period immediately prior to such primary or
802 election, as applicable. The communication shall also state that
803 additional information about the person making such communication
804 may be found on the State Elections Enforcement Commission's
805 Internet web site.

806 (i) In any print, television or social media promotion of a slate of
807 candidates by a party committee, the party committee shall use
808 applicable disclaimers pursuant to the provisions of this section for

809 such promotion, and no individual candidate disclaimers shall be
810 required.

811 (j) [(1) Except as provided in subdivisions (2) and (3) of this
812 subsection, if] If any person whose name is included on a disclaimer of
813 a communication pursuant to the provisions of this section, as a person
814 who made a covered transfer to the maker of the communication, is
815 also a recipient of a covered transfer, the maker of the communication,
816 as part of any report filed pursuant to section 9-601d, as amended by
817 this act, associated with the making of such communication, shall
818 include the names of the five persons who made the top five largest
819 aggregate covered transfers to such recipient during the twelve-month
820 period immediately prior to the primary or election, as applicable.

821 [(2) The name of any person who made a covered transfer to a tax-
822 exempt organization recognized under Section 501(c)(4) of the Internal
823 Revenue Code of 1986, or any subsequent corresponding internal
824 revenue code of the United States, as amended from time to time, that
825 has not had its tax exempt status revoked, shall not be disclosed
826 pursuant to the provisions of subdivision (1) of this subsection.

827 (3) The name of any person who made a covered transfer to a
828 person whose name is included on a disclaimer pursuant to the
829 provisions of this section shall not be disclosed pursuant to the
830 provisions of subdivision (1) of this subsection if the recipient of such
831 covered transfer accepts covered transfers from at least one hundred
832 different sources, provided no such source accounts for ten per cent or
833 more of the total amount of covered transfers accepted by the recipient
834 during the twelve-month period immediately prior to the primary or
835 election, as applicable.]

836 (k) Any disclaimer required to be on the face of a written, typed or
837 other printed communication pursuant to the provisions of this section
838 shall be printed in no smaller than eight-point type of uniform font
839 when such disclaimer is on a communication contained in a flyer or
840 leaflet, newspaper, magazine or similar literature, or that is delivered

841 by mail.

842 (l) Notwithstanding the provisions of this section, no person making
843 an independent expenditure for a communication shall be required to
844 list as part of any disclaimer pursuant to this section any person whose
845 covered transfers to the maker of the communication are not in an
846 aggregate amount of five thousand dollars or more during the twelve-
847 month period immediately prior to the primary, [or] election or
848 referendum, as applicable, for which such independent expenditure is
849 made.

850 (m) (1) Notwithstanding the provisions of this section, any
851 disclaimer required to be on the face of any Internet text advertisement
852 communication [(1)] (A) that appears based on the result of a search
853 conducted by a user of an Internet search engine, and [(2)] (B) the text
854 of which contains two hundred or fewer characters, shall not be
855 required, (i) in the case of any such communication, which
856 communication is an independent expenditure, as defined in section 9-
857 601c, to list the names of the five persons who made the top five largest
858 aggregate covered transfers to the maker of such communication, as
859 otherwise required by this section, if such disclaimer [(A)] (I) includes
860 a link to an Internet web site that discloses the names of such five
861 persons, and [(B)] (II) otherwise contains any statement required
862 pursuant to the provisions of this section, and (ii) in the case of any
863 such communication made by a participating candidate, as described
864 in section 9-703, as amended by this act.

865 (2) Notwithstanding the provisions of this section, any disclaimer
866 required to be on the face of an Internet text communication, which
867 communication (A) is transmitted from, appears on or is otherwise
868 generated by any social media account or Internet web site of a
869 candidate or agent of such candidate, and (B) contains a link to any
870 other communication described in this section, shall not be required if
871 such other communication complies with the requirements of this
872 section.

873 Sec. 20. Subsection (a) of section 9-703 of the general statutes is
874 repealed and the following is substituted in lieu thereof (*Effective*
875 *October 1, 2017*):

876 (a) Each candidate for nomination or election to the office of state
877 senator or state representative in 2008, or thereafter, or the office of
878 Governor, Lieutenant Governor, Attorney General, State Comptroller,
879 Secretary of the State or State Treasurer in 2010, or thereafter, shall file
880 an affidavit with the State Elections Enforcement Commission. The
881 affidavit shall include a written certification that the candidate either
882 intends to abide by the expenditure limits under the Citizens' Election
883 Program set forth in subsection (c) of section 9-702, or does not intend
884 to abide by said limits. If the candidate intends to abide by said limits,
885 the affidavit shall also include written certifications (1) that the
886 treasurer of the candidate committee for said candidate shall expend
887 any moneys received from the Citizens' Election Fund in accordance
888 with the provisions of subsection (g) of section 9-607, as amended by
889 this act, and regulations adopted by the State Elections Enforcement
890 Commission under subsection (e) of section 9-706, (2) that the
891 candidate shall repay to the fund any such moneys that are not
892 expended in accordance with subsection (g) of section 9-607 and said
893 regulations, (3) that the candidate and the treasurer shall comply with
894 the provisions of subdivision (1) of subsection (a) of section 9-711, and
895 (4) stating the candidate's status as a major party, minor party or
896 petitioning party candidate and, in the case of a major party or minor
897 party candidate, the name of such party. The written certification
898 described in subdivision (3) of this subsection shall be made by both
899 the candidate and the treasurer of the candidate committee for said
900 candidate. A candidate for nomination or election to any such office
901 shall file such affidavit not later than four o'clock p.m. on the twenty-
902 fifth day before the day of a primary, if applicable, or on the [fortieth
903 day before the day of the election for such office] day set forth in
904 section 9-423, as applicable to such office, in the year in which the
905 election for such office is held, except that in the case of a special
906 election for the office of state senator or state representative, the

907 candidate shall file such affidavit not later than four o'clock p.m. on the
908 twenty-fifth day before the day of such special election.
909 Notwithstanding the provisions of this subsection, a candidate who is
910 not required to form a candidate committee pursuant to subdivision
911 (3) or (4) of subsection (b) of section 9-604, files a certification with the
912 commission pursuant to subsection (c) of section 9-603 and does not
913 intend to participate in the Citizens' Election Program shall not be
914 required to file such affidavit of intent not to abide by the expenditure
915 limits of said program. Any such candidate shall be referred to as a
916 nonparticipating candidate, in accordance with subsection (b) of this
917 section.

918 Sec. 21. Section 9-452 of the general statutes is repealed and the
919 following is substituted in lieu thereof (*Effective October 1, 2017*):

920 All minor parties nominating candidates for any elective office shall
921 make such nominations and certify and file a list of such nominations,
922 as required by this section, not later than [the sixty-second day prior to
923 the day of the election at which such candidates are to be voted for]
924 four o'clock p.m. on the day set forth in section 9-423, as applicable to
925 such office, in the year in which the election for such office is held. A
926 list of nominees in printed or typewritten form that includes each
927 candidate's name as authorized by each candidate to appear on the
928 ballot, the signature of each candidate, the full street address of each
929 candidate and the title and district of the office for which each
930 candidate is nominated shall be certified by the presiding officer of the
931 committee, meeting or other authority making such nomination and
932 shall be filed by such presiding officer with the Secretary of the State,
933 in the case of any state, district or municipal office to be voted upon at
934 a state election, or with the clerk of the municipality, in the case of any
935 municipal office to be voted upon at a municipal election, not later
936 than the sixty-second day prior to the day of the election. The
937 registrars of voters of such municipality shall promptly verify and
938 correct the names on any such list filed with him, or the names of
939 nominees forwarded to the clerk of the municipality by the Secretary
940 of the State, in accordance with the registry list of such municipality

941 and endorse the same as having been so verified and corrected. For
942 purposes of this section, a list of nominations shall be deemed to be
943 filed when it is received by the Secretary of the State or clerk of the
944 municipality, as appropriate. If such certificate of a party's nomination
945 is not received by the Secretary of the State or clerk of the municipality,
946 as appropriate, by such time, such certificate shall be invalid and such
947 party, for purposes of sections 9-460, 9-461 and 9-462, shall be deemed
948 to have neither made nor certified any nomination of any candidate for
949 such office. A candidacy for nomination by a minor party to a district
950 or municipal office may be filed on behalf of any person whose name
951 appears on the last-completed registry list of the district or
952 municipality represented by such office, as the case may be. A
953 candidacy for nomination by a minor party to a state office may be
954 filed on behalf of any person whose name appears on the last-
955 completed registry list of the state.

956 Sec. 22. Subsection (a) of section 9-453i of the general statutes is
957 repealed and the following is substituted in lieu thereof (*Effective*
958 *October 1, 2017*):

959 (a) Each page of a nominating petition proposing a candidate for an
960 office to be filled at a regular election shall be submitted to the
961 appropriate town clerk or to the Secretary of the State not later than
962 four o'clock p.m. on the [ninetieth day preceding the day of the regular
963 election] day set forth in section 9-423, as applicable to such office, in
964 the year in which the election for such office is held.

965 Sec. 23. Subdivision (2) of subsection (a) of section 9-705 of the
966 general statutes is repealed and the following is substituted in lieu
967 thereof (*Effective October 1, 2017*):

968 (2) The qualified candidate committee of a candidate for the office of
969 Governor who has been nominated, or who has qualified to appear on
970 the election ballot in accordance with the provisions of subpart C of
971 part III of chapter 153, shall be eligible to receive a grant from the fund
972 for the general election campaign in the amount of six million dollars,

973 provided (A) any such committee shall receive seventy-five per cent of
974 said amount if such committee applies for such grant, in accordance
975 with section 9-706, on or after the seventieth day but before the fifty-
976 sixth day preceding the election, (B) any such committee shall receive
977 sixty-five per cent of said amount if such committee so applies on or
978 after the fifty-sixth day but before the forty-second day preceding the
979 election, (C) any such committee shall receive fifty-five per cent of said
980 amount if such committee so applies on or after the forty-second day
981 but before the twenty-eighth day preceding the election, (D) any such
982 committee shall receive forty per cent of said amount if such
983 committee so applies on or after the twenty-eighth day preceding the
984 election, and (E) in the case of an election held in 2014, or thereafter,
985 said amount shall be adjusted under subsection (d) of this section.

986 Sec. 24. Subdivision (2) of subsection (b) of section 9-705 of the
987 general statutes is repealed and the following is substituted in lieu
988 thereof (*Effective October 1, 2017*):

989 (2) The qualified candidate committee of a candidate for the office of
990 Attorney General, State Comptroller, Secretary of the State or State
991 Treasurer who has been nominated, or who has qualified to appear on
992 the election ballot in accordance with the provisions of subpart C of
993 part III of chapter 153, shall be eligible to receive a grant from the fund
994 for the general election campaign in the amount of seven hundred fifty
995 thousand dollars, provided (A) any such committee shall receive
996 seventy-five per cent of said amount if such committee applies for such
997 grant, in accordance with section 9-706, on or after the seventieth day
998 but before the fifty-sixth day preceding the election, (B) any such
999 committee shall receive sixty-five per cent of said amount if such
1000 committee so applies on or after the fifty-sixth day but before the forty-
1001 second day preceding the election, (C) any such committee shall
1002 receive fifty-five per cent of said amount if such committee so applies
1003 on or after the forty-second day but before the twenty-eighth day
1004 preceding the election, (D) any such committee shall receive forty per
1005 cent of said amount if such committee so applies on or after the
1006 twenty-eighth day preceding the election, and (E) in the case of an

1007 election held in 2014, or thereafter, said amount shall be adjusted
1008 under subsection (d) of this section.

1009 Sec. 25. Subdivision (2) of subsection (e) of section 9-705 of the
1010 general statutes is repealed and the following is substituted in lieu
1011 thereof (*Effective October 1, 2017*):

1012 (2) The qualified candidate committee of a candidate for the office of
1013 state senator who has been nominated, or has qualified to appear on
1014 the election ballot in accordance with subpart C of part III of chapter
1015 153, shall be eligible to receive a grant from the fund for the general
1016 election campaign in the amount of eighty-five thousand dollars,
1017 provided (A) any such committee shall receive seventy-five per cent of
1018 said amount if such committee applies for such grant, in accordance
1019 with section 9-706, on or after the seventieth day but before the fifty-
1020 sixth day preceding the election, (B) any such committee shall receive
1021 sixty-five per cent of said amount if such committee so applies on or
1022 after the fifty-sixth day but before the forty-second day preceding the
1023 election, (C) any such committee shall receive fifty-five per cent of said
1024 amount if such committee so applies on or after the forty-second day
1025 but before the twenty-eighth day preceding the election, (D) any such
1026 committee shall receive forty per cent of said amount if such
1027 committee so applies on or after the twenty-eighth day preceding the
1028 election, and (E) in the case of an election held in 2010, or thereafter,
1029 said amount shall be adjusted under subsection (h) of this section.

1030 Sec. 26. Subdivision (2) of subsection (f) of section 9-705 of the
1031 general statutes is repealed and the following is substituted in lieu
1032 thereof (*Effective October 1, 2017*):

1033 (2) The qualified candidate committee of a candidate for the office of
1034 state representative who has been nominated, or has qualified to
1035 appear on the election ballot in accordance with subpart C of part III of
1036 chapter 153, shall be eligible to receive a grant from the fund for the
1037 general election campaign in the amount of twenty-five thousand
1038 dollars, provided (A) any such committee shall receive seventy-five

1039 per cent of said amount if such committee applies for such grant, in
 1040 accordance with section 9-706, on or after the seventieth day but before
 1041 the fifty-sixth day preceding the election, (B) any such committee shall
 1042 receive sixty-five per cent of said amount if such committee so applies
 1043 on or after the fifty-sixth day but before the forty-second day
 1044 preceding the election, (C) any such committee shall receive fifty-five
 1045 per cent of said amount if such committee so applies on or after the
 1046 forty-second day but before the twenty-eighth day preceding the
 1047 election, (D) any such committee shall receive forty per cent of said
 1048 amount if such committee so applies on or after the twenty-eighth day
 1049 preceding the election, and (E) in the case of an election held in 2010,
 1050 or thereafter, said amount shall be adjusted under subsection (h) of
 1051 this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	9-601(3)
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	9-607(g)(1)
Sec. 4	<i>from passage</i>	9-608(c)
Sec. 5	<i>from passage</i>	9-608(e)(1)(C)
Sec. 6	<i>from passage</i>	9-612(a)
Sec. 7	<i>from passage</i>	9-613
Sec. 8	<i>from passage</i>	9-614
Sec. 9	<i>from passage</i>	9-615
Sec. 10	<i>from passage</i>	9-618(a)
Sec. 11	<i>from passage</i>	9-619(a)
Sec. 12	<i>from passage</i>	9-620
Sec. 13	<i>from passage</i>	New section
Sec. 14	<i>from passage</i>	9-605(a)
Sec. 15	<i>from passage</i>	9-601
Sec. 16	<i>from passage</i>	New section
Sec. 17	<i>from passage</i>	9-601d(c)
Sec. 18	<i>from passage</i>	9-601d(a)
Sec. 19	<i>from passage</i>	9-621(h) to (m)
Sec. 20	<i>October 1, 2017</i>	9-703(a)
Sec. 21	<i>October 1, 2017</i>	9-452
Sec. 22	<i>October 1, 2017</i>	9-453i(a)

Sec. 23	<i>October 1, 2017</i>	9-705(a)(2)
Sec. 24	<i>October 1, 2017</i>	9-705(b)(2)
Sec. 25	<i>October 1, 2017</i>	9-705(e)(2)
Sec. 26	<i>October 1, 2017</i>	9-705(f)(2)

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 18 \$	FY 19 \$
Resources of the Citizen's Election Fund	Citizens' Election Fund - Potential Savings	See Below	See Below
State Elections Enforcement Commission	GF - Potential Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill modifies laws affecting elections, campaign finance, the State Elections Enforcement Commission (SEEC), and the Citizens' Elections Program (CEP). Specifically, the bill modifies statutes regarding covered transfers, campaign-related disbursements, foreign-influenced entities making covered transfers or independent expenditures, political advertising disclaimers, and candidate grant amounts.

The bill reduces candidate grants based on when applications are submitted. This may result in savings to the Citizens Election Fund. However, it is anticipated that candidates will file applications earlier to receive the full grant amount. This may result in a workload increase for SEEC staff at the full grant deadline date. SEEC may need additional resources to cover overtime costs. Currently, grant applications are received over a longer period of time.

House "B" strikes the underlying bill and its associated fiscal

impact. The substitute language results in the fiscal impact described above.

The Out Years

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

OLR Bill Analysis**sHB 5589 (as amended by House "B")******AN ACT CONCERNING CAMPAIGN FINANCE REFORM.*****SUMMARY**

This bill modifies laws affecting election administration and campaign finance, including the Citizens' Election Program (CEP), which is the state's voluntary public campaign financing system. Principally, it:

1. codifies "independent expenditure political committees" (known as IE-only PACs) and requires their registration with the State Elections Enforcement Commission (SEEC);
2. prohibits IE-only PACs from accepting covered transfers of more than \$70,000, in the aggregate, from any one person during a calendar year (See BACKGROUND: *Federal Court Decisions on Covered Transfer Limits*);
3. expands covered transfer disclosure requirements;
4. requires the governing boards of certain Connecticut entities to vote to pre-authorize campaign-related disbursements of more than \$10,000;
5. prohibits foreign-influenced entities from making independent expenditures (IEs) or contributions to IE-only PACs;
6. expands political advertising disclaimer requirements for entities, generally, to include messaging from the chief executive officer or equivalent;
7. establishes a uniform deadline for certifying minor party

nominations, submitting nominating petitions, and filing affidavits of intent under the CEP for candidates not in a primary;

8. establishes a four-step grant reduction schedule under which candidate committees that submit applications closer to the election receive a reduced CEP grant; and
9. requires that the chairperson of each political committee be an individual with chief or primary direct, extensive, and substantive decision-making authority over the committee's fundraising and spending activities (§ 14).

By law, "political committee" means

1. a committee organized by a business entity or organization;
2. persons other than individuals, or two or more individuals organized or acting jointly, conducting activities in- or out-of-state;
3. an exploratory committee;
4. a slate committee in a primary for the office of justice of the peace; or
5. a legislative caucus or legislative leadership committee. Candidate committees and party committees are not political committees.

Violators of the bill are subject to SEEC's enforcement authority. Among other things, SEEC may levy civil penalties or refer matters to the chief state's attorney.

The bill also makes several minor, technical, and conforming changes.

*House Amendment "B" replaces the underlying bill and adds the

provisions on (1) uniform candidate deadlines, (2) CEP grants, (3) political committee chairpersons, and (4) certain internet advertisements. It eliminates provisions on (1) “coordinated spenders”; (2) the rebuttable presumption for IEs; and (3) source and amount of IE disclosures by persons, other than IE-only committees, making IEs.

Finally, the amendment (1) increases, from \$4,000 to \$10,000, the threshold at which certain governing boards must vote to pre-authorize campaign-related disbursements and (2) for IE-only PACs, applies the \$70,000 aggregate limit on accepting covered transfers to each person that makes a transfer, rather than collectively to all persons making transfers, during a calendar year.

EFFECTIVE DATE: Upon passage, except for the provisions on uniform candidate deadlines and CEP grants, which are effective October 1, 2017.

§§ 1 - 3, 5-12 & 18 — IE-ONLY PACS

The bill codifies “independent expenditure political committee” (IE-only PAC) as a type of PAC under Connecticut’s campaign finance laws and, like other committees that make IEs, requires their registration with SEEC. It defines them as PACs that make only (1) IEs and (2) contributions to other IE-only PACs.

The bill makes several conforming changes, including specifying that (1) individuals, business entities, and labor unions may make contributions to IE-only PACs and (2) various types of IE-only PACs, such as those formed for a single election or primary, are prohibited from making contributions, other than to other IE-only PACs (see BACKGROUND: *IE-Only PACs*). It also establishes disclosure requirements for these PACs (see below: *Disclosures by IE-Only PACs*).

Lawful Purposes (§ 3)

The bill defines “lawful purposes of the committee” for IE-only PACs as promoting (1) a political party, (2) the success or defeat of

candidates for nomination or election, or (3) the success or defeat of referendum questions. It requires these committees to act entirely independently of any candidate, candidate committee, party committee, PAC (other than an IE-only PAC), or agent of such a candidate or committee.

Surplus Distributions (§ 5)

By law, candidate committees and PACs, other than exploratory committees or PACs organized for ongoing political activities, must generally spend or distribute surplus funds within 90 days after (1) a primary when a candidate loses or (2) March 31 following an election or a referendum held in November.

The bill establishes a surplus distribution procedure for IE-only PACs, other than those formed for ongoing activities. Specifically, it requires them to distribute surplus funds, according to the schedule outlined above, to (1) their contributors, on a prorated basis; (2) state or municipal governments or agencies; or (3) tax-exempt organizations.

Limit on Acceptance of Covered Transfers (§ 18)

The bill prohibits IE-only PACs from accepting covered transfers of more than \$70,000, in the aggregate, from any one person during a calendar year. Under current law, any person, including an IE-only PAC may accept unlimited covered transfers. (It appears that limiting covered transfers in this way may conflict with recent federal court decisions (see BACKGROUND: *Federal Court Decisions on Covered Transfer Limits*)).

By law, a “covered transfer” is, with certain exceptions, any donation, transfer, or payment of funds by a person to a recipient that (1) makes IEs or (2) transfers funds to another person that makes IEs (CGS § 9-601(29)).

§§ 4 & 17 — REPORTING IEs AND COVERED TRANSFERS

By law, a person must disclose information about IEs it makes that exceed \$1,000 in the aggregate by filing certain reports with SEEC. If

the IE (1) is made or obligated to be made during a primary or general election campaign and (2) promotes the success or defeat of a statewide office or legislative candidate, the person must file the report electronically within 24 hours after making or obligating to make it.

The bill expands IE disclosure requirements for IE-only PACs and persons that make IEs without forming a PAC (known as “incidental spenders”). A “person” is an individual, committee, firm, partnership, organization, association, syndicate, company trust, corporation, limited liability company, or any other legal entity (other than the state or its political or administrative subdivisions) (CGS § 9-601(10)).

Disclosures by IE-Only PACs (§ 4)

Existing law requires PACs to disclose information about IEs they make by filing campaign finance statements with SEEC (i.e., SEEC Form 20 for regular PACs and SEEC Form 40 for IE-only PACs). Under the bill, an IE-only PAC must include additional information in these statements if any of its contributors received covered transfers that exceed \$5,000, in the aggregate, during the 12-month period preceding the applicable primary or election. The requirement applies when persons contribute more than \$1,000 in the aggregate.

Dedicated Accounts. Under the bill, a person that makes a contribution that exceeds \$1,000, in the aggregate, to an IE-only PAC from a dedicated IE-expenditure account must provide the source and amount of each donation, transfer, or payment that exceeds \$5,000, in the aggregate, to the account. The treasurer must include this information in the periodic campaign finance statements the PAC files with SEEC. A “dedicated IE-account” is one that is segregated from any other account the person controls.

The bill creates parameters for dedicated IE-accounts. It (1) allows such an account to receive covered transfers directly from any person, other than the person establishing it, and (2) prohibits the account from receiving covered transfers from any other account the person who established it controls, with one exception. A covered transfer

can be moved to a dedicated account from another account that person controls, upon a covered transfer-maker's request, for the purpose of making IEs. In that case, it must be treated as a covered transfer directly to the dedicated IE-account.

Other Sources. A person that makes a contribution that exceeds \$1,000, in the aggregate, to an IE-only PAC from a source other than a dedicated IE-expenditure account must provide the source and amount of each donation, transfer, or payment that exceeds \$5,000, in the aggregate, to the person during the 12 months before the primary or election for which the IE is made. The treasurer must include this information in the periodic campaign finance statements the PAC files with SEEC.

Additional Requirements. The bill prohibits (1) recipients of covered transfers that exceed \$5,000 in the aggregate from knowingly making a contribution to an IE-maker without disclosing the source and amount information described above and (2) IE-only PAC treasurers from accepting contributions that exceed \$1,000 in the aggregate, unless the information is disclosed.

Under the bill, a person that makes contributions to an IE-only PAC that separately, or in the aggregate, exceed \$1,000 per calendar year must provide the IE-only PAC with a statement, signed under penalty of false statement, if it receives covered transfers that separately, or in the aggregate, exceed \$5,000. By law, the penalty for false statement is a class A misdemeanor, punishable by up to one year in prison, up to a \$2,000 fine, or both.

The statement must include:

1. if the contributor is a human being, the name of his or her employer or employers, if any;
2. the contributor's status as a client or communicator lobbyist, or immediate family member of a communicator lobbyist, under the State Code of Ethics;

3. a certification that the contributor is not a state contractor, principal of a state contractor, foreign-influenced entity, or otherwise prohibited from making a contribution to the IE-only PAC; and
4. the name of any person required to be disclosed and the corresponding covered transfer amounts.

The bill requires SEEC to prepare a sample form for the above certification and make it available to treasurers and contributors. The sample form must explain (1) the terms "covered transfer" and "campaign-related disbursement" and (2) prior authorization notice requirements for boards making such disbursements (see below: *Board Authorizations for Campaign-Related Disbursements*). IE-only PACs must include the sample form's information in any written solicitation they conduct.

A treasurer must (1) send a request by certified mail, return receipt requested, within three business days after receiving a contribution without a certification and (2) refrain from making the deposit until obtaining it. If the contributor still does not provide the certification, the treasurer must return the contribution at the end of the reporting period in which it was received or within 14 days after the treasurer's written request, whichever is later.

The bill provides treasurers a complete defense to any action taken against them, including an investigation by SEEC, concerning a contribution they deposit based on a signed certification later determined to be false.

Disclosures by Incidental Spenders (§ 17)

Existing law requires persons, other than PACs (as discussed above), to disclose information about IEs they make using SEEC's long- and short-form reports (i.e., SEEC Form 26) (see BACKGROUND: *Long- and Short-Form IE-Reports*). The bill expands the information these IE-makers must disclose in their reports.

The bill requires IE-makers that are not human beings to disclose in the long-form report the name of the individual who had direct, extensive, and substantive decision-making authority over the IE or IEs being disclosed. It also requires the individual who files the long-form report to certify, under penalty of false statement, that due inquiry was made by the chief executive or chief financial officer, or equivalent officer, to determine that the IE-maker was not a foreign-influenced entity on the date when the IE was made or obligated to be made (see below: *Foreign-Influenced Entities*).

§ 13 & 15-17 — ENTITIES

The bill makes various changes affecting “entities,” which, by law, are organizations (i.e., unions), profit and nonprofit corporations, cooperative associations, limited partnerships, professional associations, limited liability companies and partnerships, 501(c) tax-exempt organizations, and 527 tax-exempt political organizations (CGS § 9-601(19)).

Board Authorizations for Campaign-Related Disbursements (§§ 13 & 15)

The bill requires the governing board, if any, of an entity incorporated, organized, or operating in Connecticut to vote to pre-authorize each campaign-related disbursement it makes of more than \$10,000, in the aggregate, during a calendar year. Under the bill, “campaign-related disbursement” means a covered transfer to an IE-only PAC or an IE.

Prior to the vote, the board must be informed of the money's specific use, including whether it may be used for an IE to target or benefit a candidate. The entity must disclose individual board members' votes and details on the expenditures (1) publicly on its website no later than 48 hours after the vote and (2) electronically with SEEC in a manner the commission prescribes.

Foreign-Influenced Entities (§§ 15-17)

Federal law generally prohibits foreign nationals from making

contributions, donations, or IEs in connection with federal, state, or local elections (see BACKGROUND: *Foreign Nationals and Related Federal Law*). The bill additionally prohibits foreign-influenced entities from making IEs or contributions to an IE-only PAC.

Penalties. The bill subjects violators of its foreign-influenced entity prohibitions to a SEEC civil penalty of up to \$5,000 or three times the amount of any improper IE or contribution, whichever is greater. However, under the bill, no violation occurs if and only if the chief executive, chief financial, or equivalent officer made due inquiry to determine that the entity was not a foreign-influenced entity (as described above). Due inquiry must have been made before making the IE or contribution to the IE-only PAC (see above: *Disclosures by Persons Making IEs*).

Definitions. Under the bill, a "foreign-influenced entity" means an entity that:

1. one foreign owner holds, owns, controls, or has directly or indirectly acquired beneficial ownership of equity or voting shares of at least 5% of the total equity or outstanding voting shares;
2. two or more foreign owners hold, own, control, or have directly or indirectly acquired beneficial ownership of equity or voting shares of at least 20% of the total equity or outstanding voting shares; or
3. any foreign owner participates in any way, directly or indirectly, in the process of making decisions with regard to the entity's political activities in the United States, including its political activities during an election in the state or any town, city, municipality, borough, or other local government unit within the state.

A "foreign owner" is a (1) foreign national, as defined in federal law, or (2) business entity of which a foreign national holds, owns,

controls, or otherwise has directly or indirectly acquired beneficial ownership of equity or voting shares of at least 50% of the total equity or outstanding voting shares (see BACKGROUND: *Foreign Nationals and Related Federal Law*).

§ 19 — POLITICAL ADVERTISING

By law, printed, video, and audio political advertisements must include certain attributions, known as “disclaimers.” Among other things, they must identify the person making the expenditure and indicate that additional information is available on SEEC’s website. For IEs made during the 90 days before a primary or election, the disclaimers must identify names of the five persons that made the five largest aggregate covered transfers of \$5,000 or more to the person making the communication during the 12 months before the applicable primary or election (i.e., “top five transferors”).

Expanded Requirements for Entities

The bill expands the disclaimer requirements for entities, as shown in Table 1.

Table 1: Expanded Disclaimer Requirements for IEs Made by Entities

Type of Advertisement for Which IE Is Made	New Information Required Under the Bill
Written communication, including one that is typed, on a billboard, printed, or web-based	The name of the entity’s chief executive officer, or equivalent, and principal business address
Video advertising broadcast by television, Internet, or satellite	The end of the advertisement must air, for at least four seconds, (1) a clearly identifiable video, photographic, or similar image of the chief executive officer or equivalent and (2) the following personal audio message: “I am... (name of entity’s chief executive officer or equivalent), ... (title) of ... (entity). This message was made independent of any candidate or political party, and I approved its content.”
Audio advertising broadcast by radio, internet, or satellite	The end of the advertisement must air the following personal audio message: “I am... (name of entity’s chief executive officer or equivalent), ... (title) of ... (entity). This message was made independent of any candidate or political party, and I approved its content.”

Telephone calls (including Robo calls)	The narrative of the telephone call must identify the entity's chief executive officer or equivalent.
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Reporting Covered Transfers Identified in Advertisements

By law, if a person identified in a political advertisement as a “top five transferor” is also a recipient of a covered transfer (“recipient transferor”), the IE-maker must disclose in its reports to SEEC the names of the top five transferors to that recipient transferor. The bill eliminates provisions in current law that prohibits certain disclosures in these reports.

Specifically, the bill lifts the current prohibition on disclosing the name of any person that made a covered transfer to a 501(c)(4) organization if the organization is a top five transferor. (Under federal law, these organizations are not required to publicly disclose their donors.)

It also lifts the prohibition on disclosing the name of any person that made a covered transfer to a top five transferor if (1) the recipient accepts covered transfers from 100 or more different sources and (2) no source accounts for 10% or more of the covered transfers accepted by the recipient during the 12 months immediately preceding the applicable primary or election.

The bill also specifies that a person is not required to list in a disclaimer any other person that made a covered transfer to it of less than \$5,000, in the aggregate, during the 12 months immediately preceding a referendum for which an IE is made. This provision already applies to primaries and elections.

Internet Advertisements

Under current law, the top five transferors need not be listed on a disclaimer for an internet text advertisement (1) that appears based on the result of an internet search and (2) has 200 or fewer characters in its text. But in that case, the communication must (1) include a link to a website disclosing the names of the top five transferors and (2) contain

the other disclaimer statements required by law and under the act.

The bill limits this disclaimer requirement to Internet text advertisements that are IEs. Additionally, the bill exempts from all disclaimer requirements the internet text advertisements described above if they are made by participating CEP candidates.

The bill also exempts certain internet text communications from the requirement that a disclaimer appear on their face. The exemption applies to internet text communications if (1) they are transmitted from, appear on, or are otherwise generated by a social media account or website of a candidate or candidate's agent; (2) they contain a link to another political advertisement covered by the law; and (3) the other advertisement complies with the law's disclaimer requirements.

§§ 20-22 — CANDIDATE DEADLINES

As shown in Table 2, the bill aligns certain deadlines associated with (1) minor party nominations and certifications, (2) nominating petitions, and (3) affidavits of intent to participate or not participate in the CEP (see BACKGROUND: *CEP Affidavits of Intent*).

Table 2: Candidate Deadlines

Event	Current Deadline (2016 Example)	Deadline Under the Bill (2016 Example)
Certifying minor party nominations	62 nd day before the election (September 7, 2016)	Day of the primary (August 9, 2016)
Submitting nominating petitions	90 th day before the election (August 10, 2016)	Day of the primary (August 9, 2016)
Filing affidavits of intent under the CEP for candidates not in a primary	40 th day before the election to the day of the primary (September 29, 2016)	Day of the primary (August 9, 2016)

By law, minor party nomination certificates and CEP affidavits are due by 4:00 p.m. on the day of the deadline. The bill establishes the same requirement for nominating petitions.

§§ 23-26—CEP GRANTS

Under the CEP, statewide and legislative office candidates who receive qualifying contributions, agree to abide by certain spending limits, and comply with other requirements, are eligible to receive state

grants to fund their campaigns. The bill establishes a four-step grant reduction schedule under which candidate committees receive reduced grants, beginning 70 days before the election, the closer to the election that they submit their application.

The schedule applies to general election grants for major party candidates who are currently eligible for (1) a full grant when they are opposed by a major party candidate, (2) 60% of the applicable grant when they are opposed by a minor or petitioning party candidate, or (3) 30% of the applicable grant when they are unopposed.

It similarly applies to minor and petitioning party candidates. Currently, minor party candidates may receive a general election grant equal to the full grant for a major party candidate if the candidate for the same office representing the same minor party at the last regular election received at least 20% of the votes cast for that office. An eligible petitioning candidate may receive a full grant for the general election if his or her petition is signed by a number of qualified electors equal to at least 20% of the number of votes cast for the same office at the last regular election. Both receive a one-third grant by meeting a 10% threshold or a two-thirds grant by meeting a 15% threshold.

Table 3 shows the bill's grant reduction schedule.

Table 3: CEP Grant Reduction Schedule

Days Before Election When Application Received	% of Applicable Grant Received
70 through 57 days	75%
56 through 43 days	65%
42 through 29 days	55%
28 days through the last day that SEEC accepts applications	40%

By law, for a general election, SEEC accepts grant applications starting on the third Wednesday in May in the election year (e.g., May 18, 2016), and every subsequent Wednesday, through the fourth to last Friday before the election (e.g., October 14, 2016) (CGS § 9-706(g)(1)).

BACKGROUND

IE-Only PACs

In Declaratory Ruling 2013-02, SEEC ruled that, in light of a line of cases ruling that contribution limits to IE-Only PACs are unconstitutional, it would no longer enforce contribution limits to PACs that receive and spend funds only for IEs, unless it received further guidance from the legislature or a court.

Federal Court Decisions on Covered Transfer Limits

In *New York Progress and Protection PAC (NYPPP) v. Walsh, et al.*, 733 F.3d 483 (2013), the Second Circuit Court of Appeals found that a New York law limiting political contributions to an independent expenditure political committee violated NYPPP's First Amendment right to political speech. Relying on several other circuit court decisions, the court stated that because the government has no anti-corruption interest in limiting independent expenditures, it follows that "a donor to an independent expenditure committee such as NYPPP is even further removed from political candidates and may not be limited in his ability to contribute to such committees."

Long- and Short-Form IE-Reports

As part of these reports, a person must disclose the source and amount of any covered transfer of \$5,000 or more, in the aggregate, it received during the 12 months before the applicable primary or election. This requirement applies if the IE (for which the report is being filed) is made or obligated to be made 180 or fewer days before the primary or election.

Foreign Nationals and Related Federal Law

Foreign Nationals. Federal law defines a "foreign national" as any of the following:

1. a government of a foreign country and a foreign political party;
2. a person outside of the United States, unless it is established that the person is (a) an individual and a U.S. citizen domiciled within the United States or (b) not an individual, has its

principal place of business in the United States, and is organized under, or created by, the United States, a state, or other place subject to U.S. jurisdiction;

3. a partnership, association, corporation, organization, or other combination of persons organized under the laws of, or having its principal place of business in, a foreign country; or
4. an individual who is not a U.S. citizen or national and who is not lawfully admitted for permanent residence (52 U.S.C. § 30121 and 22 U.S.C. § 611(b)).

Prohibited Activities. Federal law prohibits a foreign national from, among other things, directly or indirectly making:

1. in connection with a federal, state, or local election, a contribution or donation of money or anything of value; an express or implied promise to make a contribution or donation; or an expenditure or IE or
2. a contribution or donation to a federal, state, or local political party's committee.

It similarly prohibits a person from soliciting, accepting, or receiving any contribution or donation described above from a foreign national (52 U.S.C. § 30121 and 11 C.F.R. § 110.20).

CEP Affidavits of Intent

With one exception, the law requires candidates to file an Affidavit of Intent to Abide or an Affidavit of Intent Not to Abide by the CEP's spending limits. Candidates do not have to file an affidavit if they will not receive or spend more than \$1,000 from outside sources. These candidates are considered "nonparticipating candidates."

Candidates who intend to participate must file the Affidavit of Intent to Abide only once, at which point they are considered "participating candidates." Those who file before a primary and win

the party endorsement are not required to re-file before the general election. The affidavit must include certain certifications from the candidate and his or her treasurer.

Related Bills

SB 582, reported favorably by the House Government Administration and Elections (GAE) Committee, contains the same provisions on foreign-influenced entities (except that it uses the term “foreign-influenced business entities”) and prohibits any person, not just an IE-only PAC, from accepting covered transfers of more than \$70,000.

sSB 934, reported favorably by the GAE Committee, also modifies campaign finance laws and contains provisions expanding political advertising disclosure requirements.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable

Yea 9 Nay 8 (03/27/2017)