



General Assembly

January Session, 2017

Committee Bill No. 5589

LCO No. 5625



Referred to Committee on GOVERNMENT ADMINISTRATION
AND ELECTIONS

Introduced by:
(GAE)

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2 repealed and the following is substituted in lieu thereof (*Effective from*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, as
18 amended by this act, and (2) contributions to other independent
19 expenditure political committees.

20 Sec. 3. Section 9-601c of the general statutes is repealed and the
21 following is substituted in lieu thereof (*Effective from passage*):

22 (a) (1) As used in this chapter and chapter 157, [the term]
23 "independent expenditure" means an expenditure, as defined in
24 section 9-601b, that is made entirely without the consent, coordination
25 [.] or consultation of [.] a candidate, [or agent of the candidate,]
26 candidate committee, political committee or party committee, or any
27 agent of any such candidate or committee.

28 (2) For purposes of this section, a payment shall not be considered
29 to be made by a person with the consent, coordination or consultation
30 of, or at the request or suggestion of, a candidate or committee solely
31 on the grounds that such person or the agent of such person engaged
32 in discussion with the candidate, committee or any agent of the
33 candidate or committee regarding such person's position on a
34 legislative or policy matter, including urging the candidate or
35 committee to adopt such person's position, provided any such
36 discussion between such person or the agent of such person and the
37 candidate, committee or any agent of the candidate or committee shall
38 not regard the campaign advertising, message, strategy, policy,
39 polling, fund-raising, campaign operations or allocation of resources of
40 the candidate, committee or such person.

41 (b) As used in this section, (1) "candidate" includes any person who,
42 during an election cycle, becomes a candidate later in such election
43 cycle and benefits from any expenditure (A) made by a coordinated
44 spender, or (B) that is not an independent expenditure, (2) "election
45 cycle" means, with respect to an office to which a person seeks
46 nomination or election, the period beginning the day after the previous
47 regular election for such office and ending the day of the immediately

48 following regular election for such office, and (3) "member of the
49 family" means (A) the spouse of the candidate, (B) any sibling, parent,
50 child, grandparent, grandchild, aunt or uncle of the candidate, (C) any
51 sibling parent, child, grandparent, grandchild, aunt or uncle of the
52 spouse of the candidate, or (D) the spouse of any child of any such
53 individual described in subparagraph (B) or (C) of this subdivision.

54 (c) As used in this section, "coordinated spender" means, with
55 respect to a candidate or committee:

56 (1) Any person directly or indirectly formed, controlled or
57 established in an election cycle or the one immediately preceding by, at
58 the request or suggestion of or with the encouragement or approval of
59 the candidate, committee or any agent of the candidate or committee;

60 (2) Except as otherwise provided in this subdivision, any person on
61 whose behalf during an election cycle the candidate, committee or any
62 agent of the candidate or committee solicits funds or engages in fund-
63 raising activity, including by providing to such person the name of any
64 potential donor or other list to be used by such person in engaging in
65 fund-raising activity regardless of whether such person pays fair
66 market value for any such name or list so provided. Such person shall
67 not be considered a coordinated spender under this subdivision if any
68 funds raised by the candidate, committee or any agent of the candidate
69 or committee are (A) segregated from all other accounts controlled by
70 such person, and (B) not used to make (i) independent expenditures
71 that benefit the candidate or committee, or (ii) contributions or covered
72 transfers to any other person who later in such election cycle makes
73 independent expenditures, contributions or covered transfers that
74 benefit the candidate or committee;

75 (3) Any person established, directed or managed by any other
76 person who during an election cycle (A) served in such election cycle
77 as a political, media or fund-raising advisor or consultant for the
78 candidate, committee or any entity controlled by the candidate or
79 committee, or (B) held in such election cycle a formal position with a

80 title for the candidate or committee;

81 (4) Any person who is a member of the family of the candidate or
82 who is established, directed or managed by any member of the family
83 of the candidate; or

84 (5) Any person or any officer or agent of such person who has had
85 more than incidental discussion with a member of the family of the
86 candidate regarding campaign advertising, message, strategy, policy,
87 polling, fund-raising, campaign operations or allocation of resources of
88 the candidate, committee or such person.

89 (d) Any expenditure made by a coordinated spender, as described
90 in subsection (c) of this section, shall be deemed to have been made
91 with the consent, coordination or consultation of the candidate,
92 committee or any agent of the candidate of committee.

93 [(b)] (e) When the State Elections Enforcement Commission
94 evaluates an expenditure, other than an expenditure described in
95 subsection (d) of this section, to determine whether such expenditure is
96 an independent expenditure, there shall be a rebuttable presumption
97 that the following expenditures are not independent expenditures:

98 (1) An expenditure made by a person [in cooperation, consultation
99 or in concert with, at the request, suggestion or direction of, or]
100 pursuant to a general or [particular] tacit understanding with (A) a
101 candidate, candidate committee, political committee or party
102 committee, or (B) a consultant or other agent acting on behalf of a
103 candidate, candidate committee, political committee or party
104 committee;

105 (2) An expenditure made by a person for the production,
106 dissemination, distribution or publication, in whole or in substantial
107 part, of any broadcast or any written, graphic or other form of political
108 advertising or campaign communication prepared by (A) a candidate,
109 candidate committee, political committee or party committee, or (B) a

110 consultant or other agent acting on behalf of a candidate, candidate
111 committee, political committee or party committee;

112 (3) An expenditure made by a person based on information about a
113 candidate's, political committee's, or party committee's plans, projects
114 or needs, provided by (A) a candidate, candidate committee, political
115 committee or party committee, or (B) a consultant or other agent acting
116 on behalf of a candidate, candidate committee, political committee or
117 party committee, with the intent that such expenditure be made;

118 (4) An expenditure made by an individual who, [in the same]
119 during an election cycle, is serving or has served in such election cycle
120 (A) as the campaign chairperson, treasurer or deputy treasurer of a
121 candidate committee, political committee or party committee
122 benefiting from such expenditure, or (B) in any other executive or
123 policymaking position, including as a member, employee, fundraiser,
124 consultant or other agent, of a candidate, candidate committee,
125 political committee or party committee;

126 (5) An expenditure made by a person or an entity on or after
127 January first in the year of an election in which a candidate is seeking
128 public office that benefits such candidate when such person or entity
129 has hired an individual as an employee or consultant and such
130 individual was an employee of or consultant to such candidate, such
131 candidate's candidate committee or such candidate's opponent's
132 candidate committee during [any part of the eighteen-month period
133 preceding such expenditure] an election cycle or the one immediately
134 preceding;

135 (6) An expenditure made by a person for fundraising activities (A)
136 for a candidate, candidate committee, political committee or party
137 committee, or a consultant or other agent acting on behalf of a
138 candidate, candidate committee, political committee or party
139 committee, or (B) for the solicitation or receipt of contributions on
140 behalf of a candidate, candidate committee, political committee or
141 party committee, or a consultant or other agent acting on behalf of a

142 candidate, candidate committee, political committee or party
143 committee;

144 (7) An expenditure made by a person based on information about a
145 candidate's campaign plans, projects or needs, that is directly or
146 indirectly provided by a candidate, the candidate's candidate
147 committee, a political committee or a party committee, or a consultant
148 or other agent acting on behalf of such candidate, candidate
149 committee, political committee or party committee, to the person
150 making the expenditure or such person's agent, with an express or tacit
151 understanding that such person is considering making the
152 expenditure;

153 (8) An expenditure made by a person for a communication that
154 clearly identifies a candidate during an election campaign, if the
155 person making the expenditure, or such person's agent, has informed
156 the candidate who benefits from the expenditure, [that] such
157 candidate's candidate committee, a political committee or a party
158 committee, or a consultant or other agent acting on behalf of the
159 benefiting candidate or candidate committee, political committee [,] or
160 party committee, concerning the communication's contents, or of the
161 intended audience, timing, location or mode or frequency of
162 dissemination. [As used in] For purposes of this subdivision, a
163 communication clearly identifies a candidate when that
164 communication contains the name, nickname, initials, photograph or
165 drawing of the candidate or an unambiguous reference to [that] such
166 candidate, which includes, but is not limited to, a reference that can
167 only mean [that] such candidate; [and]

168 (9) An expenditure made by a person or an entity for consultant or
169 creative services, including, but not limited to, services related to
170 communications strategy or design or campaign strategy or to engage
171 a campaign-related vendor, to be used to promote or oppose a
172 candidate's election to office if the provider of such services is
173 providing or has provided consultant or creative services to such

174 candidate, such candidate's candidate committee or an agent of such
175 candidate committee, or to any opposing candidate's candidate
176 committee or an agent of such opposing candidate's candidate
177 committee after January first of the year in which the expenditure
178 occurs. For purposes of this subdivision, communications strategy or
179 design does not include the costs of printing or costs for the use of a
180 medium for the purpose of communications. For purposes of this
181 subdivision, campaign-related vendor includes, but is not limited to, a
182 vendor that provides any of the following services: Polling, mail
183 design, mail strategy, political strategy, general campaign advice or
184 telephone banking; [.] and

185 (10) An expenditure made by a person directly or indirectly formed,
186 controlled or established in an election cycle or the one immediately
187 preceding by, at the request or suggestion of or with the
188 encouragement of any other person deemed to be a coordinated
189 spender or any agent of such coordinated spender, including with the
190 express or tacit approval of any such coordinated spender or agent.

191 [(c) When the State Elections Enforcement Commission evaluates an
192 expenditure to determine whether an expenditure by entity is an
193 independent expenditure, the following shall not be presumed to
194 constitute evidence of consent, coordination or consultation within the
195 meaning of subsection (a) of this section: (1) Participation by a
196 candidate or an agent of the candidate in an event sponsored by the
197 entity, unless such event promotes the success of the candidate's
198 candidacy or the defeat of the candidate's opponent, or unless the
199 event is during the period that is forty-five days prior to the primary
200 for which the candidate is seeking nomination for election or election
201 to office; (2) membership of the candidate or agent of the candidate in
202 the entity, unless the candidate or agent of the candidate holds an
203 executive or policymaking position within the entity after the
204 candidate becomes a candidate; or (3) financial support for, or
205 solicitation or fundraising on behalf of the entity by a candidate or an
206 agent of the candidate, unless the entity has made or obligated to make

207 independent expenditures in support of such candidate in the election
208 or primary for which the candidate is a candidate.]

209 [(d)] (f) When the State Elections Enforcement Commission
210 evaluates an expenditure to determine whether such expenditure is an
211 independent expenditure, the commission shall consider, as an
212 effective rebuttal to the presumptions provided in subsection [(b)] (e)
213 of this section, the establishment by the person making the
214 expenditure of a firewall policy designed and implemented to prohibit
215 the flow of information between (1) employees, consultants or other
216 individuals providing services to the person paying for the
217 expenditure, and (2) the candidate or agents of the candidate.

218 Sec. 4. Subdivision (1) of subsection (g) of section 9-607 of the
219 general statutes is repealed and the following is substituted in lieu
220 thereof (*Effective from passage*):

221 (g) (1) As used in this subsection, (A) "the lawful purposes of the
222 committee" means: (i) For a candidate committee or exploratory
223 committee, the promoting of the nomination or election of the
224 candidate who established the committee, except that after a political
225 party nominates candidates for election to the offices of Governor and
226 Lieutenant Governor, whose names shall be so placed on the ballot in
227 the election that an elector will cast a single vote for both candidates,
228 as prescribed in section 9-181, a candidate committee established by
229 either such candidate may also promote the election of the other such
230 candidate; (ii) for a political committee, other than an independent
231 expenditure political committee described in subparagraph (A)(iv) of
232 this subdivision, the promoting of (I) a political party, including party
233 building activities, (II) the success or defeat of candidates for
234 nomination [and] or election to public office or position subject to the
235 requirements of this chapter, or (III) the success or defeat of
236 referendum questions, provided a political committee formed for a
237 single referendum question shall not promote the success or defeat of
238 any candidate, and provided further a legislative leadership committee

239 or a legislative caucus committee may expend funds to defray costs for
240 conducting legislative or constituency-related business which are not
241 reimbursed or paid by the state; [and] (iii) for a party committee, the
242 promoting of the party, party building activities, the candidates of the
243 party and continuing operating costs of the party; and (iv) for an
244 independent expenditure political committee, the promoting of (I) a
245 political party, (II) the success or defeat of candidates for nomination
246 or election to public office or position subject to the requirements of
247 this chapter, or (III) the success or defeat of referendum questions,
248 provided an independent expenditure political committee shall act
249 entirely independently of a candidate, candidate committee, party
250 committee or political committee that is not an independent
251 expenditure political committee, or any agent of such candidate or
252 committee, and (B) "immediate family" means a spouse or dependent
253 child of a candidate who resides in the candidate's household.

254 Sec. 5. Subsection (c) of section 9-608 of the general statutes is
255 repealed and the following is substituted in lieu thereof (*Effective from*
256 *passage*):

257 (c) (1) Each statement filed under subsection (a), (e) or (f) of this
258 section shall include, but not be limited to: (A) An itemized accounting
259 of each contribution, if any, including the full name and complete
260 address of each contributor and the amount of the contribution. For an
261 independent expenditure political committee, if any contributor to
262 such independent expenditure political committee is a recipient of a
263 covered transfer or transfers amounting to twenty-five thousand
264 dollars or more, in the aggregate, per calendar year, such statement
265 shall include the names of the persons who made the top five largest
266 aggregate covered transfers to such recipient during the twelve-month
267 period immediately preceding a primary, election or referendum, as
268 applicable; (B) an itemized accounting of each expenditure, if any,
269 including the full name and complete address of each payee, including
270 secondary payees whenever the primary or principal payee is known
271 to include charges which the primary payee has already paid or will

272 pay directly to another person, vendor or entity, the amount and the
273 purpose of the expenditure, the candidate supported or opposed by
274 the expenditure, whether the expenditure is made independently of
275 the candidate supported or is an in-kind contribution to the candidate,
276 and a statement of the balance on hand or deficit, as the case may be;
277 (C) an itemized accounting of each expense incurred but not paid,
278 provided if the expense is incurred by use of a credit card, the
279 accounting shall include secondary payees, and the amount owed to
280 each such payee; (D) the name and address of any person who is the
281 guarantor of a loan to, or the cosigner of a note with, the candidate on
282 whose behalf the committee was formed, or the treasurer in the case of
283 a party committee or a political committee or who has advanced a
284 security deposit to a telephone company, as defined in section 16-1, for
285 telecommunications service for a committee; (E) for each business
286 entity or person purchasing advertising space in a program for a fund-
287 raising affair or on signs at a fund-raising affair, the name and address
288 of the business entity or the name and address of the person, and the
289 amount and aggregate amounts of such purchases; (F) for each
290 individual who contributes in excess of one hundred dollars but not
291 more than one thousand dollars, in the aggregate, to the extent known,
292 the principal occupation of such individual and the name of the
293 individual's employer, if any; (G) for each individual who contributes
294 in excess of one thousand dollars in the aggregate, the principal
295 occupation of such individual and the name of the individual's
296 employer, if any; (H) for each itemized contribution made by a
297 lobbyist, the spouse of a lobbyist or any dependent child of a lobbyist
298 who resides in the lobbyist's household, a statement to that effect; and
299 (I) for each individual who contributes in excess of four hundred
300 dollars in the aggregate to or for the benefit of any candidate's
301 campaign for nomination at a primary or election to the office of chief
302 executive officer or a slate or town committee financing the
303 nomination or election or a candidate for chief executive officer of a
304 town, city or borough, a statement indicating whether the individual
305 or a business with which he is associated has a contract with said

306 municipality that is valued at more than five thousand dollars. Each
307 treasurer shall include in such statement (i) an itemized accounting of
308 the receipts and expenditures relative to any testimonial affair held
309 under the provisions of section 9-609 or any other fund-raising affair,
310 which is referred to in subsection (b) of section 9-601a, and (ii) the date,
311 location and a description of the affair, except that a treasurer shall not
312 be required to include the name of any individual who has purchased
313 items at a fund-raising affair or food at a town fair, county fair or
314 similar mass gathering, if the cumulative value of items purchased by
315 such individual does not exceed one hundred dollars, or the name of
316 any individual who has donated food or beverages for a meeting. A
317 treasurer shall not be required to report or retain any receipts or
318 expenditures related to any de minimis donations described in
319 subdivision (17) of subsection (b) of section 9-601a.

320 (2) Each contributor described in subparagraph (F), (G), (H) or (I) of
321 subdivision (1) of this subsection shall, at the time the contributor
322 makes such a contribution, provide the information that the treasurer
323 is required to include under said subparagraph in the statement filed
324 under subsection (a), (e) or (f) of this section. Notwithstanding any
325 provision of subdivision (2) of section 9-7b, any contributor described
326 in subparagraph (F) of subdivision (1) of this subsection who does not
327 provide such information at the time the contributor makes such a
328 contribution and any treasurer shall not be subject to the provisions of
329 subdivision (2) of section 9-7b. If a treasurer receives a contribution
330 from an individual which separately, or in the aggregate, is in excess of
331 one thousand dollars and the contributor has not provided the
332 information required by said subparagraph (G) or if a treasurer
333 receives a contribution from an individual to or for the benefit of any
334 candidate's campaign for nomination at a primary or election to the
335 office of chief executive officer of a town, city or borough, which
336 separately, or in the aggregate, is in excess of four hundred dollars and
337 the contributor has not provided the information required by said
338 subparagraph (I), the treasurer: (i) Not later than three business days
339 after receiving the contribution, shall send a request for such

340 information to the contributor by certified mail, return receipt
341 requested; (ii) shall not deposit the contribution until the treasurer
342 obtains such information from the contributor, notwithstanding the
343 provisions of section 9-606; and (iii) shall return the contribution to the
344 contributor if the contributor does not provide the required
345 information not later than fourteen days after the treasurer's written
346 request or the end of the reporting period in which the contribution
347 was received, whichever is later. Any failure of a contributor to
348 provide the information which the treasurer is required to include
349 under said subparagraph (F) or (H), which results in noncompliance
350 by the treasurer with the provisions of said subparagraph (F) or (H),
351 shall be a complete defense to any action against the treasurer for
352 failure to disclose such information.

353 (3) In addition to the requirements of subdivision (2) of this
354 subsection, each contributor who makes a contribution to a candidate
355 or exploratory committee for Governor, Lieutenant Governor,
356 Attorney General, State Comptroller, Secretary of the State, State
357 Treasurer, state senator or state representative, any political committee
358 authorized to make contributions to such candidates or committees,
359 and any party committee that separately, or in the aggregate, exceeds
360 fifty dollars shall provide with the contribution: (A) The name of the
361 contributor's employer, if any; (B) the contributor's status as a
362 communicator lobbyist, as defined in section 1-91, a member of the
363 immediate family of a communicator lobbyist, a state contractor, a
364 prospective state contractor or a principal of a state contractor or
365 prospective state contractor, as defined in section 9-612, as amended by
366 this act; and (C) a certification that the contributor is not prohibited
367 from making a contribution to such candidate or committee. The State
368 Elections Enforcement Commission shall prepare a sample form for
369 such certification by the contributor and shall make it available to
370 treasurers and contributors. Such sample form shall include an
371 explanation of the terms "communicator lobbyist", "principal of a state
372 contractor or prospective state contractor", "immediate family", "state
373 contractor" and "prospective state contractor". The information on such

374 sample form shall be included in any written solicitation conducted by
375 any such committee. If a treasurer receives such a contribution and the
376 contributor has not provided such certification, the treasurer shall: (i)
377 Not later than three business days after receiving the contribution,
378 send a request for the certification to the contributor by certified mail,
379 return receipt requested; (ii) not deposit the contribution until the
380 treasurer obtains the certification from the contributor,
381 notwithstanding the provisions of section 9-606; and (iii) return the
382 contribution to the contributor if the contributor does not provide the
383 certification not later than fourteen days after the treasurer's written
384 request or at the end of the reporting period in which the contribution
385 was received, whichever is later. No treasurer shall be required to
386 obtain and keep more than one certification from each contributor,
387 unless information certified to by the contributor, other than the
388 amount contributed, changes. If a treasurer deposits a contribution
389 based on a certification that is later determined to be false, the
390 treasurer shall have a complete defense to any action, including, but
391 not limited to, any complaint investigated by the State Elections
392 Enforcement Commission or any other investigation initiated by [said]
393 the commission, against such treasurer for the receipt of such
394 contribution.

395 (4) In addition to the requirements of subdivision (2) of this
396 subsection, each contributor who is the recipient of any covered
397 transfer and who makes a contribution to an independent expenditure
398 political committee that separately, or in the aggregate, exceeds
399 twenty-five thousand dollars per calendar year shall provide with the
400 contribution a statement signed under penalty of false statement,
401 which certification shall include: (A) If the contributor is a human
402 being, the name of the contributor's employer or employers, if any; (B)
403 the contributor's status as a client lobbyist or communicator lobbyist,
404 as defined in section 1-91, or a member of the immediate family of a
405 communicator lobbyist; (C) a certification that the contributor is not
406 prohibited from making a contribution to the independent expenditure
407 political committee; and (D) if the contributor is not a human being,

408 the names of the five persons who made the top five largest aggregate
409 covered transfers to such recipient during the twelve-month period
410 immediately preceding a primary, election or referendum, as
411 applicable. The State Elections Enforcement Commission shall prepare
412 a sample form for such certification by the contributor and shall make
413 it available to treasurers and contributors. Such sample form shall
414 include an explanation of the term "covered transfer". The information
415 on such sample form shall be included in any written solicitation
416 conducted by such independent expenditure political committee. If a
417 treasurer receives a contribution and the contributor has not provided
418 such certification, the treasurer shall: (i) Not later than three business
419 days after receiving the contribution, send a request for the
420 certification to the contributor by certified mail, return receipt
421 requested; (ii) not deposit the contribution until the treasurer obtains
422 the certification from the contributor, notwithstanding the provisions
423 of section 9-606; and (iii) return the contribution to the contributor if
424 the contributor does not provide the certification not later than
425 fourteen days after the treasurer's written request or at the end of the
426 reporting period in which the contribution was received, whichever is
427 later. If a treasurer deposits a contribution based on a certification
428 signed under penalty of false statement that is later determined to be
429 false, the treasurer shall have a complete defense to any action,
430 including, but not limited to, any complaint investigated by the State
431 Elections Enforcement Commission or any other investigation initiated
432 by the commission, against such treasurer for the receipt of such
433 contribution.

434 [(4)] (5) Contributions from a single individual to a treasurer in the
435 aggregate totaling fifty dollars or less need not be individually
436 identified in the statement, but a sum representing the total amount of
437 all such contributions made by all such individuals during the period
438 to be covered by such statement shall be a separate entry, identified
439 only by the words "total contributions from small contributors".

440 [(5)] (6) Each statement filed by the treasurer of a party committee, a

441 legislative caucus committee or a legislative leadership committee shall
442 include an itemized accounting of each organization expenditure made
443 by the committee. Concomitant with the filing of any such statement
444 containing an accounting of an organization expenditure made by the
445 committee for the benefit of any candidate for the office of state
446 senator, state representative, Governor, Lieutenant Governor, Attorney
447 General, Secretary of the State, State Comptroller or State Treasurer
448 such treasurer shall provide notice of the organization expenditure to
449 the candidate committee of such candidate.

450 [(6)] (7) The commission shall post a link on the home page of the
451 commission's Internet web site to a listing of all organizational
452 expenditures reported by a party, legislative leadership or caucus
453 committee under subdivision [(5)] (6) of this subsection. Such
454 information shall include reported information on the committee
455 making the expenditure, the committee receiving the expenditure and
456 the date and purpose for the expenditure.

457 [(7)] (8) Statements filed in accordance with this section shall remain
458 public records of the state for five years from the date such statements
459 are filed.

460 Sec. 6. Subparagraph (C) of subdivision (1) of subsection (e) of
461 section 9-608 of the general statutes is repealed and the following is
462 substituted in lieu thereof (*Effective from passage*):

463 (C) (i) Each political committee formed solely to aid or promote the
464 success or defeat of any referendum question, which does not receive
465 contributions from a business entity or an organization, shall distribute
466 its surplus to a party committee, to a political committee organized for
467 ongoing political activities, to a national committee of a political party,
468 to all contributors to the committee on a prorated basis of contribution,
469 to state or municipal governments or agencies or to any organization
470 which is a tax-exempt organization under Section 501(c)(3) of the
471 Internal Revenue Code of 1986, or any subsequent corresponding
472 internal revenue code of the United States, as from time to time

473 amended. (ii) Each political committee formed solely to aid or promote
474 the success or defeat of any referendum question, which receives
475 contributions from a business entity or an organization, and each
476 independent expenditure political committee other than an
477 independent expenditure political committee formed for ongoing
478 political activities, shall distribute its surplus to all contributors to the
479 committee on a prorated basis of contribution, to state or municipal
480 governments or agencies, or to any organization which is tax-exempt
481 under said provisions of the Internal Revenue Code. Notwithstanding
482 the provisions of this subsection, a committee formed for a single
483 referendum shall not be required to expend its surplus not later than
484 ninety days after the referendum and may continue in existence if a
485 substantially similar referendum question on the same issue will be
486 submitted to the electorate within six months after the first
487 referendum. If two or more substantially similar referenda on the same
488 issue are submitted to the electorate, each no more than six months
489 apart, the committee shall expend such surplus within ninety days
490 following the date of the last such referendum;

491 Sec. 7. Subsection (a) of section 9-612 of the general statutes is
492 repealed and the following is substituted in lieu thereof (*Effective from*
493 *passage*):

494 (a) No individual shall make a contribution or contributions in any
495 one calendar year in excess of ten thousand dollars to the state central
496 committee of any party, or for the benefit of such committee pursuant
497 to its authorization or request; or two thousand dollars to a town
498 committee of any political party, or for the benefit of such committee
499 pursuant to its authorization or request; or two thousand dollars to a
500 legislative caucus committee or legislative leadership committee; [,] or
501 one thousand dollars to any other political committee other than (1) a
502 political committee formed solely to aid or promote the success or
503 defeat of a referendum question, (2) an exploratory committee, (3) a
504 political committee established by an organization, or for the benefit of
505 such committee pursuant to its authorization or request, [or] (4) a

506 political committee formed by a slate of candidates in a primary for the
507 office of justice of the peace of the same town, or (5) an independent
508 expenditure political committee.

509 Sec. 8. Section 9-613 of the general statutes is repealed and the
510 following is substituted in lieu thereof (*Effective from passage*):

511 (a) [No] Except as provided in subsection (g) of this section, a
512 business entity shall not make any contributions or expenditures (1) to,
513 or for the benefit of, any candidate's campaign (A) for election to any
514 public office or position subject to this chapter, or (B) for nomination at
515 a primary for any such office or position, or (2) to promote the defeat
516 of any candidate for any such office or position. No business entity
517 shall make any other contributions or [expenditures] engage in
518 coordinated spending, as described in section 9-601c, as amended by
519 this act, to promote the success or defeat of any political party. [, except
520 as provided in subsection (b) of this section. No] A business entity
521 shall not establish more than one political committee. A political
522 committee shall be deemed to have been established by a business
523 entity if the initial disbursement or contribution to the committee is
524 made under subsection (b) of this section or by an officer, director,
525 owner, limited or general partner or holder of stock constituting five
526 per cent or more of the total outstanding stock of any class of the
527 business entity.

528 (b) A business entity may make reasonable and necessary transfers
529 or disbursements to, or for the benefit of, a political committee
530 established by such business entity, for the administration of, or
531 solicitation of contributions to, such political committee. Nonmonetary
532 contributions by a business entity which are incidental in nature and
533 are directly attributable to the administration of such political
534 committee shall be exempt from the reporting requirements of this
535 chapter.

536 (c) The provisions of this section shall not preclude a business entity
537 from making contributions or expenditures to promote the success or

538 defeat of a referendum question.

539 (d) [A] Except as provided in subsection (g) of this section, a
540 political committee organized by a business entity shall not make a
541 contribution or contributions to, or for the benefit of, any candidate's
542 campaign for nomination at a primary or any candidate's campaign for
543 election to the office of: (1) Governor, in excess of five thousand
544 dollars; (2) Lieutenant Governor, Secretary of the State, Treasurer,
545 Comptroller or Attorney General, in excess of three thousand dollars;
546 (3) state senator, probate judge or chief executive officer of a town, city
547 or borough, in excess of one thousand five hundred dollars; (4) state
548 representative, in excess of seven hundred fifty dollars; or (5) any other
549 office of a municipality not included in subdivision (3) of this
550 subsection, in excess of three hundred seventy-five dollars. The limits
551 imposed by this subsection shall apply separately to primaries and
552 elections and contributions by any such committee to candidates
553 designated in this subsection shall not exceed one hundred thousand
554 dollars in the aggregate for any single election and primary
555 preliminary thereto. Contributions to such committees shall also be
556 subject to the provisions of section 9-618, as amended by this act, in the
557 case of committees formed for ongoing political activity or section 9-
558 619, as amended by this act, in the case of committees formed for a
559 single election or primary.

560 (e) [No] Except as provided in subsection (g) of this section, a
561 political committee organized by a business entity shall not make a
562 contribution or contributions to (1) a state central committee of a
563 political party, in excess of seven thousand five hundred dollars in any
564 calendar year, (2) a town committee of any political party, in excess of
565 one thousand five hundred dollars in any calendar year, (3) an
566 exploratory committee in excess of three hundred seventy-five dollars,
567 or (4) any other kind of political committee, in excess of two thousand
568 dollars in any calendar year.

569 (f) As used in this subsection, "investment services" means

570 investment legal services, investment banking services, investment
571 advisory services, underwriting services, financial advisory services or
572 brokerage firm services. No political committee established by a firm
573 which provides investment services and to which the State Treasurer
574 pays compensation, expenses or fees or issues a contract shall make a
575 contribution to, or solicit contributions on behalf of, an exploratory
576 committee or candidate committee established by a candidate for
577 nomination or election to the office of State Treasurer during the term
578 of office of the State Treasurer who does business with such firm.

579 (g) (1) Notwithstanding the provisions of [this section, a
580 corporation, cooperative association, limited partnership, professional
581 association, limited liability company or limited liability partnership,
582 whether formed in this state or any other, acting alone,] subsections (a)
583 to (f), inclusive, of this section, and except as provided in subdivision
584 (3) of this subsection, a business entity may make independent
585 expenditures and contributions to an independent expenditure
586 political committee.

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

591 (3) No foreign-influenced entity may make independent
592 expenditures or covered transfers.

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

595 (a) An organization may make contributions, [or] engage in
596 coordinated spending, as described in section 9-601c, as amended by
597 this act, and make expenditures, other than [those made to promote]
598 for the purpose of promoting the success or defeat of a referendum
599 question, only by first forming its own political committee. [The]
600 Unless such political committee is an independent expenditure

601 political committee, the political committee shall then be authorized to
602 (1) receive funds (A) exclusively from the organization's treasury or
603 from voluntary contributions made by its members, but not both, (B)
604 from another political committee, or [,] (C) from a candidate committee
605 distributing a surplus, and [(1) to] (2) make (A) contributions or
606 expenditures to, or for the benefit of, a candidate's campaign or a
607 political party, or [(2) to make] (B) contributions to another political
608 committee. [No] An organization shall not form more than one
609 political committee. A political committee shall be deemed to have
610 been established by an organization if the initial contribution to the
611 committee is made by the organization's treasury or an officer or
612 director of the organization.

613 (b) A political committee established by an organization may elect
614 to alter the manner in which it is funded if it complies with the
615 requirements of this subsection. The committee chairperson shall
616 notify the repository with which the committee's most recent statement
617 of organization is filed, in writing, of the committee's intent to alter its
618 manner of funding. [Within] Not later than fifteen days after the date
619 of receipt of such notification, the treasurer of such political committee
620 shall return any funds remaining in the account of the committee to
621 the organization's treasury after payment of each outstanding liability.
622 [Within] Not later than seven days after the distribution and payments
623 have been made, the treasurer shall file a statement with the same
624 repository itemizing each such distribution and payment. Upon such
625 filing, the treasurer may receive voluntary contributions from any
626 member of the organization which established such committee subject
627 to the limitations imposed in subsection (b) of section 9-612.

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

632 (d) Notwithstanding the provisions of this section, an organization

633 [~~], acting alone,~~] may make independent expenditures and
634 contributions to an independent expenditure political committee.

635 Sec. 10. Section 9-615 of the general statutes is repealed and the
636 following is substituted in lieu thereof (*Effective from passage*):

637 (a) [~~No~~] A political committee established by an organization shall
638 not make a contribution or contributions to, or for the benefit of, any
639 candidate's campaign for nomination at a primary or for election to the
640 office of: (1) Governor, in excess of five thousand dollars; (2)
641 Lieutenant Governor, Secretary of the State, Treasurer, Comptroller or
642 Attorney General, in excess of three thousand dollars; (3) chief
643 executive officer of a town, city or borough, in excess of one thousand
644 five hundred dollars; (4) state senator or probate judge, in excess of
645 one thousand five hundred dollars; (5) state representative, in excess of
646 seven hundred fifty dollars; or (6) any other office of a municipality
647 not previously included in this subsection, in excess of three hundred
648 seventy-five dollars.

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

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

659 (d) [~~No~~] Except as provided in subsection (f) of this section, a
660 political committee established by an organization shall not make
661 contributions in any one calendar year to, or for the benefit of, (1) the
662 state central committee of a political party, in excess of seven thousand
663 five hundred dollars; (2) a town committee, in excess of one thousand

664 five hundred dollars; or (3) any political committee, other than an
665 exploratory committee or a committee formed solely to aid or promote
666 the success or defeat of a referendum question, in excess of two
667 thousand dollars.

668 (e) Contributions to a political committee established by an
669 organization for the purpose of making contributions and engaging in
670 coordinated spending shall be subject to the provisions of section 9-
671 618, as amended by this act, in the case of a committee formed for
672 ongoing political activity or section 9-619, as amended by this act, in
673 the case of a committee formed for a single election or primary.

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

678 Sec. 11. Subsection (a) of section 9-618 of the general statutes is
679 repealed and the following is substituted in lieu thereof (*Effective from*
680 *passage*):

681 (a) (1) A political committee organized for ongoing political
682 activities may make unlimited contributions to, or for the benefit of,
683 any national committee of a political party [;] or a committee of a
684 candidate for federal or out-of-state office. Except as provided in
685 subdivision (3) of subsection (d) of this section, no such political
686 committee shall make a contribution or contributions in excess of two
687 thousand dollars to another political committee in any calendar year.
688 No political committee organized for ongoing political activities shall
689 make a contribution in excess of three hundred seventy-five dollars to
690 an exploratory committee. If such an ongoing committee is established
691 by an organization or a business entity, its contributions shall be
692 subject to the limits imposed by sections 9-613 to 9-615, inclusive, as
693 amended by this act. A political committee organized for ongoing
694 political activities may make [contributions] donations to a charitable
695 organization which is a tax-exempt organization under Section

696 501(c)(3) of the Internal Revenue Code, as from time to time amended,
697 or make memorial [contributions] donations.

698 (2) An independent expenditure political committee organized for
699 ongoing political activities shall not make any contribution unless such
700 contribution is to another independent expenditure political
701 committee.

702 Sec. 12. Subsection (a) of section 9-619 of the general statutes is
703 repealed and the following is substituted in lieu thereof (*Effective from*
704 *passage*):

705 (a) (1) No political committee established for a single primary or
706 election shall make contributions to a national committee, or a
707 committee of a candidate for federal or out-of-state office. If such a
708 political committee is established by an organization or a business
709 entity, its contributions shall also be subject to the limitations imposed
710 by sections 9-613 to 9-615, inclusive, as amended by this act. Except as
711 provided in subdivision (2) of subsection (d) of this section, no political
712 committee formed for a single election or primary shall, with respect to
713 such election or primary, make a contribution or contributions in
714 excess of two thousand dollars to another political committee,
715 provided no such political committee shall make a contribution in
716 excess of three hundred seventy-five dollars to an exploratory
717 committee.

718 (2) An independent expenditure political committee shall not make
719 any contribution unless such contribution is to another independent
720 expenditure political committee.

721 Sec. 13. Section 9-620 of the general statutes is repealed and the
722 following is substituted in lieu thereof (*Effective from passage*):

723 (a) A political committee formed solely to aid or promote the
724 success or defeat of a referendum question shall not make
725 contributions to, or for the benefit of, a party committee, a political

726 committee, a national committee, a committee of a candidate for
727 federal or out-of-state office or a candidate committee, except in the
728 distribution of a surplus, as provided in subsection (e) of section 9-608,
729 as amended by this act.

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

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

741 (d) Notwithstanding this section, an independent expenditure
742 political committee, as defined in section 2 of this act, formed solely to
743 aid or promote the success or defeat of a referendum question shall not
744 make any contribution unless such contribution is made to another
745 independent expenditure political committee.

746 Sec. 14. (NEW) (*Effective from passage*) (a) Notwithstanding any
747 provision of the general statutes, the board of governance, if any, for
748 any entity incorporated, organized or operating in this state, shall vote
749 for prior authorization for each payment or distribution of money in
750 an amount more than four thousand dollars to be used as a campaign-
751 related disbursement. The board shall be informed of the specific use
752 of the money, including any candidate that might be the target or
753 beneficiary of an independent expenditure, as defined in section 9-601c
754 of the general statutes, as amended by this act, from such campaign-
755 related disbursement prior to any such vote. Individual board member
756 votes and the details of such expenditures shall be disclosed to the
757 public on the entity's Internet web site not later than forty-eight hours

758 after the vote and filed electronically with the State Elections
759 Enforcement Commission under the provisions of section 9-612 of the
760 general statutes, as amended by this act.

761 (b) Any such entity required to file a statement under section 9-612
762 of the general statutes, as amended by this act, after making or
763 obligating to make an independent expenditure shall do at least one of
764 the following: (1) If the entity submits regular, periodic reports to its
765 shareholders, members or donors, on the entity's finances or activities,
766 include in each such report (A) the identity of the individual making
767 any campaign-related disbursement and the business address of such
768 individual, (B) the amount and date of each such disbursement and the
769 identity of the individual to whom such disbursement was made, (C)
770 the candidate or candidates or ballot issue to which such
771 disbursements are related, and (D) the identity of any individual who
772 made a donation in excess of one thousand dollars to the entity, for
773 any campaign-related disbursements made by the entity during the
774 period such report covers, or (2) provide on the entity's Internet web
775 site a link to the entity's filed disclosure reports under said section 9-
776 612.

777 Sec. 15. Section 9-601 of the general statutes is amended by adding
778 subdivisions (32) and (33) as follows (*Effective from passage*):

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

785 (NEW) (33) "Foreign-influenced entity" means any entity of which
786 (A) one foreign owner holds, owns, controls or otherwise has directly
787 or indirectly acquired beneficial ownership of equity or voting shares
788 in an amount equal to or greater than five per cent of total equity or
789 outstanding voting shares, (B) two or more foreign owners hold, own,

790 control or otherwise have directly or indirectly acquired beneficial
791 ownership of equity or voting shares in an amount equal to or greater
792 than twenty per cent of total equity or outstanding voting shares, or
793 (C) any foreign owner participates in any way, directly or indirectly, in
794 the process of making decisions with regard to the political activities of
795 such entity in the United States, including, but not limited to, the
796 political activities of such entity during an election in the state or any
797 town, city, municipality, borough or other unit of local government
798 within the state.

799 Sec. 16. Subsection (c) of section 9-601d of the general statutes is
800 repealed and the following is substituted in lieu thereof (*Effective from*
801 *passage*):

802 (c) The independent expenditure long-form report shall identify: (1)
803 The name of the person making or obligating to make such
804 independent expenditure or expenditures; (2) the tax exempt status of
805 such person, if applicable; (3) the mailing address of such person; (4)
806 the principal business address of the person, if different from the
807 mailing address; (5) the address, telephone number and electronic mail
808 address of the agent for service of process in this state of such person;
809 (6) a certification that, after due inquiry, such person is not a foreign-
810 influenced entity on the date such independent expenditure or
811 expenditures were made or obligated to be made, if applicable; (7) the
812 date of the primary or election for which the independent expenditure
813 or expenditures were made or obligated to be made; [(7)] (8) the name
814 of any candidate who was the subject of any independent expenditure
815 or expenditures and whether the independent expenditure or
816 expenditures were in support of or in opposition to such candidate;
817 and [(8)] (9) the name, telephone number and electronic mail address
818 for the individual filing such report. Such individual filing such report
819 shall affirm that the expenditure reported is an independent
820 expenditure under penalty of false statement.

821 Sec. 17. Subsection (a) of section 9-601d of the general statutes is

822 repealed and the following is substituted in lieu thereof (*Effective from*
823 *passage*):

824 (a) Any person, as defined in section 9-601, as amended by this act,
825 may, unless otherwise restricted or prohibited by law, including, but
826 not limited to, any provision of this chapter or chapter 157, (1) make
827 unlimited independent expenditures, as defined in section 9-601c, and
828 (2) accept [unlimited] covered transfers, as defined in said section 9-
829 601, provided the amount of any such covered transfer or transfers
830 accepted in any calendar year shall not exceed seventy thousand
831 dollars in the aggregate. Except as provided pursuant to this section,
832 any such person who makes or obligates to make an independent
833 expenditure or expenditures in excess of one thousand dollars, in the
834 aggregate, shall file statements according to the same schedule and in
835 the same manner as is required of a treasurer of a candidate committee
836 pursuant to section 9-608.

837 Sec. 18. Subsection (f) of section 9-601d of the general statutes is
838 repealed and the following is substituted in lieu thereof (*Effective from*
839 *passage*):

840 (f) (1) Except as provided in subdivision (2) of this subsection, as
841 part of any statement filed pursuant to this section, if a person who
842 makes or obligates to make an independent expenditure (A) has
843 received a covered transfer during the twelve-month period prior to a
844 primary or election, as applicable to the reported expenditure, for an
845 office that a candidate described in subdivision (7) of subsection (c) of
846 this section is seeking, and (B) such independent expenditure is made
847 or obligated to be made on or after the date that is one hundred eighty
848 days prior to such primary or election, such person shall disclose the
849 source and the amount of any such covered transfer such person
850 received that is in an amount that is five thousand dollars or more, in
851 the aggregate, during the twelve-month period prior to such primary
852 or election, as applicable to the reported expenditure.

853 (2) The provisions of subdivision (1) of this subsection shall not

854 apply to any person who discloses the source and amount of a covered
855 transfer described in subdivision (1) of this subsection as part of any
856 report to the Federal Election Commission or the Internal Revenue
857 Service, provided such person includes a copy of any such report as
858 part of the report of each applicable independent expenditure
859 pursuant to this section. If a source and amount of a covered transfer is
860 not included as part of any such report, the maker of the expenditure
861 shall disclose the source and amount of such covered transfer pursuant
862 to subdivision (1) of this subsection, if applicable.

863 (3) A person disclosing any covered transfer such person received,
864 pursuant to subdivision (1) of this subsection, shall also disclose the
865 source and the amount of any donation, transfer or payment that is
866 equal to or greater than one thousand dollars, in the aggregate, of the
867 funds of such covered transfer.

868 (4) If a person makes a covered transfer to the maker of an
869 independent expenditure, including one who obligates to make an
870 independent expenditure, and such person derives all funds of such
871 covered transfer from a dedicated independent expenditure account
872 that is segregated from all other accounts controlled by such person,
873 such person shall provide to such maker of the independent
874 expenditure the source and the amount of each donation, transfer or
875 payment that is equal to or greater than one thousand dollars, in the
876 aggregate, to such dedicated independent expenditure account. Such
877 maker of the independent expenditure shall include the information so
878 provided under this subdivision with its disclosure of such covered
879 transfer.

880 (5) If a person makes a covered transfer to the maker of an
881 independent expenditure, including one who obligates to make an
882 independent expenditure, and such person derives any funds of such
883 covered transfer from any source other than a dedicated independent
884 expenditure account that is segregated from all other accounts
885 controlled by such person, such person shall provide to such maker of

886 the independent expenditure the source and the amount of each
887 donation, transfer or payment to such person that is equal to or greater
888 than one thousand dollars, in the aggregate, during the twelve-month
889 period prior to the primary or election, as applicable to the reported
890 expenditure, for which such independent expenditure is made. Such
891 maker of the independent expenditure shall include the information so
892 provided under this subdivision with its disclosure of such covered
893 transfer.

894 (6) (A) A maker of an independent expenditure, including one who
895 obligates to make an independent expenditure, shall not accept a
896 covered transfer unless the information required to be disclosed under
897 subdivision (3) of this subsection or provided under subdivision (4) or
898 (5) of this subsection is so disclosed or provided.

899 (B) The recipient of a covered transfer shall not knowingly make a
900 covered transfer to the maker of an independent expenditure,
901 including one who obligates to make an independent expenditure,
902 unless the information required to be provided under subdivision (4)
903 or (5) of this subsection is so provided.

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

907 (h) (1) No person shall make or incur an independent expenditure
908 for any written, typed or other printed communication, including on a
909 billboard, or any web-based, written communication, unless such
910 communication bears upon its face, as a disclaimer, (A) the words
911 "Paid for by", [and] (B) the name of such person and, if such person is
912 an entity, the name of such entity's chief executive officer or equivalent
913 and such entity's principal business address, and (C) the following
914 statement: "This message was made independent of any candidate or
915 political party." In the case of a person making or incurring such an
916 independent expenditure during the ninety-day period immediately
917 prior to the primary or election for which the independent expenditure

918 is made, such communication shall also bear upon its face the names of
919 the five persons who made the five largest aggregate covered transfers
920 to the person making such communication during the twelve-month
921 period immediately prior to such primary or election, as applicable.
922 The communication shall also state that additional information about
923 the person making such communication may be found on the State
924 Elections Enforcement Commission's Internet web site.

925 (2) In addition to the requirements of subdivision (1) of this
926 subsection, and except as provided in this subdivision for an entity, no
927 person shall make or incur an independent expenditure for a video
928 broadcast by television, satellite or Internet, unless at the end of such
929 advertising there appears for a period of not less than four seconds as a
930 disclaimer, the following as an audio message and a written statement:
931 "This message was paid for by (person making the communication)
932 and made independent of any candidate or political party.". If such
933 person is an entity, there shall simultaneously appear at the end of
934 such advertising, for a period of not less than four seconds, (A) a
935 clearly identifiable video, photographic or similar image of such
936 entity's chief executive officer or equivalent, and (B) a personal audio
937 message, in the following form: "I am (name of entity's chief
938 executive officer or equivalent), (title) of (entity). This message
939 was made independent of any candidate or political party, and I
940 approved its content.". In the case of a person making or incurring
941 such an independent expenditure during the ninety-day period
942 immediately prior to the primary or election for which the
943 independent expenditure is made, such communication shall also list
944 the names of the five persons who made the five largest aggregate
945 covered transfers to the person making such communication during
946 the twelve-month period immediately prior to such primary or
947 election, as applicable. The communication shall also state that
948 additional information about the person making such communication
949 may be found on the State Elections Enforcement Commission's
950 Internet web site.

951 (3) In addition to the requirements of subdivision (1) of this
952 subsection, and except as provided in this subdivision for an entity, no
953 person shall make or incur an independent expenditure for an audio
954 communication broadcast by radio, satellite or Internet, unless the
955 advertising ends with a disclaimer that is a personal audio statement
956 by such person's agent or, if such person is an entity, such entity's chief
957 executive officer or equivalent (A) identifying the person paying for
958 the expenditure, and (B) indicating that the message was made
959 independent of any candidate or political party, using the following
960 form: "I am (name of the person's agent), (title), of (the
961 person). This message was made independent of any candidate or
962 political party.". If such person is an entity, the personal audio
963 statement by such entity's chief executive officer or equivalent shall
964 use the following form: "I am (name of entity's chief executive
965 officer or equivalent), (title) of (entity). This message was made
966 independent of any candidate or political party, and I approved its
967 content." In the case of a person making or incurring such an
968 independent expenditure during the ninety-day period immediately
969 prior to the primary or election for which the independent expenditure
970 is made, such communication shall state the names of the five persons
971 who made the five largest aggregate covered transfers to the person
972 making such communication during the twelve-month period
973 immediately prior to such primary or election, as applicable. The
974 communication shall also state that additional information about the
975 person making such communication may be found on the State
976 Elections Enforcement Commission's Internet web site.

977 (4) In addition to the requirements of subdivision (1) of this
978 subsection, no person shall make or incur an independent expenditure
979 for telephone calls, unless the narrative of the telephone call identifies
980 the person making the expenditure and, if such person is an entity,
981 such entity's chief executive officer or equivalent. In the case of a
982 person making or incurring such an independent expenditure during
983 the ninety-day period immediately prior to the primary or election for
984 which the independent expenditure is made, such communication

985 shall state the names of the five persons who made the five largest
986 aggregate covered transfers to the person making such communication
987 during the twelve-month period immediately prior to such primary or
988 election, as applicable. The communication shall also state that
989 additional information about the person making such communication
990 may be found on the State Elections Enforcement Commission's
991 Internet web site.

992 (i) In any print, television or social media promotion of a slate of
993 candidates by a party committee, the party committee shall use
994 applicable disclaimers pursuant to the provisions of this section for
995 such promotion, and no individual candidate disclaimers shall be
996 required.

997 (j) (1) Except as provided in [subdivisions (2) and (3)] subdivision
998 (2) of this subsection, if any person whose name is included on a
999 disclaimer of a communication pursuant to the provisions of this
1000 section, as a person who made a covered transfer to the maker of the
1001 communication, is also a recipient of a covered transfer, the maker of
1002 the communication, as part of any report filed pursuant to section 9-
1003 601d associated with the making of such communication, shall include
1004 the names of the five persons who made the top five largest aggregate
1005 covered transfers to such recipient during the twelve-month period
1006 immediately prior to the primary or election, as applicable.

1007 [(2) The name of any person who made a covered transfer to a tax-
1008 exempt organization recognized under Section 501(c)(4) of the Internal
1009 Revenue Code of 1986, or any subsequent corresponding internal
1010 revenue code of the United States, as amended from time to time, that
1011 has not had its tax exempt status revoked, shall not be disclosed
1012 pursuant to the provisions of subdivision (1) of this subsection.]

1013 [(3)] (2) The name of any person who made a covered transfer to a
1014 person whose name is included on a disclaimer pursuant to the
1015 provisions of this section shall not be disclosed pursuant to the
1016 provisions of subdivision (1) of this subsection if the recipient of such

1017 covered transfer accepts covered transfers from at least one hundred
 1018 different sources, provided no such source accounts for ten per cent or
 1019 more of the total amount of covered transfers accepted by the recipient
 1020 during the twelve-month period immediately prior to the primary or
 1021 election, as applicable.

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>	9-601c
Sec. 4	<i>from passage</i>	9-607(g)(1)
Sec. 5	<i>from passage</i>	9-608(c)
Sec. 6	<i>from passage</i>	9-608(e)(1)(C)
Sec. 7	<i>from passage</i>	9-612(a)
Sec. 8	<i>from passage</i>	9-613
Sec. 9	<i>from passage</i>	9-614
Sec. 10	<i>from passage</i>	9-615
Sec. 11	<i>from passage</i>	9-618(a)
Sec. 12	<i>from passage</i>	9-619(a)
Sec. 13	<i>from passage</i>	9-620
Sec. 14	<i>from passage</i>	New section
Sec. 15	<i>from passage</i>	9-601
Sec. 16	<i>from passage</i>	9-601d(c)
Sec. 17	<i>from passage</i>	9-601d(a)
Sec. 18	<i>from passage</i>	9-601d(f)
Sec. 19	<i>from passage</i>	9-621(h) to (j)

Statement of Purpose:

To (1) create bright lines between coordinated and independent spending, (2) address in statute independent expenditure political committees, (3) increase disclosure of sources of funds used for independent expenditures, (4) require board of governance authorization before certain entities make certain campaign-related disbursements of funds and disclosure of such disbursements to shareholders, (5) prohibit independent expenditures or covered transfers by foreign-influenced entities, and (6) impose limits on covered transfers.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: REP. ARESIMOWICZ, 30th Dist.; REP. RITTER M., 1st Dist.
REP. DILLON, 92nd Dist.; REP. GODFREY, 110th Dist.
REP. SERRA, 33rd Dist.; REP. RYAN, 139th Dist.
REP. ORANGE, 48th Dist.; REP. URBAN, 43rd Dist.
REP. BERGER, 73rd Dist.; REP. GENTILE, 104th Dist.
REP. HENNESSY, 127th Dist.; REP. MORIN, 28th Dist.
REP. MORRIS, 140th Dist.; REP. ROJAS, 9th Dist.
REP. JOHNSON, 49th Dist.; REP. LESSER, 100th Dist.
REP. SANTIAGO, 130th Dist.; REP. BARAM, 15th Dist.
REP. ROVERO, 51st Dist.; REP. HADDAD, 54th Dist.
REP. LEMAR, 96th Dist.; REP. ROSE, 118th Dist.
REP. ALBIS, 99th Dist.; REP. STALLWORTH, 126th Dist.
REP. VARGAS, 6th Dist.; REP. RILEY, 46th Dist.
REP. SANTIAGO, 84th Dist.; REP. D'AGOSTINO, 91st Dist.
REP. ARCONTI, 109th Dist.; REP. MCCARTHY VAHEY, 133rd
Dist.
REP. ADAMS, 146th Dist.; REP. STAFSTROM, 129th Dist.
REP. GRESKO, 121st Dist.; REP. WINKLER, 56th Dist.
REP. ELLIOTT, 88th Dist.; REP. LINEHAN, 103rd Dist.
REP. DIMASSA, 116th Dist.; REP. MUSHINSKY, 85th Dist.
REP. ROSARIO, 128th Dist.; REP. REYES, 75th Dist.
REP. MCGEE, 5th Dist.; REP. MILLER P., 145th Dist.

H.B. 5589