AN ACT CONCERNING RECOVERY OF ATTORNEY FEES AND CONTRACTING WITH QUASI-PUBLIC AGENCIES UNDER THE STATE CODE OF ETHICS.

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

Section 1. Subsection (c) of section 1-82 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2017):

(c) If [a judge trial referee finds, after a hearing pursuant to this section, that there is no probable cause to believe that a public official or state employee has violated a provision of this part or section 1-101nn, or if the board determines that a public official or state employee has not violated any such provision, or if a court of competent jurisdiction overturns a finding by the board of a violation by such a respondent,] (1) after a hearing pursuant to this section, the board determines that the matter was brought without any substantial justification, or (2) on a subsequent appeal of the board's decision, a court of competent jurisdiction makes such determination, the state
shall pay the reasonable legal expenses of the respondent as
determined by the Attorney General or by the court, if appropriate,
provided the amount of such payment shall not exceed twenty-five
thousand dollars. If any complaint brought under the provisions of
this part or section 1-101nn is made with the knowledge that it is made
without foundation in fact, the respondent shall have a cause of action
against the complainant for double the amount of damage caused
thereby and if the respondent prevails in such action, he may be
awarded by the court the costs of such action together with reasonable
attorneys' fees.

Sec. 2. Subsection (i) of section 1-84 of the general statutes is
repealed and the following is substituted in lieu thereof (Effective
October 1, 2017):

(i) (1) No public official or state employee or member of the official
or employee's immediate family or a business with which he is
associated shall enter into any contract with the state or a quasi-public
agency, valued at one hundred dollars or more, other than a contract
(A) of employment as a state employee, (B) with the technical high
school system for students enrolled in a school in the system to
perform services in conjunction with vocational, technical or
technological education and training any such student is receiving at a
school in the system, subject to the review process under subdivision
(2) of this subsection, (C) with a public institution of higher education
to support a collaboration with such institution to develop and
commercialize any invention or discovery, or (D) pursuant to a court
appointment, unless the contract has been awarded through an open
and public process, including prior public offer and subsequent public
disclosure of all proposals considered and the contract awarded. In no
event shall an executive head of an agency, as defined in section 4-166,
including a commissioner of a department, or an executive head of a
quasi-public agency, as defined in section 1-79, or the executive head's
immediate family or a business with which he is associated enter into
any contract with [that] such agency or quasi-public agency. Nothing
in this subsection shall be construed as applying to any public official
who is appointed as a member of the executive branch or as a member
or director of a quasi-public agency and who receives no compensation
other than per diem payments or reimbursement for actual or
necessary expenses, or both, incurred in the performance of the public
official's duties unless such public official has authority or control over
the subject matter of the contract. Any contract made in violation of
this subsection shall be voidable by a court of competent jurisdiction if
the suit is commenced not later than one hundred eighty days after the
making of the contract.

(2) The superintendent of the technical high school system shall
establish an open and transparent process to review any contract
entered into under subparagraph (B) of subdivision (1) of this
subsection.

Sec. 3. Section 1-86e of the general statutes is repealed and the
following is substituted in lieu thereof (Effective October 1, 2017):

(a) No person hired by the state or a quasi-public agency as a
consultant or independent contractor, and no person employed by
such consultant or independent contractor, shall:

(1) Use the authority provided [to the person] under the contract, or
any confidential information acquired in the performance of the
contract, to obtain financial gain for the [person] consultant or
independent contractor, an employee of the [person] consultant or
independent contractor or a member of the immediate family of any
such [person] consultant, independent contractor or employee;

(2) Accept another state or quasi-public agency contract which
would impair the independent judgment of the person in the
performance of the existing contract; or

(3) Accept anything of value based on an understanding that the
actions of the person on behalf of the state or a quasi-public agency
would be influenced.

(b) No person shall give anything of value to a person hired by the state or a quasi-public agency as a consultant or independent contractor or an employee of a consultant or independent contractor based on an understanding that the actions of the consultant, [or] independent contractor or employee on behalf of the state or a quasi-

public agency would be influenced.

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**Statement of Purpose:**
To amend the state code of ethics for public officials to modify when the state will pay attorney fees to the respondent for certain complaints under the code, to apply the open and public process requirements to certain quasi-public agency contracts and to extend certain prohibitions to consultants and independent contractors hired by quasi-public agencies and the employees of such consultants and contractors.

[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.]