

Government Administration and Elections Committee

JOINT FAVORABLE REPORT

Bill No.: HB-5521

AN ACT CONCERNING THE FIRST FIVE PLUS PROGRAM AND POLITICAL
Title: CONTRIBUTIONS.

Vote Date: 3/23/2018

Vote Action: Joint Favorable

PH Date: 3/19/2018

File No.: 453

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SPONSORS OF BILL:

Government Administration and Elections Committee

REASONS FOR BILL:

The bill seeks to ensure that businesses that participate in the first five plus program in the state of Connecticut are included in prohibitions from making certain types of campaign finance contributions to avoid the perception that state contractors are making campaign donations in return for certain benefits from the state.

The first five plus program provides assistance for large-scale business projects as a means of encouraging business expansion, relocation and job creation. The bill changes state statutes governing campaign contributions separately defining prospective participants, current participants and principals of participants in the first five plus program from “state contractor” and “prospective state contractors”. It prohibits those participating in the first five program from making a contribution to or soliciting contributions on behalf of an exploratory or candidate committee created for nomination or election of a state constitutional officer or political or party committee for their benefit.

RESPONSE FROM ADMINISTRATION/AGENCY:

Michael Brandi, Executive Director and Legal Counsel, State Election Enforcement Commission

The Commission supports strengthening the state contractor limitations. Mr. Brandi states that, “the definition of ‘state contract’ is quite broad and covers agreements or contracts with the state or any state agency or any quasi-public agency having a value of fifty thousand

dollars or more, or in the aggregate of one hundred thousand dollars or more, in a calendar year”.

SEEC has not had a matter before it involving the First Five Plus Program but believes that participants in the First Five Plus Program that are not already covered by these broad state contractor provisions, should be.

SEEC is concerned that HB 5521 defines “first five plus program participant” and “prospective first five plus program participant” separately from the definition of “state contractor” and “prospective state contractor.” They argue that this would, “require amendments to the political committee registration and disclosure forms, as well as the political committee contributor certification forms, all are which already quite lengthy”. It would also necessitate that there be programming changes to the political committee registration and disclosure eCRIS interfaces. They suggest a solution, that the bill includes the first five plus program recipients and prospective recipients directly into the preexisting state contractor definitions.

NATURE AND SOURCES OF SUPPORT:

House Republican Caucus

HB 5521 is a House Republican proposal to categorize any business that receives financial assistance through the First Five Plus Program as a state contractor for purposes of Title 9 of the Connecticut General Statutes. The bill would ensure that these individuals would fall under the same donor restrictions placed on state contractors in the Citizens Election Program (CEP). The House Republicans note that when the CEP was created, one of the overall goals was to restrict state contractor money from the process. HB 5521 seeks to close one of the loopholes in existing law by assigning state contractor status to any company that receives first five money. They argue that because current law does not designate these companies as state contractors, “it opens the law up to potential abuse through the possible quid pro quo of campaign donations for state grants and loans.”

NATURE AND SOURCES OF OPPOSITION:

None Expressed.

Reported by: Susan Tufts

Date: 4/11/18