
OLR Bill Analysis

sHB 7327

AN ACT CONCERNING REVISIONS TO THE STATE CODES OF ETHICS.

SUMMARY

This bill makes several changes to the state ethics codes, including:

1. defining confidential information for the law's purposes as defined in regulations,
2. extending open and public process requirements to quasi-public agency contracts,
3. extending prohibited activities to certain quasi-public agency consultants,
4. exempting students serving as public officials from certain code provisions, and
5. extending the deadline for final hearing decisions on violations.

The bill repeals several obsolete provisions concerning the 2005 transfer of the Office of State Ethics (OSE) from the State Ethics Commission (CGS § 1-80b-1-80d), extending deadlines for probable cause hearings in the same year (CGS § 1-82b), and a requirement that OSE conduct annual conferences on ethical issues (CGS § 1-89a).

Finally, the bill makes numerous technical changes, primarily to reflect gender neutrality.

EFFECTIVE DATE: October 1, 2019, except the provision on the account for credit card processing fees is effective July 1, 2019.

STATE ETHICS CODES

Gift Exemption (§§ 1 & 3)

The bill exempts gifts received from a grandparent from gift prohibitions in the ethics codes when, for example, a grandparent is a registered lobbyist or a state contractor.

Confidential Information (§ 2)

The bill adds a definition of “confidential information” in the ethics code for public officials as it is similarly defined in agency regulations. Under the bill, confidential information is any information in the possession of the state, a state employee, or a public official, whatever its form, that is (1) prohibited from disclosure to the general public under any state or federal law, or (2) permissibly nondisclosable under the Freedom of Information Act and the appropriate agency, state employee, or public official has decided not to disclose it to the general public.

College Student Exemption (§ 14)

The bill extends the exemption from certain provisions of the state ethics code that applies to student employees of a state college or university to also apply to students who serve as public officials by virtue of their student status at a state college or university (e.g., a student member of the board of trustees). This includes exemptions from:

1. restrictions on expense-paid travel by allowing them to receive travel expenses, lodging, food, beverage, and other benefits customarily provided by a prospective employer in connection with bona fide employment discussions;
2. post-employment restrictions that require state officials and employees to wait one year after leaving state employment before (a) representing, for compensation, anyone besides themselves before their former office and (b) accepting employment with a party to a contract or agreement with the state valued at \$50,000 or more or a written agreement for an automatic payroll deduction for a product or service if the student participated substantially in, or supervised the negotiation of, the award; and

3. provisions of the code concerning prohibited activities, disclosure, or use of confidential information, and conflicts of interest.

As under current law, the above exemptions are only valid if the student's institution has (1) adopted related written policies and procedures and (2) the policies and procedures have been approved by the Citizen's Ethics Advisory Board. The law requires institutions to submit (1) their policies and procedures to the board triennially and (2) any significant revisions within 30 days of their adoption.

PROHIBITED ACTIVITIES UNDER THE ETHICS CODE

Quasi-Public Contracting (§ 9)

The bill extends the open and public process requirements to contracts with quasi-public agencies. Under current law, a public official or state employee or official's or employee's immediate family member, or a business with which the official or employee is associated, may not enter into any contract with the state, valued at \$100 or more, 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.

Gift Notification (§ 9)

The bill clarifies that a donor (whether or not he or she is a lobbyist) who gives a donated item or service valued at more than \$10 to a public official or state employee must comply with certain reporting requirements if the donor is (1) doing business with, or seeking to do business with, the official's or employee's employing department or agency or (2) engaged in activities that the department or agency directly regulates.

Under the reporting requirement, the donor must give the recipient's department or agency a written report within ten days stating:

1. the donor's name,
2. a description of the item or items given,

3. their value, and
4. the cumulative value of all items given to the individual during the calendar year (CGS § 1-97(d)).

Consultants and Independent Contractors (§ 13)

The bill extends prohibitions against certain activities to consultants and independent contractors hired by quasi-public agencies. Currently, the law addressing conflicts of interest involving consultants and independent contractors is limited to those hired by state agencies. The bill similarly extends the prohibitions to persons employed by such consultants and independent contractors.

The prohibited activities include:

1. using the person's contractual authority, or any confidential information acquired in the performance of the contract, to obtain financial gain for the person, their employee, or their immediate family member;
2. accepting another state contract that would impair the person's independent judgment in the performance of the existing contract; or
3. accepting anything of value based on an understanding that the actions of the person on behalf of the state would be influenced.

Current law similarly prohibits a person from giving anything of value to a consultant or independent contractor hired by the state based on an understanding that the actions of such consultant or independent contractor would be influenced. Under the bill, this prohibition extends to giving anything of value to a quasi-public agency consultant or independent contractor or one of their employees under such circumstances.

OFFICE OF STATE ETHICS

Ethics Enforcement Officer (§§ 4 & 5)

The bill authorizes OSE's ethics enforcement officer (which the bill

specifies must be a member of the Connecticut bar) to represent the office before the Superior Court in an appeal of any ruling or finding arising under the ethics codes for public officials, lobbyists, and state contractors sections as long as the Citizen's Ethics Advisory Board is not a party in any such appeal.

Complaint Procedures and Time Limits (§§ 6 & 15)

The bill extends, from 15 to 45 days, the time period following a public hearing on a state ethics code violation for the advisory board to publish its finding and a memorandum explaining the reasons for the finding (i.e., its final decision).

Credit Card Processing Fees Account (§ 16)

The bill establishes the "lobbyist registration credit card fees account" as a nonlapsing account within the General Fund to contain funds to be expended by the OSE executive director to pay credit card processing fees charged to the office when collecting lobbyist registration fees. It requires the General Assembly, at the OSE executive director's request, to appropriate sufficient funds to the account each fiscal year in the annual state budget act.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 16 Nay 0 (03/20/2019)