



House of Representatives

General Assembly

File No. 500

January Session, 2019

Substitute House Bill No. 7327

House of Representatives, April 8, 2019

The Committee on Government Administration and Elections reported through REP. FOX of the 148th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING REVISIONS TO THE STATE CODES OF ETHICS.

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

1 Section 1. Subdivision (5) of section 1-79 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2019*):

4 (5) "Gift" means anything of value, which is directly and personally
5 received, unless consideration of equal or greater value is given in
6 return. "Gift" does not include:

7 (A) A political contribution otherwise reported as required by law
8 or a donation or payment as described in subdivision (9) or (10) of
9 subsection (b) of section 9-601a;

10 (B) Services provided by persons volunteering their time, if
11 provided to aid or promote the success or defeat of any political party,
12 any candidate or candidates for public office or the position of

13 convention delegate or town committee member or any referendum
14 question;

15 (C) A commercially reasonable loan made on terms not more
16 favorable than loans made in the ordinary course of business;

17 (D) A gift received from (i) an individual's spouse, [fiance or
18 fiancée] fiancé or fiancée, (ii) the parent, grandparent, brother or sister
19 of such spouse or such individual, or (iii) the child of such individual
20 or the spouse of such child;

21 (E) Goods or services (i) that are provided to a state agency or quasi-
22 public agency (I) for use on state or quasi-public agency property, or
23 (II) that support an event or the participation by a public official or
24 state employee at an event, and (ii) that facilitate state or quasi-public
25 agency action or functions. As used in this subparagraph, "state
26 property" means property owned by the state or a quasi-public agency
27 or property leased to a state agency or quasi-public agency;

28 (F) A certificate, plaque or other ceremonial award costing less than
29 one hundred dollars;

30 (G) A rebate, discount or promotional item available to the general
31 public;

32 (H) Printed or recorded informational material germane to state
33 action or functions;

34 (I) Food or beverage or both, costing less than fifty dollars in the
35 aggregate per recipient in a calendar year, and consumed on an
36 occasion or occasions at which the person paying, directly or
37 indirectly, for the food or beverage, or his representative, is in
38 attendance;

39 (J) Food or beverage or both, costing less than fifty dollars per
40 person and consumed at a publicly noticed legislative reception to
41 which all members of the General Assembly are invited and which is
42 hosted not more than once in any calendar year by a lobbyist or

43 business organization. For the purposes of such limit, (i) a reception
44 hosted by a lobbyist who is an individual shall be deemed to have also
45 been hosted by the business organization which such lobbyist owns or
46 is employed by, and (ii) a reception hosted by a business organization
47 shall be deemed to have also been hosted by all owners and employees
48 of the business organization who are lobbyists. In making the
49 calculation for the purposes of such fifty-dollar limit, the donor shall
50 divide the amount spent on food and beverage by the number of
51 persons whom the donor reasonably expects to attend the reception;

52 (K) Food or beverage or both, costing less than fifty dollars per
53 person and consumed at a publicly noticed reception to which all
54 members of the General Assembly from a region of the state are
55 invited and which is hosted not more than once in any calendar year
56 by a lobbyist or business organization. For the purposes of such limit,
57 (i) a reception hosted by a lobbyist who is an individual shall be
58 deemed to have also been hosted by the business organization which
59 such lobbyist owns or is employed by, and (ii) a reception hosted by a
60 business organization shall be deemed to have also been hosted by all
61 owners and employees of the business organization who are lobbyists.
62 In making the calculation for the purposes of such fifty-dollar limit, the
63 donor shall divide the amount spent on food and beverage by the
64 number of persons whom the donor reasonably expects to attend the
65 reception. As used in this subparagraph, "region of the state" means
66 the established geographic service area of the organization hosting the
67 reception;

68 (L) A gift, including, but not limited to, food or beverage or both,
69 provided by an individual for the celebration of a major life event,
70 provided any such gift provided by an individual who is not a
71 member of the family of the recipient does not exceed one thousand
72 dollars in value;

73 (M) Gifts costing less than one hundred dollars in the aggregate or
74 food or beverage provided at a hospitality suite at a meeting or
75 conference of an interstate legislative association, by a person who is

76 not a registrant or is not doing business with the state of Connecticut;

77 (N) Admission to a charitable or civic event, including food and
78 beverage provided at such event, but excluding lodging or travel
79 expenses, at which a public official or state employee participates in
80 his or her official capacity, provided such admission is provided by the
81 primary sponsoring entity;

82 (O) Anything of value provided by an employer of (i) a public
83 official, (ii) a state employee, or (iii) a spouse of a public official or state
84 employee, to such official, employee or spouse, provided such benefits
85 are customarily and ordinarily provided to others in similar
86 circumstances;

87 (P) Anything having a value of not more than ten dollars, provided
88 the aggregate value of all things provided by a donor to a recipient
89 under this subdivision in any calendar year does not exceed fifty
90 dollars;

91 (Q) Training that is provided by a vendor for a product purchased
92 by a state or quasi-public agency that is offered to all customers of
93 such vendor;

94 (R) Travel expenses, lodging, food, beverage and other benefits
95 customarily provided by a prospective employer, when provided to a
96 student at a public institution of higher education whose employment
97 is derived from such student's status as a student at such institution, in
98 connection with bona fide employment discussions; or

99 (S) Expenses of a public official, paid by the party committee of
100 which party such official is a member, for the purpose of
101 accomplishing the lawful purposes of the committee. As used in this
102 subparagraph, "party committee" has the same meaning as provided in
103 subdivision (2) of section 9-601 and "lawful purposes of the committee"
104 has the same meaning as provided in subsection (g) of section 9-607.

105 Sec. 2. Section 1-79 of the general statutes is amended by adding
106 subdivision (21) as follows (*Effective October 1, 2019*):

107 (NEW) (21) "Confidential information" means any information in
108 the possession of the state, a state employee or a public official,
109 whatever its form, which (A) is required to not be disclosed to the
110 general public under any state statute or federal law; or (B) falls within
111 a category of permissibly nondisclosable information under the
112 Freedom of Information Act, as defined in section 1-200, and which the
113 appropriate agency, state employee or public official has decided not
114 to disclose to the general public.

115 Sec. 3. Subdivision (7) of section 1-91 of the general statutes is
116 repealed and the following is substituted in lieu thereof (*Effective*
117 *October 1, 2019*):

118 (7) "Gift" means anything of value, which is directly and personally
119 received, unless consideration of equal or greater value is given in
120 return. "Gift" does not include:

121 (A) A political contribution otherwise reported as required by law
122 or a donation or payment described in subdivision (9) or (10) of
123 subsection (b) of section 9-601a;

124 (B) Services provided by persons volunteering their time, if
125 provided to aid or promote the success or defeat of any political party,
126 any candidate or candidates for public office or the position of
127 convention delegate or town committee member or any referendum
128 question;

129 (C) A commercially reasonable loan made on terms not more
130 favorable than loans made in the ordinary course of business;

131 (D) A gift received from (i) the individual's spouse, fiancé or fiancée,
132 (ii) the parent, grandparent, brother or sister of such spouse or such
133 individual, or (iii) the child of such individual or the spouse of such
134 child;

135 (E) Goods or services (i) that are provided to a state agency or quasi-
136 public agency (I) for use on state or quasi-public agency property, or
137 (II) that support an event or the participation by a public official or

138 state employee at an event, and (ii) that facilitate state or quasi-public
139 agency action or functions. As used in this subparagraph, "state
140 property" means property owned by the state or a quasi-public agency
141 or property leased to a state or quasi-public agency;

142 (F) A certificate, plaque or other ceremonial award costing less than
143 one hundred dollars;

144 (G) A rebate, discount or promotional item available to the general
145 public;

146 (H) Printed or recorded informational material germane to state
147 action or functions;

148 (I) Food or beverage or both, costing less than fifty dollars in the
149 aggregate per recipient in a calendar year, and consumed on an
150 occasion or occasions at which the person paying, directly or
151 indirectly, for the food or beverage, or his representative, is in
152 attendance;

153 (J) Food or beverage or both, costing less than fifty dollars per
154 person and consumed at a publicly noticed legislative reception to
155 which all members of the General Assembly are invited and which is
156 hosted not more than once in any calendar year by a lobbyist or
157 business organization. For the purposes of such limit, (i) a reception
158 hosted by a lobbyist who is an individual shall be deemed to have also
159 been hosted by the business organization which he owns or is
160 employed by, and (ii) a reception hosted by a business organization
161 shall be deemed to have also been hosted by all owners and employees
162 of the business organization who are lobbyists. In making the
163 calculation for the purposes of such fifty-dollar limit, the donor shall
164 divide the amount spent on food and beverage by the number of
165 persons whom the donor reasonably expects to attend the reception;

166 (K) Food or beverage or both, costing less than fifty dollars per
167 person and consumed at a publicly noticed reception to which all
168 members of the General Assembly from a region of the state are

169 invited and which is hosted not more than once in any calendar year
170 by a lobbyist or business organization. For the purposes of such limit,
171 (i) a reception hosted by a lobbyist who is an individual shall be
172 deemed to have also been hosted by the business organization which
173 he owns or is employed by, and (ii) a reception hosted by a business
174 organization shall be deemed to have also been hosted by all owners
175 and employees of the business organization who are lobbyists. In
176 making the calculation for the purposes of such fifty-dollar limit, the
177 donor shall divide the amount spent on food and beverage by the
178 number of persons whom the donor reasonably expects to attend the
179 reception. As used in this subparagraph, "region of the state" means
180 the established geographic service area of the organization hosting the
181 reception;

182 (L) A gift, including, but not limited to, food or beverage or both,
183 provided by an individual for the celebration of a major life event,
184 provided any such gift provided by an individual who is not a
185 member of the family of the recipient does not exceed one thousand
186 dollars in value;

187 (M) Gifts costing less than one hundred dollars in the aggregate or
188 food or beverage provided at a hospitality suite at a meeting or
189 conference of an interstate legislative association, by a person who is
190 not a registrant or is not doing business with the state of Connecticut;

191 (N) Admission to a charitable or civic event, including food and
192 beverage provided at such event, but excluding lodging or travel
193 expenses, at which a public official or state employee participates in
194 his or her official capacity, provided such admission is provided by the
195 primary sponsoring entity;

196 (O) Anything of value provided by an employer of (i) a public
197 official, (ii) a state employee, or (iii) a spouse of a public official or state
198 employee, to such official, employee or spouse, provided such benefits
199 are customarily and ordinarily provided to others in similar
200 circumstances;

201 (P) Anything having a value of not more than ten dollars, provided
202 the aggregate value of all things provided by a donor to a recipient
203 under this subdivision in any calendar year does not exceed fifty
204 dollars; or

205 (Q) Training that is provided by a vendor for a product purchased
206 by a state or quasi-public agency that is offered to all customers of
207 such vendor.

208 Sec. 4. Subsection (c) of section 1-81 of the general statutes is
209 repealed and the following is substituted in lieu thereof (*Effective*
210 *October 1, 2019*):

211 (c) The Office of State Ethics shall employ an executive director,
212 general counsel and ethics enforcement officer, each of whom shall be
213 exempt from classified state service. The ethics enforcement officer
214 shall be a member of the bar of this state. The salary for the executive
215 director, general counsel and the ethics enforcement officer shall be
216 determined by the Commissioner of Administrative Services in
217 accordance with accepted personnel practices. No one person may
218 serve in more than one of the positions described in this subsection.
219 The Office of State Ethics may employ necessary staff within available
220 appropriations. Such necessary staff of the Office of State Ethics shall
221 be in classified state service.

222 Sec. 5. Subsection (g) of section 1-81 of the general statutes is
223 repealed and the following is substituted in lieu thereof (*Effective*
224 *October 1, 2019*):

225 (g) There shall be an enforcement division within the Office of State
226 Ethics. The enforcement division shall be responsible for investigating
227 complaints brought to or by the board. The ethics enforcement officer,
228 described in subsection (c) of this section, shall supervise the
229 enforcement division. The ethics enforcement officer may represent the
230 Office of State Ethics before the Superior Court in an appeal of any
231 ruling or finding pursuant to, or any matter arising under, section 1-82,
232 as amended by this act, 1-93, as amended by this act, or 1-101nn,

233 provided the board is not a party in any such appeal. The enforcement
234 division shall employ such attorneys and investigators, as necessary,
235 within available appropriations, and may refer matters to the office of
236 the Chief State's Attorney, as appropriate.

237 Sec. 6. Subsection (b) of section 1-82 of the general statutes is
238 repealed and the following is substituted in lieu thereof (*Effective*
239 *October 1, 2019*):

240 (b) If a judge trial referee determines that probable cause exists for
241 the violation of a provision of this part, section 1-101bb or section 1-
242 101nn, the board shall initiate hearings to determine whether there has
243 been a violation of this part, section 1-101bb or section 1-101nn. Any
244 such hearing shall be initiated by the board not later than thirty days
245 after the finding of probable cause by a judge trial referee and shall be
246 concluded not later than ninety days after its initiation, except that
247 such thirty or ninety-day limitation period shall not apply if the judge
248 trial referee determines that good cause exists for extending such
249 limitation period. A judge trial referee, who has not taken part in the
250 probable cause determination on the matter shall be assigned by the
251 Chief Court Administrator and shall be compensated in accordance
252 with section 52-434 out of funds available to the Office of State Ethics.
253 Such judge trial referee shall preside over such hearing and rule on all
254 issues concerning the application of the rules of evidence, which shall
255 be the same as in judicial proceedings. The judge trial referee shall
256 have no vote in any decision of the board. All hearings of the board
257 held pursuant to this subsection shall be open. At such hearing the
258 board shall have the same powers as the Office of State Ethics under
259 subsection (a) of this section and the respondent shall have the right to
260 be represented by legal counsel, to compel attendance of witnesses and
261 the production of books, documents, records and papers and to
262 examine and cross-examine witnesses. Not later than ten days prior to
263 the commencement of any hearing conducted pursuant to this
264 subsection, the Office of State Ethics shall provide the respondent with
265 a list of its intended witnesses. The judge trial referee shall, while
266 engaged in the discharge of the duties as provided in this subsection,

267 have the same authority as is provided in section 51-35 over witnesses
268 who refuse to obey a subpoena or to testify with respect to any matter
269 upon which such witness may be lawfully interrogated, and may
270 commit any such witness for contempt for a period no longer than
271 thirty days. The Office of State Ethics shall make a record of all
272 proceedings pursuant to this subsection. During the course of any such
273 hearing, no ex-parte communication shall occur between the board, or
274 any of its members, and: (1) The judge trial referee, or (2) any staff
275 member of the Enforcement Division of the Office of State Ethics,
276 concerning the complaint or the respondent. The board shall find no
277 person in violation of any provision of this part, section 1-101bb or
278 section 1-101nn except upon the concurring vote of two-thirds of its
279 members present and voting. No member of the board shall vote on
280 the question of whether a violation of any provision of this part has
281 occurred unless such member was physically present for the duration
282 of any hearing held pursuant to this subsection. Not later than [fifteen]
283 forty-five days after the public hearing conducted in accordance with
284 this subsection, the board shall publish its finding and a memorandum
285 of the reasons therefor. Such finding and memorandum shall be
286 deemed to be the final decision of the board on the matter for the
287 purposes of chapter 54. The respondent, if aggrieved by the finding
288 and memorandum, may appeal therefrom to the Superior Court in
289 accordance with the provisions of section 4-183.

290 Sec. 7. Subdivision (2) of section 1-79 of the general statutes is
291 repealed and the following is substituted in lieu thereof (*Effective*
292 *October 1, 2019*):

293 (2) "Business with which [he] the person is associated" means any
294 sole proprietorship, partnership, firm, corporation, trust or other entity
295 through which business for profit or not for profit is conducted in
296 which the public official or state employee or member of his or her
297 immediate family is a director, officer, owner, limited or general
298 partner, beneficiary of a trust or holder of stock constituting five per
299 cent or more of the total outstanding stock of any class, provided, a
300 public official or state employee, or member of his or her immediate

301 family, shall not be deemed to be associated with a not for profit entity
302 solely by virtue of the fact that the public official or state employee or
303 member of his or her immediate family is an unpaid director or officer
304 of the not for profit entity. "Officer" refers only to the president,
305 executive or senior vice president or treasurer of such business.

306 Sec. 8. Subsection (b) of section 1-83 of the general statutes is
307 repealed and the following is substituted in lieu thereof (*Effective*
308 *October 1, 2019*):

309 (b) (1) The statement of financial interests, except as provided in
310 subdivisions (2) and (3) of this subsection, shall include the following
311 information for the preceding calendar year in regard to the individual
312 required to file the statement and the individual's spouse and
313 dependent children residing in the individual's household: (A) The
314 names of all businesses with which the person is associated; (B) all
315 sources of income, including the name of each employer, with a
316 description of the type of income received, in excess of one thousand
317 dollars, without specifying amounts of income; (C) the name of
318 securities in excess of five thousand dollars at fair market value owned
319 by such individual, spouse or dependent children or held in the name
320 of a corporation, partnership or trust for the benefit of such individual,
321 spouse or dependent children; (D) the existence of any known blind
322 trust and the names of the trustees; (E) all real property and its
323 location, whether owned by such individual, spouse or dependent
324 children or held in the name of a corporation, partnership or trust for
325 the benefit of such individual, spouse or dependent children; (F) the
326 names and addresses of creditors to whom the individual, the
327 individual's spouse or dependent children, individually, owed debts of
328 more than ten thousand dollars; (G) any leases or contracts with the
329 state or a quasi-public agency held or entered into by the individual or
330 a business with which he or she was associated; and (H) the name of
331 any of the following that is a partner or owner of, or has a similar
332 business affiliation with, the business included under subparagraph
333 (A) of this subdivision: (i) Any lobbyist, (ii) any person the individual
334 filing the statement knows or has reason to know is doing business

335 with or seeking to do business with the state or is engaged in activities
336 that are directly regulated by the department or agency in which the
337 individual is employed, or (iii) any business with which such lobbyist
338 or person is associated.

339 (2) The statement of financial interests filed by state marshals shall
340 include only amounts and sources of income earned in their capacity
341 as state marshals.

342 (3) In the case of securities in excess of five thousand dollars at fair
343 market value held within (A) a retirement savings plan, as described in
344 Section 401 of the Internal Revenue Code of 1986, or any subsequent
345 corresponding internal revenue code of the United States, as amended
346 from time to time, (B) a payroll deduction individual retirement
347 account plan, as described in Section 408 or 408A of said Internal
348 Revenue Code, (C) a governmental deferred compensation plan, as
349 described in Section 457 of said Internal Revenue Code, or (D) an
350 education savings plan, as described in Section 529 of said Internal
351 Revenue Code, the names of such securities shall not be required to be
352 disclosed in any statement of financial interests and only the name of
353 such retirement savings plan, individual retirement account plan,
354 deferred compensation plan or education savings plan holding such
355 securities shall be required.

356 Sec. 9. Section 1-84 of the general statutes is repealed and the
357 following is substituted in lieu thereof (*Effective October 1, 2019*):

358 (a) No public official or state employee shall, while serving as such,
359 have any financial interest in, or engage in, any business, employment,
360 transaction or professional activity, which is in substantial conflict with
361 the proper discharge of his or her duties or employment in the public
362 interest and of his or her responsibilities as prescribed in the laws of
363 this state, as defined in section 1-85, as amended by this act.

364 (b) No public official or state employee shall accept other
365 employment which will either impair his or her independence of
366 judgment as to his or her official duties or employment or require

367 [him] such official or state employee, or induce [him] such official or
368 employee, to disclose confidential information acquired by him or her
369 in the course of and by reason of [his] such official's or state
370 employee's official duties.

371 (c) No public official or state employee shall wilfully and knowingly
372 disclose, for financial gain, to any other person, confidential
373 information acquired by him or her in the course of and by reason of
374 his or her official duties or employment and no public official or state
375 employee shall use his or her public office or position or any
376 confidential information received through [his] holding such public
377 office or position to obtain financial gain for [himself] such official or
378 employee, his or her spouse, child, child's spouse, parent, brother or
379 sister or a business with which [he] the person is associated.

380 (d) No public official or state employee or employee of such public
381 official or state employee shall agree to accept, or be a member or
382 employee of a partnership, association, professional corporation or
383 sole proprietorship which partnership, association, professional
384 corporation or sole proprietorship agrees to accept any employment,
385 fee or other thing of value, or portion thereof, for appearing, agreeing
386 to appear, or taking any other action on behalf of another person
387 before the Department of Banking, the Office of the Claims
388 Commissioner, the Health Systems Planning Unit of the Office of
389 Health Strategy, the Insurance Department, the Department of
390 Consumer Protection, the Department of Motor Vehicles, the State
391 Insurance and Risk Management Board, the Department of Energy and
392 Environmental Protection, the Public Utilities Regulatory Authority,
393 the Connecticut Siting Council or the Connecticut Real Estate
394 Commission; provided this subsection shall not prohibit any such
395 person from [making inquiry] inquiring for information on behalf of
396 another before any of said commissions or commissioners if no fee or
397 reward is given or promised in consequence thereof. For the purpose
398 of this subsection, partnerships, associations, professional corporations
399 or sole proprietorships refer only to such partnerships, associations,
400 professional corporations or sole proprietorships which have been

401 formed to carry on the business or profession directly relating to the
402 employment, appearing, agreeing to appear or taking of action
403 provided for in this subsection. Nothing in this subsection shall
404 prohibit any employment, appearing, agreeing to appear or taking
405 action before any municipal board, commission or council. Nothing in
406 this subsection shall be construed as applying (1) to the actions of any
407 teaching or research professional employee of a public institution of
408 higher education if such actions are not in violation of any other
409 provision of this chapter, (2) to the actions of any other professional
410 employee of a public institution of higher education if such actions are
411 not compensated and are not in violation of any other provision of this
412 chapter, (3) to any member of a board or commission who receives no
413 compensation other than per diem payments or reimbursement for
414 actual or necessary expenses, or both, incurred in the performance of
415 the member's duties, or (4) to any member or director of a quasi-public
416 agency. Notwithstanding the provisions of this subsection to the
417 contrary, a legislator, an officer of the General Assembly or part-time
418 legislative employee may be or become a member or employee of a
419 firm, partnership, association or professional corporation which
420 represents clients for compensation before agencies listed in this
421 subsection, provided the legislator, officer of the General Assembly or
422 part-time legislative employee shall take no part in any matter
423 involving the agency listed in this subsection and shall not receive
424 compensation from any such matter. Receipt of a previously
425 established salary, not based on the current or anticipated business of
426 the firm, partnership, association or professional corporation involving
427 the agencies listed in this subsection, shall be permitted.

428 (e) No legislative commissioner or his or her partners, employees or
429 associates shall represent any person subject to the provisions of part II
430 concerning the promotion of or opposition to legislation before the
431 General Assembly, or accept any employment which includes an
432 agreement or understanding to influence, or which is inconsistent
433 with, the performance of his or her official duties.

434 (f) No person shall offer or give to a public official or state employee

435 or candidate for public office or [his] such official's, employee's or
436 candidate's spouse, [his] parent, brother, sister or child or spouse of
437 such child or a business with which [he] the person is associated,
438 anything of value, including, but not limited to, a gift, loan, political
439 contribution, reward or promise of future employment based on any
440 understanding that the vote, official action or judgment of the public
441 official, state employee or candidate for public office would be or had
442 been influenced thereby.

443 (g) No public official or state employee or candidate for public office
444 shall solicit or accept anything of value, including, but not limited to, a
445 gift, loan, political contribution, reward or promise of future
446 employment based on any understanding that the vote, official action
447 or judgment of the public official or state employee or candidate for
448 public office would be or had been influenced thereby.

449 (h) Nothing in subsection (f) or (g) of this section shall be construed
450 (1) to apply to any promise made in violation of subdivision (6) of
451 section 9-622, or (2) to permit any activity otherwise prohibited in
452 section 53a-147 or 53a-148.

453 (i) (1) No public official or state employee or member of the official
454 or employee's immediate family or a business with which [he] the
455 person is associated shall enter into any contract with the state or a
456 quasi-public agency, valued at one hundred dollars or more, other
457 than a contract (A) of employment as a state employee, (B) with the
458 Technical Education and Career System for students enrolled in a
459 school in the system to perform services in conjunction with
460 vocational, technical, technological or postsecondary education and
461 training any such student is receiving at a school in the system, subject
462 to the review process under subdivision (2) of this subsection, (C) with
463 a public institution of higher education to support a collaboration with
464 such institution to develop and commercialize any invention or
465 discovery, or (D) pursuant to a court appointment, unless the contract
466 has been awarded through an open and public process, including prior
467 public offer and subsequent public disclosure of all proposals

468 considered and the contract awarded. In no event shall an executive
469 head of an agency, as defined in section 4-166, including a
470 commissioner of a department, or an executive head of a quasi-public
471 agency, as defined in section 1-79, as amended by this act, or the
472 executive head's immediate family or a business with which [he] the
473 person is associated enter into any contract with [that] such agency or
474 quasi-public agency. Nothing in this subsection shall be construed as
475 applying to any public official who is appointed as a member of the
476 executive branch or as a member or director of a quasi-public agency
477 and who receives no compensation other than per diem payments or
478 reimbursement for actual or necessary expenses, or both, incurred in
479 the performance of the public official's duties unless such public
480 official has authority or control over the subject matter of the contract.
481 Any contract made in violation of this subsection shall be voidable by
482 a court of competent jurisdiction if the suit is commenced not later
483 than one hundred eighty days after the making of the contract.

484 (2) The superintendent of the Technical Education and Career
485 System shall establish an open and transparent process to review any
486 contract entered into under subparagraph (B) of subdivision (1) of this
487 subsection.

488 (j) No public official, state employee or candidate for public office,
489 or a member of any such person's staff or immediate family shall
490 knowingly accept any gift, as defined in subdivision (5) of section 1-79,
491 as amended by this act, from a person known to be a registrant or
492 anyone known to be acting on behalf of a registrant.

493 (k) No public official, spouse of the Governor or state employee
494 shall accept a fee or honorarium for an article, appearance or speech, or
495 for participation at an event, in the public official's, spouse's or state
496 employee's official capacity, provided a public official, Governor's
497 spouse or state employee may receive payment or reimbursement for
498 necessary expenses for any such activity in his or her official capacity.
499 If a public official, Governor's spouse or state employee receives such a
500 payment or reimbursement for lodging or out-of-state travel, or both,

501 the public official, Governor's spouse or state employee shall, not later
502 than thirty days thereafter, file a report of the payment or
503 reimbursement with the Office of State Ethics, unless the payment or
504 reimbursement is provided by the federal government or another state
505 government. If a public official, Governor's spouse or state employee
506 does not file such report within such period, either intentionally or due
507 to gross negligence on the public official's, Governor's spouse's or state
508 employee's part, the public official, Governor's spouse or state
509 employee shall return the payment or reimbursement. If any failure to
510 file such report is not intentional or due to gross negligence on the part
511 of the public official, Governor's spouse or state employee, the public
512 official, Governor's spouse or state employee shall not be subject to any
513 penalty under this chapter. When a public official, Governor's spouse
514 or state employee attends an event in this state in the public official's,
515 Governor's spouse's or state employee's official capacity and as a
516 principal speaker at such event and receives admission to or food or
517 beverage at such event from the sponsor of the event, such admission
518 or food or beverage shall not be considered a gift and no report shall
519 be required from such public official, spouse or state employee or from
520 the sponsor of the event.

521 (l) No public official or state employee, or any person acting on
522 behalf of a public official or state employee, shall wilfully and
523 knowingly interfere with, influence, direct or solicit existing or new
524 lobbying contracts, agreements or business relationships for or on
525 behalf of any person.

526 (m) No public official or state employee shall knowingly accept,
527 directly or indirectly, any gift, as defined in subdivision (5) of section
528 1-79, as amended by this act, from any person the public official or
529 state employee knows or has reason to know: (1) Is doing business
530 with or seeking to do business with the department or agency in which
531 the public official or state employee is employed; (2) is engaged in
532 activities which are directly regulated by such department or agency;
533 or (3) is prequalified under section 4a-100. No person shall knowingly
534 give, directly or indirectly, any gift or gifts in violation of this

535 provision. For the purposes of this subsection, the exclusion to the
536 term "gift" in subparagraph (L) of subdivision (5) of section 1-79, as
537 amended by this act, for a gift for the celebration of a major life event
538 shall not apply. Any person prohibited from making a gift under this
539 subsection shall report to the Office of State Ethics any solicitation of a
540 gift from such person by a [state employee or] public official or state
541 employee.

542 (n) (1) As used in this subsection, (A) "investment services" means
543 investment legal services, investment banking services, investment
544 advisory services, underwriting services, financial advisory services or
545 brokerage firm services, and (B) "principal of an investment services
546 firm" means (i) an individual who is a director of or has an ownership
547 interest in an investment services firm, except for an individual who
548 owns less than five per cent of the shares of an investment services
549 firm which is a publicly traded corporation, (ii) an individual who is
550 employed by an investment services firm as president, treasurer, or
551 executive or senior vice president, (iii) an employee of such an
552 investment services firm who has managerial or discretionary
553 responsibilities with respect to any investment services, (iv) the spouse
554 or dependent child of an individual described in this subparagraph, or
555 (v) a political committee established by or on behalf of an individual
556 described in this subparagraph.

557 (2) The State Treasurer shall not pay any compensation, expenses or
558 fees or issue any contract to any firm which provides investment
559 services when (A) a political committee, as defined in section 9-601,
560 established by such firm, or (B) a principal of the investment services
561 firm has made a contribution, as defined in section 9-601a, to, or
562 solicited contributions on behalf of, any exploratory committee or
563 candidate committee, as defined in section 9-601, established by the
564 State Treasurer as a candidate for nomination or election to the office
565 of State Treasurer. The State Treasurer shall not pay any compensation,
566 expenses or fees or issue any contract to such firms or principals
567 during the term of office as State Treasurer, including, for an
568 incumbent State Treasurer seeking reelection, any remainder of the

569 current term of office.

570 (o) If (1) any person (A) is doing business with or seeking to do
571 business with the department or agency in which a public official or
572 state employee is employed, or (B) is engaged in activities which are
573 directly regulated by such department or agency, and (2) such person
574 or a representative of such person gives to such public official or state
575 employee anything [of value which is subject to the reporting
576 requirements pursuant to subsection (e) of section 1-96] having a value
577 of more than ten dollars, such person or representative shall, not later
578 than ten days thereafter, give such recipient and the executive head of
579 the recipient's department or agency a written report stating the name
580 of the donor, a description of the item or items given, the value of such
581 items and the cumulative value of all items given to such recipient
582 during that calendar year. The provisions of this subsection shall not
583 apply to a political contribution otherwise reported as required by law.

584 (p) (1) No public official or state employee or member of the
585 immediate family of a public official or state employee shall knowingly
586 accept, directly or indirectly, any gift costing one hundred dollars or
587 more from a public official or state employee who is under the
588 supervision of such public official or state employee.

589 (2) No public official or state employee or member of the immediate
590 family of a public official or state employee shall knowingly accept,
591 directly or indirectly, any gift costing one hundred dollars or more
592 from a public official or state employee who is a supervisor of such
593 public official or state employee.

594 (3) No public official or state employee shall knowingly give,
595 directly or indirectly, any gift in violation of subdivision (1) or (2) of
596 this subsection.

597 (q) No public official or state employee shall intentionally counsel,
598 authorize or otherwise sanction action that violates any provision of
599 this part.

600 (r) (1) Notwithstanding the provisions of subsections (b) and (c) of
601 this section, a member of the faculty or a member of a faculty
602 bargaining unit of a constituent unit of the state system of higher
603 education may enter into a consulting agreement or engage in a
604 research project with a public or private entity, provided such
605 agreement or project does not conflict with the member's employment
606 with the constituent unit, as determined by policies established by the
607 board of trustees for such constituent unit.

608 (2) The board of trustees for each constituent unit of the state system
609 of higher education shall establish policies to ensure that any such
610 member who enters such a consulting agreement or engages in such a
611 research project (A) is not inappropriately using university proprietary
612 information in connection with such agreement or project, (B) does not
613 have an interest in such agreement or project that interferes with the
614 proper discharge of his or her employment with the constituent unit,
615 and (C) is not inappropriately using such member's association with
616 the constituent unit in connection with such agreement or project. Such
617 policies shall (i) establish procedures for the disclosure, review and
618 management of conflicts of interest relating to any such agreement or
619 project, (ii) require the approval by the chief academic officer of the
620 constituent unit, or his or her designee, prior to any such member
621 entering into any such agreement or engaging in any such project, and
622 (iii) include procedures that impose sanctions and penalties on any
623 member for failing to comply with the provisions of the policies.
624 Annually, the internal audit office of each constituent unit shall audit
625 the constituent unit's compliance with such policies and report its
626 findings to the committee of the constituent unit established pursuant
627 to subdivision (3) of this subsection. For purposes of this subsection,
628 "consulting" means the provision of services for compensation to a
629 public or private entity by a member of the faculty or member of a
630 faculty bargaining unit of a constituent unit of the state system of
631 higher education: (I) When the request to provide such services is
632 based on such member's expertise in a field or prominence in such
633 field, and (II) while such member is not acting in the capacity of a state
634 employee, and "research" means a systematic investigation, including,

635 but not limited to, research development, testing and evaluation,
636 designed to develop or contribute to general knowledge in the
637 applicable field of study.

638 (3) There is established a committee for each constituent unit of the
639 state system of higher education to monitor the constituent unit's
640 compliance with the policies and procedures described in subdivision
641 (2) of this subsection governing consulting agreements and research
642 projects with public or private entities by a member of the faculty or a
643 member of a faculty bargaining unit of such constituent unit. Each
644 committee shall consist of nine members as follows: (A) Three
645 members, appointed jointly by the Governor, the speaker of the House
646 of Representatives, the president pro tempore of the Senate, the
647 majority leader of the House of Representatives, the majority leader of
648 the Senate, the minority leader of the House of Representatives and the
649 minority leader of the Senate, who shall serve as members for each
650 such committee; (B) one member appointed by the chairperson of the
651 constituent unit's board of trustees from the membership of such
652 board; (C) the chief academic officer of the constituent unit, or his or
653 her designee; (D) three members appointed by the chief executive
654 officer of the constituent unit; and (E) one member appointed by the
655 chairperson of the Citizen's Ethics Advisory Board from the
656 membership of such board. Members shall serve for a term of two
657 years. Any vacancies shall be filled by the appointing authority. Each
658 committee shall (i) review the annual reports submitted by the internal
659 audit office for the constituent unit, pursuant to subdivision (2) of this
660 subsection, (ii) make recommendations, annually, to the board of
661 trustees of the constituent unit concerning the policies and procedures
662 of the constituent unit established pursuant to subdivision (2) of this
663 subsection, including any changes to such policies and procedures,
664 and (iii) send a copy of such recommendations, in accordance with
665 section 11-4a, to the joint standing committees of the General
666 Assembly having cognizance of matters relating to higher education
667 and government administration.

668 (4) The provisions of subsections (b) and (c) of this section shall

669 apply to any member of the faculty or member of a faculty bargaining
670 unit of a constituent unit of the state system of higher education who
671 enters such a consulting agreement or engages in such a research
672 project without prior approval, as described in subdivision (2) of this
673 subsection.

674 (s) Notwithstanding the provisions of this section or any other
675 provision of this part, a state employee who is employed at a
676 constituent unit of the state system of higher education and a member
677 of the immediate family of such state employee may be employed in
678 the same department or division of such constituent unit, provided the
679 constituent unit has determined that procedures have been
680 implemented to ensure that any final decisions impacting the financial
681 interests of either such state employee, including decisions to hire,
682 promote, increase the compensation of or renew the employment of
683 such state employee, are made by another state employee who is not a
684 member of the immediate family of such state employee.

685 Sec. 10. Section 1-85 of the general statutes is repealed and the
686 following is substituted in lieu thereof (*Effective October 1, 2019*):

687 A public official, including an elected state official, or state
688 employee has an interest which is in substantial conflict with the
689 proper discharge of his or her duties or employment in the public
690 interest and of his or her responsibilities as prescribed in the laws of
691 this state, if [he] such public official or state employee has reason to
692 believe or expect that [he, his] such official or employee, such official's
693 or employee's spouse, a dependent child, or a business with which [he]
694 the person is associated will derive a direct monetary gain or suffer a
695 direct monetary loss, as the case may be, by reason of his or her official
696 activity. A public official, including an elected state official, or state
697 employee does not have an interest which is in substantial conflict
698 with the proper discharge of his or her duties in the public interest and
699 of his or her responsibilities as prescribed by the laws of this state, if
700 any benefit or detriment accrues to [him, his] such public official or
701 state employee or such official's or employee's spouse, a dependent

702 child, or a business with which [he] the person, [his] such official's or
703 employee's spouse or [such] dependent child is associated as a
704 member of a profession, occupation or group to no greater extent than
705 any other member of such profession, occupation or group. A public
706 official, including an elected state official, or state employee who has a
707 substantial conflict may not take official action on the matter.

708 Sec. 11. Subsection (j) of section 4e-2 of the general statutes is
709 repealed and the following is substituted in lieu thereof (*Effective*
710 *October 1, 2019*):

711 (j) No employee of the State Contracting Standards Board shall hold
712 another state or municipal position. No nonclerical employee of the
713 board or any spouse, child, stepchild, parent or sibling of such
714 employee, shall be associated with an enterprise that does business
715 with the state. For purposes of this subsection, "associated with" means
716 "business with which [he] the person is associated", as defined in
717 section 1-79, as amended by this act. Each member and employee of
718 the State Contracting Standards Board shall file, with the board and
719 with the Office of State Ethics, a statement of financial interests, as
720 described in section 1-83. Such statement shall be a public record. Such
721 statements for the preceding calendar year shall be filed with the
722 Office of State Ethics, as required by law, if such employee or member
723 held such a position during the preceding calendar year.

724 Sec. 12. Subsection (b) of section 7-148h of the general statutes is
725 repealed and the following is substituted in lieu thereof (*Effective*
726 *October 1, 2019*):

727 (b) Notwithstanding the provisions of any special act, municipal
728 charter or ordinance, [to the contrary,] an elected official of any town,
729 city, district or borough that has established a board, commission,
730 council, committee or other agency under subsection (a) of this section,
731 has an interest that is in substantial conflict with the proper discharge
732 of the official's duties or employment in the public interest and of the
733 official's responsibilities as prescribed by the laws of this state, if the
734 official has reason to believe or expect that the official, the official's

735 spouse or dependent child, or a business with which [he] the person is
736 associated, as defined in section 1-79, as amended by this act, will
737 derive a direct monetary gain or suffer a direct monetary loss, as the
738 case may be, by reason of the official's official activity. Any such
739 elected official does not have an interest that is in substantial conflict
740 with the proper discharge of the official's duties in the public interest
741 and of the official's responsibilities as prescribed by the laws of this
742 state, if any benefit or detriment accrues to the official, the official's
743 spouse or dependent child, or a business with which [he, his] such
744 official or such official's spouse or such dependent child is associated
745 as a member of a profession, occupation or group to no greater extent
746 than to any other member of such profession, occupation or group.
747 Any such elected official who has a substantial conflict may not take
748 official action on the matter.

749 Sec. 13. Section 1-86e of the general statutes is repealed and the
750 following is substituted in lieu thereof (*Effective October 1, 2019*):

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

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

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

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

766 (b) No person shall give anything of value to a person hired by the
767 state or a quasi-public agency as a consultant or independent
768 contractor or an employee of a consultant or independent contractor
769 based on an understanding that the actions of the consultant, [or]
770 independent contractor or employee on behalf of the state or a quasi-
771 public agency would be influenced.

772 Sec. 14. Subsection (a) of section 1-90a of the general statutes is
773 repealed and the following is substituted in lieu thereof (*Effective*
774 *October 1, 2019*):

775 (a) Notwithstanding the provisions of sections 1-84, as amended by
776 this act, 1-84a, 1-85, as amended by this act, and 1-86, a public official
777 or state employee of a public institution of higher education whose
778 employment is derived from such official's or employee's status as a
779 student at such institution shall not be subject to the provisions of said
780 sections, if (1) such institution has adopted written policies and
781 procedures to regulate student conduct concerning conflicts of interest
782 relating to student public office holding or state employment, and (2)
783 such policies and procedures have been approved by the Citizen's
784 Ethics Advisory Board in accordance with subsection (b) of this
785 section.

786 Sec. 15. Subsection (b) of section 1-93 of the general statutes is
787 repealed and the following is substituted in lieu thereof (*Effective*
788 *October 1, 2019*):

789 (b) If a judge trial referee indicates that probable cause exists for the
790 violation of a provision of this part or section 1-101bb, the board shall
791 initiate hearings to determine whether there has been a violation of
792 this part or section 1-101bb. Any such hearing shall be initiated by the
793 board not later than thirty days after the finding of probable cause by a
794 judge trial referee and shall be concluded not later than ninety days
795 after its initiation, except that such thirty-day or ninety-day limitation
796 period shall not apply if the judge trial referee determines that good
797 cause exists for extending such limitation period. A judge trial referee,
798 who has not taken part in the probable cause determination on the

799 matter shall be assigned by the Chief Court Administrator and shall be
800 compensated in accordance with section 52-434 out of funds available
801 to the board. Such judge trial referee shall preside over such hearing
802 and rule on all issues concerning the application of the rules of
803 evidence, which shall be the same as in judicial proceedings. The judge
804 trial referee shall have no vote in any decision of the board. All
805 hearings of the board held pursuant to this subsection shall be open.
806 At such hearing the board shall have the same powers as the Office of
807 State Ethics under subsection (a) of this section and the respondent
808 shall have the right to be represented by legal counsel, to compel
809 attendance of witnesses and the production of books, documents,
810 records and papers and to examine and cross-examine witnesses. Not
811 later than ten days prior to the commencement of any hearing
812 conducted pursuant to this subsection, the Office of State Ethics shall
813 provide the respondent with a list of its intended witnesses. The judge
814 trial referee shall, while engaged in the discharge of the duties as
815 provided in this subsection, have the same authority as is provided in
816 section 51-35 over witnesses who refuse to obey a subpoena or to
817 testify with respect to any matter upon which such witness may be
818 lawfully interrogated, and may commit any such witness for contempt
819 for a period no longer than thirty days. The Office of State Ethics shall
820 make a record of all proceedings pursuant to this subsection. During
821 the course of any such hearing, no ex-parte communication shall occur
822 between the board, or any of its members, and: (1) The judge trial
823 referee, or (2) any staff member of the Enforcement Division of the
824 Office of State Ethics, concerning the complaint or the respondent. The
825 board shall find no person in violation of any provision of this part or
826 section 1-101bb except upon the concurring vote of two-thirds of its
827 members present and voting. No member of the board shall vote on
828 the question of whether a violation of any provision of this part or
829 section 1-101bb has occurred unless such member was physically
830 present for the duration of any hearing held pursuant to this
831 subsection. Not later than [fifteen] forty-five days after the public
832 hearing conducted in accordance with this subsection, the board shall
833 publish its finding and a memorandum of the reasons therefor. Such

834 finding and memorandum shall be deemed to be the final decision of
835 the board on the matter for the purposes of chapter 54. The
836 respondent, if aggrieved by the finding and memorandum, may
837 appeal therefrom to the Superior Court in accordance with the
838 provisions of section 4-183.

839 Sec. 16. Section 1-95 of the general statutes is amended by adding
840 subsection (e) as follows (*Effective July 1, 2019*):

841 (NEW) (e) There is established an account to be known as the
842 "lobbyist registration credit card fees account" which shall be a
843 separate, nonlapsing account within the General Fund. The account
844 shall contain any moneys required by law to be deposited in the
845 account. Moneys in the account shall be expended by the executive
846 director of the Office of State Ethics for the purposes of paying credit
847 card processing fees charged to the office in the collection of lobbyist
848 registration fees, in accordance with subsection (b) of this section. In
849 each fiscal year, upon the request of the executive director, the General
850 Assembly shall appropriate sufficient funds to the lobbyist registration
851 credit card fees account in the annual appropriations act for such fiscal
852 year to be designated for use in paying for such credit card processing
853 fees.

854 Sec. 17. Sections 1-80b to 1-80d, inclusive, 1-82b and 1-89a of the
855 general statutes are repealed. (*Effective October 1, 2019*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2019</i>	1-79(5)
Sec. 2	<i>October 1, 2019</i>	1-79
Sec. 3	<i>October 1, 2019</i>	1-91(7)
Sec. 4	<i>October 1, 2019</i>	1-81(c)
Sec. 5	<i>October 1, 2019</i>	1-81(g)
Sec. 6	<i>October 1, 2019</i>	1-82(b)
Sec. 7	<i>October 1, 2019</i>	1-79(2)
Sec. 8	<i>October 1, 2019</i>	1-83(b)
Sec. 9	<i>October 1, 2019</i>	1-84

Sec. 10	October 1, 2019	1-85
Sec. 11	October 1, 2019	4e-2(j)
Sec. 12	October 1, 2019	7-148h(b)
Sec. 13	October 1, 2019	1-86e
Sec. 14	October 1, 2019	1-90a(a)
Sec. 15	October 1, 2019	1-93(b)
Sec. 16	July 1, 2019	1-95
Sec. 17	October 1, 2019	Repealer section

Statement of Legislative Commissioners:

In Sections 10 and 12, references to "he or she" were changed to "[he] such official or employee" for clarity and in Section 9(d) "provision" was changed to "subsection" for clarity.

GAE *Joint Favorable Subst.*

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 20 \$	FY 21 \$
State Ethics, Off.	GF - Transfer to	10,000	25,000
Resources of the General Fund	GF - Transfer from	10,000	25,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill: 1) extends open and public process requirements to quasi-public agency contracts, 2) extends prohibited activities to certain quasi-public agency consultants, 3) exempts students serving as public officials from certain code provisions, 4) extends the deadline for final hearing decisions and violations, 5) establishes a "lobbyist registration credit card fees account," and makes various other changes to the state ethics codes.

The bill creates the lobbyist registration credit card fees account which will be a non-lapsing account within the General Fund for the purpose of paying lobbyist registration credit card processing fees charged to the Office of State Ethics (OSE). The bill requires the General Assembly to appropriate sufficient funds, each fiscal year, upon the request of the executive director of OSE. The fund will require \$10,000 in FY 20 and \$25,000 in FY 21 to cover the cost of credit card processing fees of lobbyist registrations.¹

The Out Years

¹ The majority of lobbyists register for two years, in the first year of the legislative biennium, resulting in more credit card fees charged during odd fiscal years.

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

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)