



# House of Representatives

General Assembly

**File No. 755**

January Session, 2019

Substitute House Bill No. 7329

*House of Representatives, April 18, 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 DARK MONEY AND DISCLOSURE OF FOREIGN POLITICAL SPENDING AND OF POLITICAL ADVERTISING ON SOCIAL MEDIA.***

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

1 Section 1. Section 9-601 of the general statutes is amended by adding  
2 subdivisions (32) to (35), inclusive, as follows (*Effective from passage*):

3 (NEW) (32) "Independent expenditure political committee" means a  
4 political committee that makes only (A) independent expenditures,  
5 and (B) contributions to other independent expenditure political  
6 committees.

7 (NEW) (33) "Foreign national" has the same meaning as provided in  
8 52 USC 30121(b), as amended from time to time.

9 (NEW) (34) "Foreign owner" means (A) a foreign national, or (B) an  
10 entity of which a foreign national holds, owns, controls or otherwise  
11 has directly or indirectly acquired beneficial ownership of equity or

12 voting shares in an amount equal to or greater than fifty per cent of  
13 total equity or outstanding shares of voting stock.

14 (NEW) (35) "Foreign-influenced entity" means any entity of which  
15 (A) one foreign owner holds, owns, controls or otherwise has directly  
16 or indirectly acquired beneficial ownership of equity or voting shares  
17 in an amount equal to or greater than five per cent of total equity or  
18 outstanding shares of voting stock, (B) multiple foreign owners hold,  
19 own, control or otherwise have directly or indirectly acquired  
20 beneficial ownership of equity or voting shares in an amount equal to  
21 or greater than twenty per cent of total equity or outstanding shares of  
22 voting stock, or (C) any foreign owner participates in any way, directly  
23 or indirectly, in the process of making decisions with regard to the  
24 making of expenditures or contributions by such entity.

25 Sec. 2. Subdivision (3) of section 9-601 of the general statutes is  
26 repealed and the following is substituted in lieu thereof (*Effective from*  
27 *passage*):

28 (3) "Political committee" means (A) a committee organized by a  
29 business entity or organization, (B) persons other than individuals, or  
30 two or more individuals organized or acting jointly conducting their  
31 activities in or outside the state, (C) an exploratory committee, (D) a  
32 committee established by or on behalf of a slate of candidates in a  
33 primary for the office of justice of the peace, but does not mean a  
34 candidate committee or a party committee, (E) a legislative caucus  
35 committee, [or] (F) a legislative leadership committee, or (G) an  
36 independent expenditure political committee.

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

39 (a) Any person, as defined in section 9-601, as amended by this act,  
40 may, unless otherwise restricted or prohibited by law, including, but  
41 not limited to, any provision of this chapter or chapter 157, make  
42 unlimited independent expenditures, as defined in section 9-601c, and  
43 accept unlimited covered transfers, as defined in [said] section 9-601,

44 as amended by this act. Except as provided [pursuant to] in this  
45 section, any such person who makes or obligates to make an  
46 independent expenditure or expenditures in excess of one thousand  
47 dollars, in the aggregate, shall file statements according to the same  
48 schedule and in the same manner as is required of a treasurer of a  
49 [candidate] political committee pursuant to section 9-608, as amended  
50 by this act. Any such person, other than a committee, shall file with the  
51 proper authority, as provided in section 9-603, as amended by this act,  
52 (1) a long-form report and a short-form report pursuant to subsection  
53 (c) of this section for such independent expenditure or expenditures,  
54 and (2) a short-form report pursuant to subsection (d) of this section  
55 for each subsequent independent expenditure made or obligated to be  
56 made.

57 (b) Any person who makes or obligates to make an independent  
58 expenditure or expenditures in an election or primary for the office of  
59 Governor, Lieutenant Governor, Secretary of the State, State Treasurer,  
60 State Comptroller, Attorney General, state senator or state  
61 representative [, which] that exceed one thousand dollars, in the  
62 aggregate, during [a primary campaign or a general election campaign,  
63 as defined in section 9-700, shall file, electronically, a long-form and a  
64 short-form report of such independent expenditure or expenditures  
65 with the State Elections Enforcement Commission pursuant to  
66 subsections (c) and (d) of this section. The person that makes or  
67 obligates to make such independent expenditure or expenditures shall  
68 file such reports] the period beginning on July first in the year of a  
69 regular election, or on the day the Governor issues writs of election  
70 pursuant to section 9-215 in the case of a special election for the office  
71 of state senator or state representative, and ending on the day  
72 following the primary or election for which such person made or  
73 obligated to make such independent expenditure or expenditures,  
74 shall electronically file, in the case of a committee, a report pursuant to  
75 section 9-608, as amended by this act, or, in the case of any person  
76 other than a committee, a long-form report and a short-form report  
77 pursuant to subsections (c) and (d) of this section not later than  
78 twenty-four hours after (1) making any such payment, or (2) obligating

79 to make any such payment, with respect to the primary or election. [If  
80 any such person makes or incurs a subsequent independent  
81 expenditure, such person shall report such expenditure pursuant to  
82 subsection (d) of this section. Such reports] In the case of a special  
83 election for the office of state senator or state representative, if any  
84 person makes or obligates to make an independent expenditure or  
85 expenditures for such special election that exceeds one thousand  
86 dollars, in the aggregate, prior to the day the Governor issues writs of  
87 election pursuant to section 9-215, such person shall file a report not  
88 later than twenty-four hours after such writs of election are issued.  
89 Any such report shall be filed under penalty of false statement.

90 (c) The independent expenditure long-form report shall identify: (1)  
91 The name of the person making or obligating to make such  
92 independent expenditure or expenditures and, in the case of a person  
93 other than an individual, the name of a human being who had direct,  
94 extensive and substantive decision-making authority over such  
95 independent expenditure or expenditures; (2) the tax exempt status of  
96 such person and, if [applicable] such person files a report with the  
97 Federal Election Commission, the Internal Revenue Service or any  
98 similar out-of-state agency, identifying information under which any  
99 such filing is made; (3) the mailing address, and street address if  
100 different, of such person; (4) the principal business address of the  
101 person, if different from either the mailing address or street address;  
102 (5) the mailing address, and street address if different, telephone  
103 number and electronic mail address of the agent for service of process  
104 in this state of such person and for the individual described in  
105 subdivision (1) of this subsection as having direct, extensive and  
106 substantive decision-making authority over such independent  
107 expenditure or expenditures; (6) the date of the primary, [or] election  
108 or referendum for which [the] such independent expenditure or  
109 expenditures were made or obligated to be made; (7) (A) the name of  
110 any candidate who, or the text of any referendum question that, was  
111 the subject of [any] such independent expenditure or expenditures,  
112 [and whether the] (B) whether such independent expenditure or  
113 expenditures were in support of or in opposition to such candidate [;

114 and (8)] or referendum question, and (C) any other information  
115 required under subsection (d) of this section; (8) whether such person  
116 is a foreign-influenced entity and, if so, a description of the facts  
117 establishing such person as such an entity; and (9) the name, telephone  
118 number and electronic mail address for the individual filing such  
119 report. Such individual filing such report shall, under penalty of false  
120 statement, affirm that the expenditure reported is an independent  
121 expenditure [under penalty of false statement] and certify that due  
122 inquiry has been made by the chief executive or chief financial officer,  
123 or equivalent, of such person to determine that such person is not a  
124 foreign national on the date such independent expenditure was made  
125 or obligated to be made.

126 (d) As part of any filing made pursuant to subsection (c) of this  
127 section and for each subsequent independent expenditure made or  
128 obligated to be made by a person with respect to the primary, [or]  
129 election or referendum for which a long-form report pursuant to  
130 subsection (c) of this section has been filed on behalf of such person, an  
131 individual shall file [, electronically,] a short-form report for each such  
132 independent expenditure. [, not later than twenty-four hours after such  
133 person makes a payment for an independent expenditure or obligates  
134 to make such an independent expenditure.] Such short-form report  
135 shall identify: (1) The name of the person making or obligating to make  
136 such independent expenditure; (2) the amount of the independent  
137 expenditure; (3) whether the independent expenditure was in support  
138 of or in opposition to a candidate or referendum question, and the  
139 name of such candidate or text of such referendum question; (4) a brief  
140 description of the expenditure made, including the type of  
141 communication, based on categories determined by the State Elections  
142 Enforcement Commission, and the allocation of such expenditure in  
143 support of or in opposition to each such candidate or referendum  
144 question, if such expenditure was made in support of or in opposition  
145 to more than one candidate [; and] or question; (5) the name, telephone  
146 number and electronic mail address for the individual filing such  
147 report; and (6) any other information that the State Elections  
148 Enforcement Commission may require to facilitate compliance with

149 the provisions of chapters 155 to 157, inclusive. Such individual filing  
150 such report shall, under penalty of false statement, affirm that the  
151 expenditure reported is an independent expenditure. [under penalty of  
152 false statement.]

153 (e) No person reporting an independent expenditure pursuant to  
154 the provisions of subsection (c) or (d) of this section shall be required  
155 to file a statement pursuant to section 9-608, as amended by this act,  
156 for such independent expenditure.

157 (f) (1) Except as provided in subdivision (2) of this subsection, as  
158 part of any statement filed pursuant to this section, if a person who  
159 makes or obligates to make an independent expenditure (A) has  
160 received a covered transfer during the twelve-month period prior to a  
161 primary, [or] election or referendum, as applicable to the reported  
162 expenditure, [for an office that a candidate described in subdivision (7)  
163 of subsection (c) of this section is seeking,] and (B) such independent  
164 expenditure is made or obligated to be made on or after the date that is  
165 one hundred eighty days prior to such primary, [or] election or  
166 referendum, such person shall disclose the source and the amount of  
167 any such covered transfer such person received that is in an amount  
168 that is five thousand dollars or more, in the aggregate, during the  
169 twelve-month period prior to such primary or election, as applicable to  
170 the reported expenditure.

171 (2) The provisions of subdivision (1) of this subsection shall not  
172 apply to any person who discloses the source and amount of a covered  
173 transfer described in subdivision (1) of this subsection as part of any  
174 report to the Federal Election Commission, [or] the Internal Revenue  
175 Service or any similar out-of-state agency, provided such person  
176 includes a copy of, or information sufficient to find, any such report as  
177 part of the report of each applicable independent expenditure filed  
178 pursuant to this section. If a source and amount of a covered transfer is  
179 not included as part of any such report, the maker of the independent  
180 expenditure shall disclose the source and amount of such covered  
181 transfer pursuant to subdivision (1) of this subsection, if applicable.

182 (g) (1) A person may, unless otherwise restricted or prohibited by  
183 law, including, but not limited to, any provision of this chapter or  
184 chapter 157, establish a dedicated independent expenditure account [,  
185 for the purpose of engaging in] that may be used to make independent  
186 expenditures, [that] provided such account is segregated from all other  
187 accounts controlled by such person. Such dedicated independent  
188 expenditure account may receive covered transfers directly from  
189 persons other than the person establishing the dedicated account and  
190 may not receive transfers from another account controlled by the  
191 person establishing the dedicated account, except as provided in  
192 subdivision (2) of this subsection. If an independent expenditure is  
193 made from such segregated account, any report required pursuant to  
194 this section or disclaimer required pursuant to section 9-621, as  
195 amended by this act, [may include only] shall include at least those  
196 persons who made covered transfers directly to the dedicated  
197 independent expenditure account.

198 (2) If a person who has made a covered transfer to another account  
199 controlled by the person establishing a dedicated independent  
200 expenditure account requests that such covered transfer be used for  
201 the purposes of making an independent expenditure from the  
202 dedicated independent expenditure account, the amount of such  
203 covered transfer may be transferred to the dedicated independent  
204 expenditure account and shall be treated as a covered transfer directly  
205 to the dedicated independent expenditure account.

206 (h) Any person may file a complaint with the commission upon the  
207 belief that (1) any such independent expenditure report or statement is  
208 false, or (2) any person who is required to file an independent  
209 expenditure report under this [subsection] section has failed to do so.  
210 The commission shall make a prompt determination on such a  
211 complaint.

212 (i) (1) [If] Notwithstanding the provisions of section 9-623, if (A) a  
213 person fails to file a report in accordance with the provisions of this  
214 section or section 9-608, as amended by this act, for an independent

215 expenditure or expenditures made or obligated to be made more than  
216 ninety days before the day of a primary, [or election, the] election or  
217 referendum, such person shall be subject to a civil penalty, imposed by  
218 the State Elections Enforcement Commission, of not more than ten  
219 thousand dollars, [ If] and (B) a person fails to file a report required in  
220 accordance with the provisions of this section for an independent  
221 expenditure or expenditures made or obligated to be made ninety days  
222 or less before the day of a primary, [or election] or referendum, such  
223 person shall be subject to a civil penalty, imposed by the State  
224 Elections Enforcement Commission, of not more than twenty thousand  
225 dollars or twice the amount of such independent expenditure or  
226 expenditures, whichever is greater.

227 (2) [If] Notwithstanding the provisions of section 9-623, if the State  
228 Elections Enforcement Commission finds that any such failure is  
229 knowing and wilful, the person responsible for [the failure shall also  
230 be fined] such failure shall be subject to an additional civil penalty,  
231 imposed by the commission, of not more than fifty thousand dollars or  
232 ten times the amount of such independent expenditure or  
233 expenditures, and the commission may refer the matter to the office of  
234 the Chief State's Attorney.

235 (3) If the State Elections Enforcement Commission finds that a  
236 person is subject to a civil penalty under this subsection, (A) in the case  
237 of a committee, (i) the chairman, and (ii) any officer, or (B) in the case  
238 of a person other than a committee, (i) the chief executive or chief  
239 financial officer, or equivalent, (ii) any other officer, and (iii) any  
240 manager who had direct, extensive and substantive decision-making  
241 authority over the independent expenditure or expenditures made or  
242 obligated to be made by such person, shall be liable for paying any  
243 amount of such civil penalty imposed that is not paid by such person  
244 within one year after the latter of (I) the date on which the commission  
245 imposed such civil penalty, or (II) the date of the final judgment  
246 following any judicial review of the commission's action.

247 Sec. 4. Subsections (a) and (b) of section 9-603 of the general statutes



248 are repealed and the following is substituted in lieu thereof (*Effective*  
249 *from passage*):

250 (a) Statements filed by (1) party committees, (2) political committees  
251 formed to aid or promote the success or defeat of a referendum  
252 question proposing a constitutional convention, constitutional  
253 amendment or revision of the Constitution, (3) individual lobbyists,  
254 [and those] (4) political committees and candidate committees formed  
255 to aid or promote the success or defeat of any candidate for the office  
256 of Governor, Lieutenant Governor, Secretary of the State, State  
257 Treasurer, State Comptroller, Attorney General, judge of probate, [and  
258 members of the General Assembly] state senator or state  
259 representative, and (5) persons making any independent expenditure  
260 or expenditures in excess of one thousand dollars, in the aggregate, to  
261 promote the success or defeat of any such referendum question or  
262 candidate pursuant to section 9-601d, as amended by this act, shall be  
263 filed with the State Elections Enforcement Commission. A political  
264 committee formed for a slate of candidates in a primary for the office  
265 of justice of the peace shall file statements with the town clerk of the  
266 municipality in which the primary is to be held.

267 (b) Statements filed by (1) political committees formed solely to aid  
268 or promote the success or defeat of a referendum question to be voted  
269 upon by the electors of a single municipality, [and those] (2) political  
270 committees or candidate committees formed to aid or promote the  
271 success or defeat of any candidate for public office, other than those  
272 enumerated in subsection (a) of this section, or for the position of town  
273 committee member, and (3) persons making any independent  
274 expenditure or expenditures in excess of one thousand dollars, in the  
275 aggregate, to promote the success or defeat of any such referendum  
276 question or candidate pursuant to section 9-601d, as amended by this  
277 act, shall be filed [only] with the town clerk of the municipality in  
278 which the election or referendum is to be held. Each unsalaried town  
279 clerk shall be entitled to receive ten cents from the town for the filing  
280 of each such statement.

281 Sec. 5. Subsections (a) and (b) of section 9-605 of the general statutes  
282 are repealed and the following is substituted in lieu thereof (*Effective*  
283 *from passage*):

284 (a) [The] Except as provided in subsection (d) of this section, the  
285 chairperson of each political committee shall be an individual who has  
286 direct, extensive and substantive decision-making authority over the  
287 committee's activities with respect to raising and spending funds, shall  
288 designate a treasurer and may designate a deputy treasurer. The  
289 treasurer and any deputy treasurer so designated shall sign a  
290 statement accepting the designation. The chairperson of each political  
291 committee shall file a registration statement described in subsection (b)  
292 of this section along with the statement signed by the designated  
293 treasurer and deputy treasurer with the proper authority [, within ten  
294 days after its organization] not later than ten days after receiving  
295 contributions, or making or incurring expenditures, in excess of one  
296 thousand dollars, in the aggregate, provided [that] the chairperson of  
297 any political committee organized [within] ten or fewer days prior to  
298 any primary, election or referendum in connection with which it  
299 intends to make any contributions or expenditures, shall immediately  
300 file a registration statement.

301 (b) The registration statement shall include: (1) The name and  
302 address of the committee; (2) a statement of the purpose of the  
303 committee; (3) the name and address of its treasurer, and deputy  
304 treasurer if applicable; (4) the name, address and position of its  
305 [chairman] chairperson, and other principal officers if applicable; (5)  
306 the name and address of the depository institution for its funds; (6) the  
307 name of each person, other than an individual, that is a member of the  
308 committee; (7) the name and party affiliation of each candidate whom  
309 the committee is supporting and the office or position sought by each  
310 candidate; (8) if the committee is supporting the entire ticket of any  
311 party, a statement to that effect and the name of the party; (9) if the  
312 committee is supporting or opposing any referendum question, a brief  
313 statement identifying the substance of the question; (10) if the  
314 committee is established or controlled by a [business entity or

315 organization] person or an individual acting as the agent of a person,  
316 the name of the [entity or organization] person and, if the committee is  
317 established or controlled by a person other than a human being, the  
318 name of its chief executive officer or equivalent; (11) if the committee is  
319 established by an organization, a statement of whether it will receive  
320 its funds from the organization's treasury or from voluntary  
321 contributions; (12) if the committee files reports with the Federal  
322 Elections Commission, the Internal Revenue Service or any similar out-  
323 of-state agency, a statement to that effect including the name of the  
324 commission or agency and identifying information under which any  
325 such filings are made; (13) a statement indicating whether the  
326 committee is established for a single primary, election or referendum  
327 or for ongoing political activities; (14) if the committee is established or  
328 controlled by a lobbyist, a statement to that effect and the name of the  
329 lobbyist; (15) the name and address of the person making the initial  
330 contribution or disbursement, if any, to the committee; and (16) any  
331 information that the State Elections Enforcement Commission requires  
332 to facilitate compliance with the provisions of this chapter or chapter  
333 157. If no such initial contribution or disbursement, as described in  
334 subdivision (15) of this subsection, has been made at the time of the  
335 filing of such statement, the treasurer of the committee shall, not later  
336 than forty-eight hours after receipt of such contribution or  
337 disbursement, file a report with the State Elections Enforcement  
338 Commission. The report shall be in the same form as statements filed  
339 under section 9-608, as amended by this act. As used in this subsection,  
340 "principal officer" means any individual who (A) occupies a title, office  
341 or position, other than chairperson, treasurer or deputy treasurer, of a  
342 political committee, (B) serves on an advisory panel of a political  
343 committee, including, but not limited to, a steering committee,  
344 executive committee or similar body, for the purpose of influencing or  
345 authorizing decisions regarding fundraising, solicitation or  
346 expenditure of such committee's funds to other committees, or (C)  
347 participates in the selection of a political committee's chairperson,  
348 treasurer or deputy treasurer, or any replacement thereof.

349 Sec. 6. Subdivision (1) of subsection (g) of section 9-607 of the

350 general statutes is repealed and the following is substituted in lieu  
351 thereof (*Effective from passage*):

352 (g) (1) As used in this subsection, (A) "the lawful purposes of the  
353 committee" means: (i) For a candidate committee or exploratory  
354 committee, the promoting of the nomination or election of the  
355 candidate who established the committee, except that after a political  
356 party nominates candidates for election to the offices of Governor and  
357 Lieutenant Governor, whose names shall be so placed on the ballot in  
358 the election that an elector will cast a single vote for both candidates,  
359 as prescribed in section 9-181, a candidate committee established by  
360 either such candidate may also promote the election of the other such  
361 candidate; (ii) for a political committee, other than an independent  
362 expenditure political committee described in subparagraph (A)(iv) of  
363 this subdivision, the promoting of (I) a political party, including party  
364 building activities, (II) the success or defeat of candidates for  
365 nomination [and] or election to public office or position subject to the  
366 requirements of this chapter, or (III) the success or defeat of  
367 referendum questions, provided a political committee formed for a  
368 single referendum question shall not promote the success or defeat of  
369 any candidate, and provided further a legislative leadership committee  
370 or a legislative caucus committee may expend funds to defray costs for  
371 conducting legislative or constituency-related business which are not  
372 reimbursed or paid by the state; [and] (iii) for a party committee, the  
373 promoting of the party, party building activities, the candidates of the  
374 party and continuing operating costs of the party; and (iv) for an  
375 independent expenditure political committee, the promoting of (I) a  
376 political party, (II) the success or defeat of candidates for nomination  
377 or election to public office or position subject to the requirements of  
378 this chapter, or (III) the success or defeat of referendum questions,  
379 provided an independent expenditure political committee shall act  
380 entirely independently of a candidate, candidate committee, party  
381 committee or political committee that is not an independent  
382 expenditure political committee, or any agent of such candidate or  
383 committee, and (B) "immediate family" means a spouse or dependent  
384 child of a candidate who resides in the candidate's household.

385 Sec. 7. Subsection (c) of section 9-608 of the general statutes is  
386 repealed and the following is substituted in lieu thereof (*Effective from*  
387 *passage*):

388 (c) (1) Each statement filed under subsection (a), (e) or (f) of this  
389 section shall include, but not be limited to: (A) An itemized accounting  
390 of each contribution, if any, including the full name and complete  
391 address of each contributor and the amount of the contribution; (B) an  
392 itemized accounting of each expenditure, if any, including the full  
393 name and complete address of each payee, including secondary payees  
394 whenever the primary or principal payee is known to include charges  
395 which the primary payee has already paid or will pay directly to  
396 another person, vendor or entity, the amount and the purpose of the  
397 expenditure, the candidate supported or opposed by the expenditure,  
398 whether the expenditure is made independently of the candidate  
399 supported or is an in-kind contribution to the candidate, and a  
400 statement of the balance on hand or deficit, as the case may be; (C) an  
401 itemized accounting of each expense incurred but not paid, provided if  
402 the expense is incurred by use of a credit card, the accounting shall  
403 include secondary payees, and the amount owed to each such payee;  
404 (D) the name and address of any person who is the guarantor of a loan  
405 to, or the cosigner of a note with, the candidate on whose behalf the  
406 committee was formed, or the treasurer in the case of a party  
407 committee or a political committee or who has advanced a security  
408 deposit to a telephone company, as defined in section 16-1, for  
409 telecommunications service for a committee; (E) for each business  
410 entity or person purchasing advertising space in a program for a fund-  
411 raising affair or on signs at a fund-raising affair, the name and address  
412 of the business entity or the name and address of the person, and the  
413 amount and aggregate amounts of such purchases; (F) for each  
414 individual who contributes in excess of one hundred dollars but not  
415 more than one thousand dollars, in the aggregate, to the extent known,  
416 the principal occupation of such individual and the name of the  
417 individual's employer, if any; (G) for each individual who contributes  
418 in excess of one thousand dollars in the aggregate, the principal  
419 occupation of such individual and the name of the individual's

420 employer, if any; (H) for each itemized contribution made by a  
421 lobbyist, the spouse of a lobbyist or any dependent child of a lobbyist  
422 who resides in the lobbyist's household, a statement to that effect; and  
423 (I) for each individual who contributes in excess of four hundred  
424 dollars in the aggregate to or for the benefit of any candidate's  
425 campaign for nomination at a primary or election to the office of chief  
426 executive officer or a slate or town committee financing the  
427 nomination or election or a candidate for chief executive officer of a  
428 town, city or borough, a statement indicating whether the individual  
429 or a business with which he is associated has a contract with said  
430 municipality that is valued at more than five thousand dollars. Each  
431 treasurer shall include in such statement (i) an itemized accounting of  
432 the receipts and expenditures relative to any testimonial affair held  
433 under the provisions of section 9-609 or any other fund-raising affair,  
434 which is referred to in subsection (b) of section 9-601a, and (ii) the date,  
435 location and a description of the affair, except that a treasurer shall not  
436 be required to include the name of any individual who has purchased  
437 items at a fund-raising affair or food at a town fair, county fair or  
438 similar mass gathering, if the cumulative value of items purchased by  
439 such individual does not exceed one hundred dollars, or the name of  
440 any individual who has donated food or beverages for a meeting. A  
441 treasurer shall not be required to report or retain any receipts or  
442 expenditures related to any de minimis donations described in  
443 subdivision (17) of subsection (b) of section 9-601a.

444 (2) Each contributor described in subparagraph (F), (G), (H) or (I) of  
445 subdivision (1) of this subsection shall, at the time the contributor  
446 makes such a contribution, provide the information that the treasurer  
447 is required to include under said subparagraph in the statement filed  
448 under subsection (a), (e) or (f) of this section. Notwithstanding any  
449 provision of subdivision (2) of section 9-7b, any contributor described  
450 in subparagraph (F) of subdivision (1) of this subsection who does not  
451 provide such information at the time the contributor makes such a  
452 contribution and any treasurer shall not be subject to the provisions of  
453 subdivision (2) of section 9-7b. If a treasurer receives a contribution  
454 from an individual which separately, or in the aggregate, is in excess of

455 one thousand dollars and the contributor has not provided the  
456 information required by said subparagraph (G) or if a treasurer  
457 receives a contribution from an individual to or for the benefit of any  
458 candidate's campaign for nomination at a primary or election to the  
459 office of chief executive officer of a town, city or borough, which  
460 separately, or in the aggregate, is in excess of four hundred dollars and  
461 the contributor has not provided the information required by said  
462 subparagraph (I), the treasurer: [(i)] (A) Not later than three business  
463 days after receiving the contribution, shall send a request for such  
464 information to the contributor by certified mail, return receipt  
465 requested; [(ii)] (B) shall not deposit the contribution until the treasurer  
466 obtains such information from the contributor, notwithstanding the  
467 provisions of section 9-606; and [(iii)] (C) shall return the contribution  
468 to the contributor if the contributor does not provide the required  
469 information [not later than] within fourteen days after the treasurer's  
470 written request or the end of the reporting period in which the  
471 contribution was received, whichever is later. Any failure of a  
472 contributor to provide the information which the treasurer is required  
473 to include under said subparagraph (F) or (H), which results in  
474 noncompliance by the treasurer with the provisions of said  
475 subparagraph (F) or (H), shall be a complete defense to any action  
476 against the treasurer for failure to disclose such information.

477 (3) In addition to the requirements of subdivision (2) of this  
478 subsection, each contributor who makes a contribution to a candidate  
479 or exploratory committee for Governor, Lieutenant Governor,  
480 Attorney General, State Comptroller, Secretary of the State, State  
481 Treasurer, state senator or state representative, any political committee  
482 authorized to make contributions to such candidates or committees,  
483 and any party committee that separately, or in the aggregate, exceeds  
484 fifty dollars shall provide with the contribution: (A) The name of the  
485 contributor's employer, if any; (B) the contributor's status as a  
486 communicator lobbyist, as defined in section 1-91, a member of the  
487 immediate family of a communicator lobbyist, a state contractor, a  
488 prospective state contractor or a principal of a state contractor or  
489 prospective state contractor, as defined in section 9-612, as amended by

490 this act; and (C) a certification that the contributor is not prohibited  
491 from making a contribution to such candidate or committee. The State  
492 Elections Enforcement Commission shall prepare a sample form for  
493 such certification by the contributor and shall make [it] such sample  
494 form available to treasurers and contributors. Such sample form shall  
495 include an explanation of the terms "communicator lobbyist",  
496 "principal of a state contractor or prospective state contractor",  
497 "immediate family", "state contractor" and "prospective state  
498 contractor". The information on such sample form shall be included in  
499 any written solicitation conducted by any such committee. If a  
500 treasurer receives such a contribution and the contributor has not  
501 provided such certification, the treasurer shall: (i) Not later than three  
502 business days after receiving the contribution, send a request for the  
503 certification to the contributor by certified mail, return receipt  
504 requested; (ii) not deposit the contribution until the treasurer obtains  
505 the certification from the contributor, notwithstanding the provisions  
506 of section 9-606; and (iii) return the contribution to the contributor if  
507 the contributor does not provide the certification [not later than]  
508 within fourteen days after the treasurer's written request or at the end  
509 of the reporting period in which the contribution was received,  
510 whichever is later. No treasurer shall be required to obtain and keep  
511 more than one certification from each contributor, unless information  
512 certified to by the contributor, other than the amount contributed,  
513 changes. If a treasurer deposits a contribution based on a certification  
514 that is later determined to be false, the treasurer shall have a complete  
515 defense to any action, including but not limited to, any complaint  
516 investigated by the State Elections Enforcement Commission or any  
517 other investigation initiated by [said] the commission, against such  
518 treasurer for the receipt of such contribution.

519 (4) When an independent expenditure political committee discloses  
520 a contribution or contributions pursuant to subparagraph (A) of  
521 subdivision (1) of this subsection in excess of one thousand dollars, in  
522 the aggregate, and the contributor is also a recipient of a covered  
523 transfer, the independent expenditure political committee shall include  
524 for any covered transfer or transfers in excess of five thousand dollars,



525 in the aggregate, the source and the amount of such covered transfer or  
526 transfers to such contributor during the twelve-month period  
527 immediately prior to the primary or election, as applicable.

528 (5) (A) If a person makes a contribution or contributions in excess of  
529 one thousand dollars, in the aggregate, to an independent expenditure  
530 political committee and such person derives all funds of such  
531 contribution or contributions from a dedicated independent  
532 expenditure account established by such person that is segregated  
533 from all other accounts controlled by such person, such person shall  
534 provide to the treasurer of such committee the source and the amount  
535 of each donation, transfer or payment that is in excess of five thousand  
536 dollars, in the aggregate, to such dedicated account. Such dedicated  
537 independent expenditure account may receive covered transfers  
538 directly from persons other than the person who established such  
539 dedicated account and shall not receive covered transfers from any  
540 other account controlled by the person who established such dedicated  
541 account, except as provided in subparagraph (B) of this subdivision.  
542 The treasurer of such independent expenditure political committee  
543 shall include the information so provided under this subdivision with  
544 the disclosure of such contribution or contributions.

545 (B) If a person who made a covered transfer to any other account  
546 controlled by the person who established a dedicated independent  
547 expenditure account requests that such covered transfer be used for  
548 the purpose of making an independent expenditure or expenditures  
549 from such dedicated account, the amount of such covered transfer may  
550 be transferred to such dedicated account and shall be treated as a  
551 covered transfer directly to such dedicated account.

552 (6) If a person makes a contribution or contributions in excess of one  
553 thousand dollars, in the aggregate, to an independent expenditure  
554 political committee and such person derives any funds of such  
555 contribution or contributions from any source other than a dedicated  
556 independent expenditure account established by such person that is  
557 segregated from all other accounts controlled by such person, such

558 person shall provide to the treasurer of such committee the source and  
559 the amount of each donation, transfer or payment to such person that  
560 is in excess of five thousand dollars, in the aggregate, during the  
561 twelve-month period prior to the primary or election, as applicable, for  
562 which an independent expenditure is made. The treasurer of such  
563 independent expenditure political committee shall include the  
564 information so provided under this subdivision with the disclosure of  
565 such contribution or contributions.

566 (7) (A) The treasurer of an independent expenditure political  
567 committee shall not accept a contribution or contributions in excess of  
568 one thousand dollars, in the aggregate, unless the information required  
569 to be provided under subdivision (8) of this subsection is so provided.

570 (B) The recipient of a covered transfer or transfers in excess of five  
571 thousand dollars, in the aggregate, shall not knowingly make any  
572 contribution to an independent expenditure political committee unless  
573 the information required to be disclosed or provided, as applicable,  
574 under subdivision (4), (5) or (6) of this subsection is so disclosed or  
575 provided.

576 (8) In addition to the requirements of subdivision (2) of this  
577 subsection, each contributor who is the recipient of any covered  
578 transfer or transfers that, in the aggregate, exceed five thousand dollars  
579 and who makes a contribution to an independent expenditure political  
580 committee that separately, or in the aggregate, exceeds one thousand  
581 dollars per calendar year shall provide with the contribution a  
582 statement signed under penalty of false statement, which statement  
583 shall include: (A) If the contributor is a human being, the name of the  
584 contributor's employer or employers, if any; (B) the contributor's status  
585 as a client lobbyist or communicator lobbyist, as defined in section 1-  
586 91, or a member of the immediate family of a communicator lobbyist;  
587 (C) a certification that the contributor is not a state contractor, a  
588 principal of a state contractor, a foreign national or otherwise  
589 prohibited from making such contribution; and (D) the name of any  
590 person required to be disclosed or provided, as applicable, under

591 subdivision (4), (5) or (6) of this subsection and the amounts of the  
592 covered transfers of any such person. The State Elections Enforcement  
593 Commission shall prepare a form for such certification by the  
594 contributor and shall make such form available to treasurers and  
595 contributors. Such form shall include an explanation of the term  
596 "covered transfer" as it is defined in section 9-601, as amended by this  
597 act. The information on such form shall be included in any written  
598 solicitation conducted by such independent expenditure political  
599 committee. If a treasurer receives a contribution and the contributor  
600 has not provided such certification, the treasurer shall: (i) Not later  
601 than three business days after receiving the contribution, send a  
602 request for the certification to the contributor by certified mail, return  
603 receipt requested; (ii) not deposit the contribution until the treasurer  
604 obtains the certification from the contributor, notwithstanding the  
605 provisions of section 9-606; and (iii) return the contribution to the  
606 contributor if the contributor does not provide the certification within  
607 fourteen days after the treasurer's written request or at the end of the  
608 reporting period in which the contribution was received, whichever is  
609 later. If a treasurer deposits a contribution based on a certification  
610 signed under penalty of false statement that is later determined to be  
611 false, the treasurer shall have a complete defense to any action,  
612 including, but not limited to, any complaint investigated by the State  
613 Elections Enforcement Commission or any other investigation initiated  
614 by the commission, against such treasurer for the receipt of such  
615 contribution.

616 [(4)] (9) Contributions from a single individual to a treasurer in the  
617 aggregate totaling fifty dollars or less need not be individually  
618 identified in the statement, but a sum representing the total amount of  
619 all such contributions made by all such individuals during the period  
620 to be covered by such statement shall be a separate entry, identified  
621 only by the words "total contributions from small contributors".

622 [(5)] (10) Each statement filed by the treasurer of a party committee,  
623 a legislative caucus committee or a legislative leadership committee  
624 shall include an itemized accounting of each organization expenditure

625 made by the committee. Concomitant with the filing of any such  
626 statement containing an accounting of an organization expenditure  
627 made by the committee for the benefit of any candidate for the office of  
628 state senator, state representative, Governor, Lieutenant Governor,  
629 Attorney General, Secretary of the State, State Comptroller or State  
630 Treasurer such treasurer shall provide notice of the organization  
631 expenditure to the candidate committee of such candidate.

632 [(6)] (11) The commission shall post a link on the home page of the  
633 commission's Internet web site to a listing of all organizational  
634 expenditures reported by a party, legislative leadership or caucus  
635 committee under subdivision [(5)] (10) of this subsection. Such  
636 information shall include reported information on the committee  
637 making the expenditure, the committee receiving the expenditure and  
638 the date and purpose for the expenditure.

639 [(7)] (12) Statements filed in accordance with this section shall  
640 remain public records of the state for five years from the date such  
641 statements are filed.

642 Sec. 8. Subparagraph (C) of subdivision (1) of subsection (e) of  
643 section 9-608 of the general statutes is repealed and the following is  
644 substituted in lieu thereof (*Effective from passage*):

645 (C) (i) Each political committee formed solely to aid or promote the  
646 success or defeat of any referendum question, which does not receive  
647 contributions from a business entity or an organization, shall distribute  
648 its surplus to a party committee, to a political committee organized for  
649 ongoing political activities, to a national committee of a political party,  
650 to all contributors to the committee on a prorated basis of contribution,  
651 to state or municipal governments or agencies or to any organization  
652 which is a tax-exempt organization under Section 501(c)(3) of the  
653 Internal Revenue Code of 1986, or any subsequent corresponding  
654 internal revenue code of the United States, as from time to time  
655 amended.

656 (ii) Each political committee formed solely to aid or promote the

657 success or defeat of any referendum question, which receives  
658 contributions from a business entity or an organization, and each  
659 independent expenditure political committee other than an  
660 independent expenditure political committee formed for ongoing  
661 political activities, shall distribute its surplus to all contributors to the  
662 committee on a prorated basis of contribution, to state or municipal  
663 governments or agencies, or to any organization which is tax-exempt  
664 under said provisions of the Internal Revenue Code. Notwithstanding  
665 the provisions of this subsection, a committee formed for a single  
666 referendum shall not be required to expend its surplus not later than  
667 ninety days after the referendum and may continue in existence if a  
668 substantially similar referendum question on the same issue will be  
669 submitted to the electorate within six months after the first  
670 referendum. If two or more substantially similar referenda on the same  
671 issue are submitted to the electorate, each no more than six months  
672 apart, the committee shall expend such surplus within ninety days  
673 following the date of the last such referendum;

674 Sec. 9. Subsections (a) and (b) of section 9-612 of the general statutes  
675 are repealed and the following is substituted in lieu thereof (*Effective*  
676 *from passage*):

677 (a) (1) No individual shall make a contribution or contributions in  
678 any one calendar year in excess of ten thousand dollars to the state  
679 central committee of any party, or for the benefit of such committee  
680 pursuant to its authorization or request; or two thousand dollars to a  
681 town committee of any political party, or for the benefit of such  
682 committee pursuant to its authorization or request; or two thousand  
683 dollars to a legislative caucus committee or legislative leadership  
684 committee; [,] or one thousand dollars to any other political committee  
685 other than [(1)] (A) a political committee formed solely to aid or  
686 promote the success or defeat of a referendum question, [(2)] (B) an  
687 exploratory committee, [(3)] (C) a political committee established by an  
688 organization, or for the benefit of such committee pursuant to its  
689 authorization or request, [or (4)] (D) a political committee formed by a  
690 slate of candidates in a primary for the office of justice of the peace of

691 the same town, or (E) an independent expenditure political committee.

692 (2) Notwithstanding the provisions of subdivision (1) of this  
693 subsection and unless otherwise restricted or prohibited by law, an  
694 individual may make contributions to an independent expenditure  
695 political committee.

696 (b) (1) No individual shall make a contribution to a political  
697 committee established by an organization which receives its funds  
698 from the organization's treasury. With respect to a political committee  
699 established by an organization which has complied with the provisions  
700 of subsection (b) or (c) of section 9-614, as amended by this act, and has  
701 elected to receive contributions, no individual other than a member of  
702 the organization may make contributions to the committee, in which  
703 case the individual may contribute not more than seven hundred fifty  
704 dollars in any one calendar year to such committee or for the benefit of  
705 such committee pursuant to its authorization or request.

706 (2) Notwithstanding the provisions of subdivision (1) of this  
707 subsection and unless otherwise restricted or prohibited by law, an  
708 individual may make contributions to an independent expenditure  
709 political committee established by an organization.

710 Sec. 10. Subsection (d) of section 9-612 of the general statutes is  
711 repealed and the following is substituted in lieu thereof (*Effective from*  
712 *passage*):

713 (d) Any individual may make unlimited contributions or  
714 expenditures to aid or promote the success or defeat of any  
715 referendum question, provided any individual who makes an  
716 expenditure or expenditures in excess of one thousand dollars to  
717 promote the success or defeat of any referendum question shall file  
718 statements according to the same schedule and in the same manner as  
719 is required of a treasurer of a political committee under section [9-608]  
720 9-601d, as amended by this act.

721 Sec. 11. Section 9-613 of the general statutes is repealed and the

722 following is substituted in lieu thereof (*Effective from passage*):

723 (a) [No] Except as provided in subsection (g) of this section, a  
724 business entity shall not make any contributions or expenditures (1) to,  
725 or for the benefit of, any candidate's campaign (A) for election to any  
726 public office or position subject to this chapter, or (B) for nomination at  
727 a primary for any such office or position, or (2) to promote the defeat  
728 of any candidate for any such office or position. [No] A business entity  
729 shall not make any other contributions or expenditures to promote the  
730 success or defeat of any political party. [~~], except as provided in~~  
731 subsection (b) of this section. No] A business entity shall not establish  
732 more than one political committee. A political committee shall be  
733 deemed to have been established by a business entity if the initial  
734 disbursement or contribution to the committee is made under  
735 subsection (b) of this section or by an officer, director, owner, limited  
736 or general partner or holder of stock constituting five per cent or more  
737 of the total outstanding stock of any class of the business entity.

738 (b) A business entity may make reasonable and necessary transfers  
739 or disbursements to or for the benefit of a political committee  
740 established by such business entity, for the administration of, or  
741 solicitation of contributions to, such political committee. Nonmonetary  
742 contributions by a business entity which are incidental in nature and  
743 are directly attributable to the administration of such political  
744 committee shall be exempt from the reporting requirements of this  
745 chapter.

746 (c) The provisions of this section shall not preclude a business entity  
747 from making contributions or expenditures to promote the success or  
748 defeat of a referendum question.

749 (d) [A] Except as provided in subsection (g) of this section, a  
750 political committee organized by a business entity shall not make a  
751 contribution or contributions to or for the benefit of any candidate's  
752 campaign for nomination at a primary or any candidate's campaign for  
753 election to the office of: (1) Governor, in excess of five thousand  
754 dollars; (2) Lieutenant Governor, Secretary of the State, Treasurer,

755 Comptroller or Attorney General, in excess of three thousand dollars;  
756 (3) state senator, probate judge or chief executive officer of a town, city  
757 or borough, in excess of one thousand five hundred dollars; (4) state  
758 representative, in excess of seven hundred fifty dollars; or (5) any other  
759 office of a municipality not included in subdivision (3) of this  
760 subsection, in excess of three hundred seventy-five dollars. The limits  
761 imposed by this subsection shall apply separately to primaries and  
762 elections and contributions by any such committee to candidates  
763 designated in this subsection shall not exceed one hundred thousand  
764 dollars in the aggregate for any single election and primary  
765 preliminary thereto. Contributions to such committees shall also be  
766 subject to the provisions of section 9-618, as amended by this act, in the  
767 case of committees formed for ongoing political activity or section 9-  
768 619, as amended by this act, in the case of committees formed for a  
769 single election or primary.

770 (e) [No] Except as provided in subsection (g) of this section, a  
771 political committee organized by a business entity shall not make a  
772 contribution or contributions to (1) a state central committee of a  
773 political party, in excess of seven thousand five hundred dollars in any  
774 calendar year, (2) a town committee of any political party, in excess of  
775 one thousand five hundred dollars in any calendar year, (3) an  
776 exploratory committee in excess of three hundred seventy-five dollars,  
777 or (4) any other kind of political committee, in excess of two thousand  
778 dollars in any calendar year.

779 (f) As used in this subsection, "investment services" means  
780 investment legal services, investment banking services, investment  
781 advisory services, underwriting services, financial advisory services or  
782 brokerage firm services. No political committee established by a firm  
783 which provides investment services and to which the State Treasurer  
784 pays compensation, expenses or fees or issues a contract shall make a  
785 contribution to, or solicit contributions on behalf of, an exploratory  
786 committee or candidate committee established by a candidate for  
787 nomination or election to the office of State Treasurer during the term  
788 of office of the State Treasurer who does business with such firm.



789 (g) (1) Notwithstanding the provisions of [this section, a  
790 corporation, cooperative association, limited partnership, professional  
791 association, limited liability company or limited liability partnership,  
792 whether formed in this state or any other, acting alone,] subsections (a)  
793 to (f), inclusive, of this section, a business entity may make  
794 independent expenditures and contributions to an independent  
795 expenditure political committee.

796 (2) An independent expenditure political committee organized by a  
797 business entity shall not make any contribution unless such  
798 contribution is to another independent expenditure political  
799 committee.

800 Sec. 12. Section 9-614 of the general statutes is repealed and the  
801 following is substituted in lieu thereof (*Effective from passage*):

802 (a) An organization may make contributions or expenditures, other  
803 than [those made to promote] for the purpose of promoting the success  
804 or defeat of a referendum question, only by first forming its own  
805 political committee. [The] Unless such political committee is an  
806 independent expenditure political committee, the political committee  
807 shall then be authorized to (1) receive funds (A) exclusively from the  
808 organization's treasury or from voluntary contributions made by its  
809 members, but not both, (B) from another political committee, or [,] (C)  
810 from a candidate committee distributing a surplus, and [(1) to] (2)  
811 make (A) contributions or expenditures to, or for the benefit of, a  
812 candidate's campaign or a political party, or [(2) to make] (B)  
813 contributions to another political committee. [No] An organization  
814 shall not form more than one political committee. A political  
815 committee shall be deemed to have been established by an  
816 organization if the initial contribution to the committee is made by the  
817 organization's treasury or an officer or director of the organization.

818 (b) A political committee established by an organization may elect  
819 to alter the manner in which it is funded if it complies with the  
820 requirements of this subsection. The committee chairperson shall  
821 notify the repository with which the committee's most recent statement

822 of organization is filed, in writing, of the committee's intent to alter its  
823 manner of funding. [Within] Not later than fifteen days after the date  
824 of receipt of such notification, the treasurer of such political committee  
825 shall return any funds remaining in the account of the committee to  
826 the organization's treasury after payment of each outstanding liability.  
827 [Within] Not later than seven days after the distribution and payments  
828 have been made, the treasurer shall file a statement with the same  
829 repository itemizing each such distribution and payment. Upon such  
830 filing, the treasurer may receive voluntary contributions from any  
831 member of the organization which established such committee subject  
832 to the limitations imposed in subsection (b) of section 9-612, as  
833 amended by this act.

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

838 (d) Notwithstanding the provisions of this section, an organization  
839 [, acting alone,] may make independent expenditures and  
840 contributions to an independent expenditure political committee.

841 Sec. 13. Section 9-615 of the general statutes is repealed and the  
842 following is substituted in lieu thereof (*Effective from passage*):

843 (a) [No] A political committee established by an organization shall  
844 not make a contribution or contributions to, or for the benefit of, any  
845 candidate's campaign for nomination at a primary or for election to the  
846 office of: (1) Governor, in excess of five thousand dollars; (2)  
847 Lieutenant Governor, Secretary of the State, Treasurer, Comptroller or  
848 Attorney General, in excess of three thousand dollars; (3) chief  
849 executive officer of a town, city or borough, in excess of one thousand  
850 five hundred dollars; (4) state senator or probate judge, in excess of  
851 one thousand five hundred dollars; (5) state representative, in excess of  
852 seven hundred fifty dollars; or (6) any other office of a municipality  
853 not previously included in this subsection, in excess of three hundred  
854 seventy-five dollars.

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

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

865 (d) [No] Except as provided in subsection (f) of this section, a  
866 political committee established by an organization shall not make  
867 contributions in any one calendar year to, or for the benefit of, (1) the  
868 state central committee of a political party, in excess of seven thousand  
869 five hundred dollars; (2) a town committee, in excess of one thousand  
870 five hundred dollars; or (3) any political committee, other than an  
871 exploratory committee or a committee formed solely to aid or promote  
872 the success or defeat of a referendum question, in excess of two  
873 thousand dollars.

874 (e) Contributions to a political committee established by an  
875 organization for the purpose of making contributions shall be subject  
876 to the provisions of section 9-618, as amended by this act, in the case of  
877 a committee formed for ongoing political activity or section 9-619, as  
878 amended by this act, in the case of a committee formed for a single  
879 election or primary.

880 (f) An independent expenditure political committee established by  
881 an organization shall not make any contribution unless such  
882 contribution is to another independent expenditure political  
883 committee.

884 Sec. 14. Subsection (d) of section 9-617 of the general statutes is  
885 repealed and the following is substituted in lieu thereof (*Effective from*  
886 *passage*):

887 (d) [A] (1) No party committee may receive contributions in excess  
888 of one hundred thousand dollars, in the aggregate, in any calendar  
889 year from [a] any federal account of a national committee of a political  
890 party, [but may not] and no party committee may receive  
891 contributions from any other account of a national committee of a  
892 political party or from a committee of a candidate for federal or out-of-  
893 state office, for use in the election of candidates subject to the  
894 provisions of this chapter.

895 (2) Notwithstanding the provisions of subdivision (1) of this  
896 subsection, a federal account of a national committee of a political  
897 party may provide to a party committee documentation in printed or  
898 electronic form, such as a party platform, a copy of an issue paper, a  
899 list of registered voters or voter identification information, which  
900 documentation is or was created or maintained by the federal account  
901 of the national committee of a political party.

902 Sec. 15. Subsection (a) of section 9-618 of the general statutes is  
903 repealed and the following is substituted in lieu thereof (*Effective from*  
904 *passage*):

905 (a) (1) A political committee organized for ongoing political  
906 activities may make unlimited contributions to, or for the benefit of,  
907 any national committee of a political party [;] or a committee of a  
908 candidate for federal or out-of-state office. Except as provided in  
909 subdivision (3) of subsection (d) of this section, no such political  
910 committee shall make a contribution or contributions in excess of two  
911 thousand dollars to another political committee in any calendar year.  
912 No political committee organized for ongoing political activities shall  
913 make a contribution in excess of three hundred seventy-five dollars to  
914 an exploratory committee. If such an ongoing committee is established  
915 by an organization or a business entity, its contributions shall be  
916 subject to the limits imposed by sections 9-613 to 9-615, inclusive, as  
917 amended by this act. A political committee organized for ongoing  
918 political activities may make [contributions] donations to a charitable  
919 organization [which] that is a tax-exempt organization under Section

920 501(c)(3) of the Internal Revenue Code, as from time to time amended,  
921 or make memorial [contributions] donations.

922 (2) An independent expenditure political committee organized for  
923 ongoing political activities shall not make any contribution unless such  
924 contribution is to another independent expenditure political  
925 committee.

926 Sec. 16. Subsection (e) of section 9-618 of the general statutes is  
927 repealed and the following is substituted in lieu thereof (*Effective from*  
928 *passage*):

929 (e) A political committee organized for ongoing political activities  
930 [may receive contributions from the federal account of a national  
931 committee of a political party, but] may not receive contributions from  
932 any [other] account of a national committee of a political party or from  
933 a committee of a candidate for federal or out-of-state office.

934 Sec. 17. Subsection (a) of section 9-619 of the general statutes is  
935 repealed and the following is substituted in lieu thereof (*Effective from*  
936 *passage*):

937 (a) (1) No political committee established for a single primary or  
938 election shall make contributions to a national committee, or a  
939 committee of a candidate for federal or out-of-state office. If such a  
940 political committee is established by an organization or a business  
941 entity, its contributions shall also be subject to the limitations imposed  
942 by sections 9-613 to 9-615, inclusive, as amended by this act. Except as  
943 provided in subdivision (2) of subsection (d) of this section, no political  
944 committee formed for a single election or primary shall, with respect to  
945 such election or primary make a contribution or contributions in excess  
946 of two thousand dollars to another political committee, provided no  
947 such political committee shall make a contribution in excess of three  
948 hundred seventy-five dollars to an exploratory committee.

949 (2) An independent expenditure political committee established for  
950 a single primary or election shall not make any contribution unless

951 such contribution is to another independent expenditure political  
952 committee.

953 Sec. 18. Section 9-620 of the general statutes is repealed and the  
954 following is substituted in lieu thereof (*Effective from passage*):

955 (a) A political committee formed solely to aid or promote the  
956 success or defeat of a referendum question shall not make  
957 contributions to, or for the benefit of, a party committee, a political  
958 committee, a national committee, a committee of a candidate for  
959 federal or out-of-state office or a candidate committee, except in the  
960 distribution of a surplus, as provided in subsection (e) of section 9-608,  
961 as amended by this act.

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

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

973 (d) Notwithstanding the provisions of subsections (a) to (c),  
974 inclusive, of this section, an independent expenditure political  
975 committee formed solely to aid or promote the success or defeat of a  
976 referendum question shall not make any contribution unless such  
977 contribution is to another independent expenditure political  
978 committee. Unless otherwise restricted or prohibited by law, an  
979 independent expenditure political committee formed solely to aid or  
980 promote the success or defeat of a referendum question may accept  
981 contributions from an entity.

982 Sec. 19. (NEW) (*Effective from passage*) (a) A foreign-influenced  
983 entity, as defined in section 9-601 of the general statutes, as amended  
984 by this act, shall not make, directly or indirectly, (1) any contribution,  
985 as defined in section 9-601a of the general statutes, or any express or  
986 implied promise to make any such contribution, or (2) any  
987 expenditure, as defined in section 9-601b of the general statutes.

988 (b) A person shall not solicit, accept or receive a contribution from a  
989 foreign-influenced entity.

990 Sec. 20. Subsections (h) to (m), inclusive, of section 9-621 of the  
991 general statutes are repealed and the following is substituted in lieu  
992 thereof (*Effective from passage*):

993 (h) (1) No person shall make or incur an independent expenditure  
994 for any written, typed or other printed communication, including on a  
995 billboard, or any web-based, written communication, unless such  
996 communication bears upon its face, as a disclaimer, (A) the words  
997 "Paid for by", [and] (B) the name of such person and, in the case of a  
998 person other than a human being, the name of an individual who had  
999 direct, extensive and substantive decision-making authority over such  
1000 independent expenditure, and (C) the following statement: "This  
1001 message was made independent of any candidate or political party."  
1002 In the case of a person making or incurring such an independent  
1003 expenditure during the ninety-day period immediately prior to the  
1004 primary or election for which the independent expenditure is made,  
1005 such communication shall also bear upon its face the names of the five  
1006 persons who made the five largest aggregate covered transfers to the  
1007 person making such communication during the twelve-month period  
1008 immediately prior to such primary or election, as applicable. The  
1009 communication shall also state that additional information about the  
1010 person making such communication may be found on the State  
1011 Elections Enforcement Commission's Internet web site.

1012 (2) In addition to the requirements of subdivision (1) of this  
1013 subsection, no person shall make or incur an independent expenditure  
1014 for a video broadcast by television, satellite or Internet, unless at the

1015 end of such advertising there appears for a period of not less than four  
1016 seconds as a disclaimer, the following as an audio message and a  
1017 written statement: "This message was paid for by (person making the  
1018 communication) and made independent of any candidate or political  
1019 party.". In the case of a person making or incurring such an  
1020 independent expenditure during the ninety-day period immediately  
1021 prior to the primary or election for which the independent expenditure  
1022 is made, such communication shall also list the names of the five  
1023 persons who made the five largest aggregate covered transfers to the  
1024 person making such communication during the twelve-month period  
1025 immediately prior to such primary or election, as applicable. The  
1026 communication shall also state that additional information about the  
1027 person making such communication may be found on the State  
1028 Elections Enforcement Commission's Internet web site.

1029 (3) In addition to the requirements of subdivision (1) of this  
1030 subsection, no person shall make or incur an independent expenditure  
1031 for an audio communication broadcast by radio, satellite or Internet,  
1032 unless the advertising ends with a disclaimer that is a personal audio  
1033 statement by such person's agent (A) identifying the person paying for  
1034 the expenditure, and (B) indicating that the message was made  
1035 independent of any candidate or political party, using the following  
1036 form: "I am .... (name of the person's agent), .... (title), of .... (the  
1037 person). This message was made independent of any candidate or  
1038 political party.". In the case of a person making or incurring such an  
1039 independent expenditure during the ninety-day period immediately  
1040 prior to the primary or election for which the independent expenditure  
1041 is made, such communication shall state the names of the five persons  
1042 who made the five largest aggregate covered transfers to the person  
1043 making such communication during the twelve-month period  
1044 immediately prior to such primary or election, as applicable. The  
1045 communication shall also state that additional information about the  
1046 person making such communication may be found on the State  
1047 Elections Enforcement Commission's Internet web site.

1048 (4) In addition to the requirements of subdivision (1) of this



1049 subsection, no person shall make or incur an independent expenditure  
1050 for telephone calls, unless the narrative of the telephone call identifies  
1051 the person making the expenditure and during the ninety-day period  
1052 immediately prior to the primary or election for which the  
1053 independent expenditure is made, such communication shall state the  
1054 names of the five persons who made the five largest aggregate covered  
1055 transfers to the person making such communication during the twelve-  
1056 month period immediately prior to such primary or election, as  
1057 applicable. The communication shall also state that additional  
1058 information about the person making such communication may be  
1059 found on the State Elections Enforcement Commission's Internet web  
1060 site.

1061 (i) In any [print, television or social media promotion of a slate of]  
1062 organization expenditure for a party candidate listing, as defined in  
1063 subparagraph (A) of subdivision (25) of section 9-601, as amended by  
1064 this act, of a candidate or candidates by a party committee, [the party]  
1065 legislative caucus committee or legislative leadership committee, such  
1066 committee shall use applicable disclaimers pursuant to the provisions  
1067 of this section for such promotion, and no individual candidate  
1068 disclaimers shall be required.

1069 (j) [(1) Except as provided in subdivisions (2) and (3) of this  
1070 subsection, if] If any person whose name is included on a disclaimer of  
1071 a communication pursuant to the provisions of this section, as a person  
1072 who made a covered transfer to the maker of the communication, is  
1073 also a recipient of a covered transfer, the maker of the communication,  
1074 as part of any report filed pursuant to section 9-601d, as amended by  
1075 this act, associated with the making of such communication, shall  
1076 include the names of the five persons who made the top five largest  
1077 aggregate covered transfers to such recipient during the twelve-month  
1078 period immediately prior to the primary or election, as applicable.

1079 [(2) The name of any person who made a covered transfer to a tax-  
1080 exempt organization recognized under Section 501(c)(4) of the Internal  
1081 Revenue Code of 1986, or any subsequent corresponding internal

1082 revenue code of the United States, as amended from time to time, that  
1083 has not had its tax exempt status revoked, shall not be disclosed  
1084 pursuant to the provisions of subdivision (1) of this subsection.

1085 (3) The name of any person who made a covered transfer to a  
1086 person whose name is included on a disclaimer pursuant to the  
1087 provisions of this section shall not be disclosed pursuant to the  
1088 provisions of subdivision (1) of this subsection if the recipient of such  
1089 covered transfer accepts covered transfers from at least one hundred  
1090 different sources, provided no such source accounts for ten per cent or  
1091 more of the total amount of covered transfers accepted by the recipient  
1092 during the twelve-month period immediately prior to the primary or  
1093 election, as applicable.]

1094 (k) Any disclaimer required to be on the face of a written, typed or  
1095 other printed communication pursuant to the provisions of this section  
1096 shall be printed in no smaller than eight-point type of uniform font  
1097 when such disclaimer is on a communication contained in a flyer or  
1098 leaflet, newspaper, magazine or similar literature, or that is delivered  
1099 by mail.

1100 (l) Notwithstanding the provisions of this section, no person making  
1101 an independent expenditure for a communication shall be required to  
1102 list as part of any disclaimer pursuant to this section any person whose  
1103 covered transfers to the maker of the communication are not in an  
1104 aggregate amount of five thousand dollars or more during the twelve-  
1105 month period immediately prior to the primary, [or] election or  
1106 referendum, as applicable, for which such independent expenditure is  
1107 made.

1108 (m) Notwithstanding the provisions of this section, any disclaimer  
1109 required to be on the face of any Internet [text advertisement  
1110 communication (1) that appears based on the result of a search  
1111 conducted by a user of an Internet search engine, and (2) the text of  
1112 which contains two hundred or fewer characters, shall not be required  
1113 to list the names of the five persons who made the top five largest  
1114 aggregate covered transfers to the maker of such communication, as

1115 otherwise required by this section, if such disclaimer (A) includes a  
1116 link to an Internet web site that discloses the names of such five  
1117 persons, and (B) otherwise contains any statement required pursuant  
1118 to the provisions of this section] communication, which  
1119 communication is disseminated through a medium in which the  
1120 provision of all information required to be provided pursuant to this  
1121 section is not possible, shall, in a clear and conspicuous manner (1)  
1122 state the name of the person who paid for such communication, and (2)  
1123 provide a means for any recipient of such communication to obtain,  
1124 with minimal effort and without receiving or viewing any additional  
1125 material, the remainder of the information required to be provided  
1126 pursuant to this section.

1127 Sec. 21. Section 9-622 of the general statutes is repealed and the  
1128 following is substituted in lieu thereof (*Effective from passage*):

1129 The following persons shall be guilty of illegal practices and shall be  
1130 punished in accordance with the provisions of section 9-623:

1131 (1) Any person who, directly or indirectly, individually or by  
1132 another person, gives or offers or promises to any person any money,  
1133 gift, advantage, preferment, entertainment, aid, emolument or other  
1134 valuable thing for the purpose of inducing or procuring any person to  
1135 sign a nominating, primary or referendum petition or to vote or refrain  
1136 from voting for or against any person or for or against any measure at  
1137 any election, caucus, convention, primary or referendum;

1138 (2) Any person who, directly or indirectly, receives, accepts,  
1139 requests or solicits from any person, committee, association,  
1140 organization or corporation, any money, gift, advantage, preferment,  
1141 aid, emolument or other valuable thing for the purpose of inducing or  
1142 procuring any person to sign a nominating, primary or referendum  
1143 petition or to vote or refrain from voting for or against any person or  
1144 for or against any measure at any such election, caucus, primary or  
1145 referendum;

1146 (3) Any person who, in consideration of any money, gift, advantage,

1147 preferment, aid, emolument or other valuable thing paid, received,  
1148 accepted or promised to the person's advantage or any other person's  
1149 advantage, votes or refrains from voting for or against any person or  
1150 for or against any measure at any such election, caucus, primary or  
1151 referendum;

1152 (4) Any person who solicits from any candidate any money, gift,  
1153 contribution, emolument or other valuable thing for the purpose of  
1154 using the same for the support, assistance, benefit or expenses of any  
1155 club, company or organization, or for the purpose of defraying the cost  
1156 or expenses of any political campaign, primary, referendum or  
1157 election;

1158 (5) Any person who, directly or indirectly, pays, gives, contributes  
1159 or promises any money or other valuable thing to defray or towards  
1160 defraying the cost or expenses of any campaign, primary, referendum  
1161 or election to any person, committee, company, club, organization or  
1162 association, other than to a treasurer, except that this subdivision shall  
1163 not apply to any expenses for postage, telegrams, telephoning,  
1164 stationery, express charges, traveling, meals, lodging or photocopying  
1165 incurred by any candidate for office or for nomination to office, so far  
1166 as may be permitted under the provisions of this chapter;

1167 (6) Any person who, in order to secure or promote the person's own  
1168 nomination or election as a candidate, or that of any other person,  
1169 directly or indirectly, promises to appoint, or promises to secure or  
1170 assist in securing the appointment, nomination or election of any other  
1171 person to any public position, or to any position of honor, trust or  
1172 emolument; but any person may publicly announce the person's own  
1173 choice or purpose in relation to any appointment, nomination or  
1174 election in which the person may be called to take part, if the person is  
1175 nominated for or elected to such office;

1176 (7) Any person who, directly or indirectly, individually or through  
1177 another person, makes a payment or promise of payment to a treasurer  
1178 in a name other than the person's own, and any treasurer who  
1179 knowingly receives a payment or promise of payment, or enters or

1180 causes the same to be entered in the person's accounts in any other  
1181 name than that of the person by whom such payment or promise of  
1182 payment is made;

1183 (8) Any person who knowingly and wilfully violates any provision  
1184 of this chapter;

1185 (9) Any person who offers or receives a cash contribution in excess  
1186 of one hundred dollars to promote the success or defeat of any political  
1187 party, candidate or referendum question;

1188 (10) Any person who solicits, makes or receives a contribution that  
1189 is otherwise prohibited by any provision of this chapter;

1190 (11) Any department head or deputy department head of a state  
1191 department who solicits a contribution on behalf of, or for the benefit  
1192 of, any candidate for state, district or municipal office or any political  
1193 party;

1194 (12) Any municipal employee who solicits a contribution on behalf  
1195 of, or for the benefit of, any candidate for state, district or municipal  
1196 office, any political committee or any political party, from (A) an  
1197 individual under the supervision of such employee, or (B) the spouse  
1198 or a dependent child of such individual;

1199 (13) Any person who makes an expenditure, that is not an  
1200 independent expenditure, for a candidate without the knowledge of  
1201 such candidate. No candidate shall be civilly or criminally liable with  
1202 regard to any such expenditure;

1203 (14) Any chief of staff of a legislative caucus who solicits a  
1204 contribution on behalf of or for the benefit of any candidate for state,  
1205 district or municipal office from an employee of the legislative caucus;

1206 (15) Any chief of staff for a state-wide elected official who solicits a  
1207 contribution on behalf of or for the benefit of any candidate for state,  
1208 district or municipal office from a member of such official's staff; [or]

1209 (16) Any chief of staff for the Governor or Lieutenant Governor who  
1210 solicits a contribution on behalf of or for the benefit of any candidate  
1211 for state, district or municipal office from a member of the staff of the  
1212 Governor or Lieutenant Governor, or from any commissioner or  
1213 deputy commissioner of any state agency; [.] or

1214 (17) Any person that structures or assists in structuring, or attempts  
1215 to structure or assist in structuring, any solicitation, contribution,  
1216 expenditure, disbursement or other transaction for the purpose of  
1217 evading the requirements of chapters 155 to 157, inclusive.

1218 Sec. 22. Subdivision (1) of subsection (g) of section 9-7a of the  
1219 general statutes is repealed and the following is substituted in lieu  
1220 thereof (*Effective from passage*):

1221 (g) (1) In the case of a written complaint filed with the commission  
1222 pursuant to section 9-7b, commission staff shall conduct and complete  
1223 a preliminary examination of such complaint by the fourteenth day  
1224 following its receipt, at which time such staff shall, at its discretion, (A)  
1225 dismiss the complaint for failure to allege any substantial violation of  
1226 state election law supported by evidence, (B) engage the respondent in  
1227 discussions in an effort to speedily resolve any matter pertaining to a  
1228 de minimis violation, or (C) investigate and docket the complaint for a  
1229 determination by the commission that probable cause or no probable  
1230 cause exists for any such violation. If commission staff dismisses a  
1231 complaint pursuant to subparagraph (A) of this subdivision, such staff  
1232 shall provide a brief written statement concisely setting forth the  
1233 reasons for such dismissal. If commission staff engages a respondent  
1234 pursuant to subparagraph (B) of this subdivision but is unable to  
1235 speedily resolve any such matter described in said subparagraph by  
1236 the forty-fifth day following receipt of the complaint, such staff shall  
1237 docket such complaint for a determination by the commission that  
1238 probable cause or no probable cause exists for any violation of state  
1239 election law. If the commission does not, by the sixtieth day following  
1240 receipt of the complaint, either issue a decision or render its  
1241 determination that probable cause or no probable cause exists for any

1242 violation of state election laws, the complainant or respondent may  
1243 apply to the superior court for the judicial district of Hartford for an  
1244 order to show cause why the commission has not acted upon the  
1245 complaint and to provide evidence that the commission has  
1246 unreasonably delayed action. For any complaint received on or after  
1247 January 1, 2018, if the commission does not, by one year following  
1248 receipt of such complaint, [issue a decision thereon] find reason to  
1249 believe, pursuant to section 9-7b-35 of the regulations of Connecticut  
1250 state agencies, that a violation of state election law has been  
1251 committed, the commission shall dismiss such complaint, provided the  
1252 length of time of any delay caused by (i) the commission or  
1253 commission staff granting any extension or continuance to a  
1254 respondent prior to the issuance of any such decision, (ii) any  
1255 subpoena issued in connection with such complaint, (iii) any litigation  
1256 in state or federal court related to such complaint, [or] (iv) any  
1257 investigation by the commission or commission staff (I) involving a  
1258 potential violation of section 9-601c or 9-601d, as amended by this act,  
1259 or (II) involving a potential violation of state election law by any  
1260 foreign national or foreign-influenced entity, or (v) any investigation  
1261 by, or consultation of the commission or commission staff with, the  
1262 Chief State's Attorney, the Attorney General, the United States  
1263 Department of Justice or the United States Attorney for Connecticut  
1264 related to such complaint, shall be added to such one year.

1265 Sec. 23. (NEW) (*Effective January 1, 2020*) (a) As used in this section:

1266 (1) "Online platform" means any public-facing Internet web site or  
1267 application or digital application, including, but not limited to, a social  
1268 network, advertisement network or search engine, that sells qualified  
1269 political advertisements and (A) has four hundred thousand or more  
1270 unique monthly visitors or users, which visitors or users have an  
1271 assigned Internet protocol address within the United States, for seven  
1272 of the preceding twelve months, or (B) has revenue from advertising in  
1273 excess of one thousand dollars per year; and

1274 (2) "Qualified political advertisement" means any advertisement,

1275 including, but not limited to, sponsorship and search engine  
1276 marketing, that is an expenditure, as defined in section 9-601b of the  
1277 general statutes.

1278 (b) An online platform shall maintain, and make available for online  
1279 public inspection in machine-readable format, a complete record of  
1280 any request to purchase on such online platform a qualified political  
1281 advertisement, which request is made by a person whose aggregate  
1282 requests to purchase qualified political advertisements on such online  
1283 platform during the calendar year exceeds two hundred dollars.

1284 (c) Any person who requests to purchase a qualified political  
1285 advertisement on an online platform shall provide to the online  
1286 platform all information necessary for such online platform to comply  
1287 with the requirements of subsection (b) of this section.

1288 (d) A record maintained pursuant to subsection (b) of this section  
1289 shall contain the following:

1290 (1) A digital copy of the qualified political advertisement;

1291 (2) A description of the audience targeted by such advertisement,  
1292 the number of views generated from such advertisement and the date  
1293 and time that such advertisement is both first and last displayed; and

1294 (3) Information regarding (A) the average rate charged for such  
1295 advertisement, (B) as applicable, (i) the name of any candidate to  
1296 whom such advertisement refers and the office to which such  
1297 candidate is seeking nomination or election, (ii) the primary or election  
1298 to which such advertisement refers, or (iii) the referendum question to  
1299 which such advertisement refers, and (C) (i) for a request by or on  
1300 behalf of a candidate to make such purchase, (I) the name of such  
1301 candidate, (II) the name of the authorized candidate committee of such  
1302 candidate, and (III) the name of the treasurer of such candidate  
1303 committee, or (ii) for any other request to make such purchase, (I) the  
1304 name of the person making such request, (II) the name, street address  
1305 and phone number of a contact individual for such person, and (III) in



1306 the case of a person other than a human being, the name of an  
1307 individual who had direct, extensive and substantive decision-making  
1308 authority over the request to make such purchase.

1309 (e) (1) The information required to be provided or maintained, as  
1310 applicable, pursuant to this section shall be made available as soon as  
1311 possible and retained by an online platform for a period of not less  
1312 than four years.

1313 (2) If an online platform, pursuant to federal law, maintains the  
1314 information set forth in subsection (d) of this section and includes such  
1315 information in any report filed with the Federal Election Commission,  
1316 the Federal Communications Commission or any similar federal  
1317 agency, such online platform may make available, pursuant to  
1318 subdivision (1) of this subsection, only identifying information  
1319 sufficient to find such report.

1320 (f) The requirements of this section shall be in addition to any other  
1321 requirement set forth in chapters 155 to 157, inclusive, of the general  
1322 statutes with regard to reporting or disclosure of any contribution or  
1323 expenditure.

1324 (g) (1) Notwithstanding the provisions of section 9-623 of the  
1325 general statutes, if an online platform fails to maintain a complete  
1326 record of any request to purchase on such online platform a qualified  
1327 political advertisement, in accordance with subsection (b) of this  
1328 section, such online platform shall be subject to a civil penalty,  
1329 imposed by the State Elections Enforcement Commission, of not more  
1330 than ten thousand dollars, except that if such online platform so fails  
1331 for a qualified political advertisement made or obligated to be made  
1332 ninety days or less before the day of a primary, election or referendum,  
1333 such online platform shall be subject to a civil penalty, imposed by the  
1334 State Elections Enforcement Commission, of not more than twenty  
1335 thousand dollars or twice the amount of the total of all such qualified  
1336 political advertisements not maintained as part of such record,  
1337 whichever is greater.

1338 (2) Notwithstanding the provisions of section 9-623 of the general  
 1339 statutes, if the State Elections Enforcement Commission finds that any  
 1340 such failure is knowing and wilful, the online platform shall be subject  
 1341 to an additional civil penalty, imposed by the commission, of not more  
 1342 than fifty thousand dollars or ten times the amount of the total of all  
 1343 such qualified political advertisements not maintained as part of such  
 1344 record, whichever is greater, and the commission may refer the matter  
 1345 to the office of the Chief State's Attorney.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	9-601
Sec. 2	<i>from passage</i>	9-601(3)
Sec. 3	<i>from passage</i>	9-601d
Sec. 4	<i>from passage</i>	9-603(a) and (b)
Sec. 5	<i>from passage</i>	9-605(a) and (b)
Sec. 6	<i>from passage</i>	9-607(g)(1)
Sec. 7	<i>from passage</i>	9-608(c)
Sec. 8	<i>from passage</i>	9-608(e)(1)(C)
Sec. 9	<i>from passage</i>	9-612(a) and (b)
Sec. 10	<i>from passage</i>	9-612(d)
Sec. 11	<i>from passage</i>	9-613
Sec. 12	<i>from passage</i>	9-614
Sec. 13	<i>from passage</i>	9-615
Sec. 14	<i>from passage</i>	9-617(d)
Sec. 15	<i>from passage</i>	9-618(a)
Sec. 16	<i>from passage</i>	9-618(e)
Sec. 17	<i>from passage</i>	9-619(a)
Sec. 18	<i>from passage</i>	9-620
Sec. 19	<i>from passage</i>	New section
Sec. 20	<i>from passage</i>	9-621(h) to (m)
Sec. 21	<i>from passage</i>	9-622
Sec. 22	<i>from passage</i>	9-7a(g)(1)
Sec. 23	<i>January 1, 2020</i>	New section

**Statement of Legislative Commissioners:**

In Section 3(c), "filings are" was changed to "filing is" in Subdiv. (2) for accuracy, and the provision was restructured in Subdiv. (8) for clarity;

and in Section 18(d), "contribution is made to" was changed to "contribution is to" for consistency.

**GAE**      *Joint Favorable Subst. -LCO*

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 \$
Elections Enforcement Commission	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill makes various changes to laws affecting campaign finance and elections. Specifically, the bill: 1) modifies registration requirements for political action committees (PACs), 2) codifies "independent expenditure political committee" as a type of PAC and requires them to register with the State Elections Enforcement Commission (SEEC), 3) expands independent expenditure (IE) and covered transfer disclosure requirements, 4) increases maximum penalties for failing to file certain IE reports, 5) prohibits foreign-influenced entities from making contributions or expenditures, 6) establishes a \$100,000 aggregate calendar year limit on certain contributions, 7) modifies current, and establishes new, political advertisement disclaimer requirements, and 8) makes various other changes.

Increasing maximum penalties may result in a potential revenue gain. The magnitude of the revenue gain depends on the number of violations. No additional fiscal impact to SEEC is anticipated as a result of this bill as they have the expertise to handle any additional workload.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of violations.

**OLR Bill Analysis****HB 7329*****AN ACT CONCERNING DARK MONEY AND DISCLOSURE OF FOREIGN POLITICAL SPENDING AND OF POLITICAL ADVERTISING ON SOCIAL MEDIA.*****SUMMARY**

This bill changes laws affecting campaign finance and elections. Principally, it does the following:

1. modifies registration requirements for political committees (known as PACs), including expanding the contents of the registration statement;
2. codifies “independent expenditure political committee” (known as an IE-only PAC) as a type of PAC and requires IE-only PACs to register with the State Elections Enforcement Commission (SEEC);
3. expands independent expenditure (IE) and covered transfer disclosure requirements;
4. increases the maximum penalties for failing to file IE reports;
5. prohibits foreign-influenced entities from making contributions or expenditures;
6. establishes a \$100,000 aggregate calendar year limit on contributions to a party committee from the federal account of the political party's national committee, subject to certain exceptions;
7. modifies disclaimer requirements for party candidate listings and Internet communications;

8. defines “online platform” and “qualified political advertisement” for purposes of state campaign finance laws and establishes records requirements for them;
9. establishes an additional illegal campaign finance practice; and
10. modifies the circumstances under which SEEC must dismiss a complaint within one year after receiving it.

The bill also makes minor, technical, and conforming changes. In several instances it conforms law with practice, including requiring that reports for IEs made for or against (1) statewide office or legislative candidates, or statewide referenda, be filed with SEEC and (2) municipal office candidates or municipal referenda be filed with town clerks (§ 4).

EFFECTIVE DATE: Upon passage, except the provisions concerning online platforms are effective January 1, 2020.

#### **§ 5 — PAC REGISTRATIONS**

By law, most PACs must register with SEEC and designate a treasurer; they may also designate a deputy treasurer. The registration statement must include, among other things, the name of the committee and its purpose.

The bill does the following:

1. requires that PAC chairpersons be individuals (i.e., human beings) with direct, extensive, and substantive decision-making authority over committee activities concerning raising and spending funds;
2. defines “principal officer” for purposes of the statements;
3. expands the registration statement’s required contents; and
4. changes the deadline for filing PAC registrations from no later than 10 days after the day of organization to no later than 10

days after receiving contributions, or making or incurring expenditures, of more than \$1,000 in the aggregate.

### ***Principal Officer***

By law, a PAC's registration statement must include its principal officers' names and addresses. The bill defines "principal officer" as an individual who, with respect to the PAC:

1. occupies a title, office, or position other than chairperson, treasurer, or deputy treasurer;
2. serves on an advisory panel, including a steering committee, executive committee, or similar body, in order to influence or authorize decisions about fundraising, solicitation, or expenditures to other committees; or
3. participates in selecting the PAC's chairperson, treasurer, deputy treasurer, or their replacements.

### ***Required Contents***

The bill expands the required contents of the PAC registration statement. Under the bill, if a committee files a report with the Federal Election Commission (FEC), IRS, or similar out-of-state agency, the bill requires that the registration statement include identifying information under which such filings are made.

In addition, if a committee is established or controlled by a person or individual acting as an agent for the person, the statement must indicate the person's name. If a committee is established or controlled by a person other than a human being, the statement must indicate the name of the CEO or an equivalent. Current law requires only that a PAC established by a business entity or organization (labor union) indicate the name of the entity or organization.

### **§§ 1, 2, 6, 8 & 9, 11-13, 15, 17 & 18 — IE-ONLY PACS**

The bill codifies "independent expenditure political committee" (known as an IE-only PAC) as a type of PAC under Connecticut's



campaign finance laws and, like other committees that make IEs, requires their registration with SEEC. It defines them as PACs that make only (1) IEs and (2) contributions to other IE-only PACs.

The bill makes several conforming changes, including specifying that (1) individuals, business entities, and labor unions may make contributions to IE-only PACs and (2) various types of IE-only PACs, such as those formed for a single election or primary, are prohibited from making contributions, other than to other IE-only PACs (see BACKGROUND). It also establishes disclosure requirements for these PACs.

### ***Lawful Purposes (§ 6)***

The bill defines “lawful purposes of the committee” for IE-only PACs as promoting the following:

1. a political party;
2. the success or defeat of candidates for nomination or election to a public office or position regulated by state campaign finance laws; or
3. the success or defeat of referendum questions.

It requires these committees to act entirely independently of any candidate, candidate committee, party committee, PAC (other than an IE-only PAC), or agent of such a candidate or committee.

Existing law generally allows PACs to pay specific expenses to accomplish their lawful purposes.

### ***Surplus Distributions (§ 8)***

By law, candidate committees and PACs, other than exploratory committees or PACs organized for ongoing political activities, must generally spend or distribute surplus funds within 90 days after (1) a primary when a candidate loses or (2) March 31 following an election or a referendum held in November.

The bill establishes a surplus distribution procedure for IE-only PACs, other than those formed for ongoing activities. Specifically, it requires them to distribute surplus funds, according to the schedule outlined above, to (1) their contributors, on a prorated basis; (2) state or municipal governments or agencies; or (3) tax-exempt organizations.

### **§§ 3-4 & 7 — REPORTING IEs AND COVERED TRANSFERS**

By law, persons must disclose information about IEs they make that exceed \$1,000 in the aggregate by filing certain reports. A “person” is an individual, committee, firm, partnership, organization, association, syndicate, company trust, corporation, limited liability company, or any other legal entity (other than the state or its political or administrative subdivisions)(CGS § 9-601(10)).

The bill does the following:

1. changes the period during which IE disclosure reports are subject to a 24-hour electronic filing deadline;
2. expands disclosure requirements for persons that make IEs without forming a PAC (known as “incidental spenders”) and for IE-only PACs;
3. conforms law with practice by requiring that, to disclose IEs, (a) incidental spenders use SEEC’s long- and short-form reports and (b) PACs, including IE-only PACs, use SEEC’s campaign finance forms for PACs formed in Connecticut.

#### ***Twenty-four Hour Report Filing Deadline (§ 3)***

Under current law, a person must electronically file a disclosure report within 24 hours after making or obligating to make an IE that (1) is made or obligated during a primary or general election campaign and (2) promotes the success or defeat of a statewide office or legislative candidate.

The bill instead applies the 24-hour electronic filing requirement to such IEs made or obligated to be made during the period (1) beginning

July 1 in a regular election year or, in the case of a special election for state senator or state representative, the day the governor issues writs of election and (2) ending on the day following the primary or general election for which the IE is made or incurred. In the case of a special election, a person that makes or obligates to make an IE that exceeds \$1,000 in the aggregate before the governor issues the writs must electronically file the IE report within 24 hours after the governor issues the writs.

For any other IE, existing law requires that the reports be filed according to the same schedule as the periodic statements filed by PACs (CGS § 9-608).

### ***Disclosures by Incidental Spenders (§ 3)***

Existing law requires persons, other than PACs (as discussed above), to disclose information about IEs they make using SEEC's long- and short-form reports (i.e., SEEC Form 26)(see BACKGROUND). The bill adds to the information that these IE-makers must disclose in these reports.

Under the bill, they must additionally disclose the following in the long-form report:

1. the name of the human being who had direct, extensive, and substantive decision-making authority over the IE being disclosed, as well as his or her mailing address, telephone number, and e-mail;
2. for the person making or obligating to make the IE, a statement indicating if the person files a report with the FEC, the IRS, or any similar out-of-state agency, and identifying information under which any filing is made;
3. generally, any street address that is different from any mailing address required by the form;
4. for a referendum, its date, the question's text, and whether the IE

supported or opposed it; and

5. whether the person making or obligating to make the IE is a foreign-influenced entity, and, if so, a description of the facts establishing the person as such.

The bill also requires the individual who files the long-form report to certify, under penalty of false statement, that due inquiry was made by the CEO, CFO, or equivalent officer to determine that the IE-maker was not a foreign national on the date when the IE was made or obligated to be made (see BACKGROUND).

Under the bill, the short-form report must additionally disclose the following:

1. for a referendum, the question's text and an allocation of the expenditure in support or opposition to it and
2. any other information SEEC requires to facilitate compliance with state campaign finance laws.

Under current law if a person makes the IE from a dedicated IE account, the IE report and disclaimer (see below) can include only persons who made covered transfers to it directly. The bill instead requires that the report and disclaimer include this information at a minimum.

#### ***Disclosures by IE-Only PACs (§ 7)***

Existing law requires PACs to disclose information about their IEs by filing campaign finance statements with SEEC (i.e., SEEC Form 20 for regular PACs and SEEC Form 40 for IE-only PACs). Under the bill, an IE-only PAC must include additional information in these statements if any of its contributors received covered transfers that exceed \$5,000 in the aggregate during the 12-month period preceding the applicable primary or election. The requirement applies when persons contribute more than \$1,000 in the aggregate.

By law, a “covered transfer” is, with certain exceptions, any

donation, transfer, or payment of funds by a person to a recipient that (1) makes IEs or (2) transfers funds to another person that makes IEs (CGS § 9-601(29)).

**Dedicated Accounts.** Under the bill, a person that makes a contribution exceeding \$1,000 in the aggregate to an IE-only PAC from a dedicated IE-expenditure account must provide (to the IE-only PAC's treasurer) the source and amount of each donation, transfer, or payment that exceeds \$5,000 in the aggregate to the account. The treasurer must include this information in the periodic campaign finance statements the PAC files with SEEC. A "dedicated IE-account" is one that is segregated from any other account the person controls.

The bill creates parameters for dedicated IE-accounts that are used to make contributions to IE-only PACs. It (1) allows such an account to receive covered transfers directly from any person, other than the person establishing it, and (2) prohibits the account from receiving covered transfers from any other account the person that established it controls, with one exception: a covered transfer can be moved to a dedicated account from another account that person controls, upon a covered transfer-maker's request, for the purpose of making IEs. In that case, it must be treated as a covered transfer directly to the dedicated IE-account.

**Other Sources.** A person that makes a contribution exceeding \$1,000 in the aggregate to an IE-only PAC from a source other than a dedicated IE-expenditure account must provide (to the IE-only PAC's treasurer) the source and amount of each donation, transfer, or payment exceeding \$5,000, in the aggregate, to the person during the 12 months before the primary or election for which the IE is made. The treasurer must include this information in the periodic campaign finance statements the PAC files with SEEC.

**Additional Requirements.** The bill prohibits recipients of covered transfers that exceed \$5,000 in the aggregate from knowingly making a contribution to an IE-maker without complying with all of the source and amount disclosure requirements described above.

In addition, a person that makes contributions to an IE-only PAC that separately or in the aggregate exceed \$1,000 per calendar year must provide the IE-only PAC with additional information if it receives covered transfers that separately or in the aggregate exceed \$5,000. Specifically, the person must provide the IE-only PAC with a statement, signed under penalty of false statement. By law, false statement is a class A misdemeanor, punishable by up to one year in prison, up to a \$2,000 fine, or both.

Under the bill, the statement must include:

1. the name of the contributor's employer or employers, if the contributor is a human being;
2. the contributor's status as a client or communicator lobbyist, or an immediate family member of a communicator lobbyist, under the State Code of Ethics;
3. a certification that the contributor is not a state contractor, principal of a state contractor, foreign national, or otherwise prohibited from making a contribution to the IE-only PAC; and
4. any person's name required for disclosure and the corresponding covered transfer amounts.

SEEC must prepare a form for the above certification statement and make it available to treasurers and contributors. The form must explain the term "covered transfer," and IE-only PACs must include the form's information in any written solicitation they conduct.

The bill prohibits IE-only PAC treasurers from accepting contributions from the contributors described above without the required information. Such a treasurer must (1) send a request by certified mail, return receipt requested, within three business days after receiving a contribution without a certification and (2) refrain from making the deposit until obtaining it. If the contributor still does not provide the certification, the treasurer must return the contribution at the end of the reporting period in which it was received or within 14

days after the treasurer's written request, whichever is later.

The bill provides treasurers a complete defense to any action taken against them, including an investigation by SEEC, concerning a contribution they deposit based on a signed certification later determined to be false.

***Penalties for Failure to File an IE Report (§ 3)***

The bill increases the maximum civil penalties SEEC may impose for failure to file certain required IE reports. It also subjects IEs that support or oppose referendum questions to these penalties.

Specifically, existing law allows SEEC to impose a maximum penalty of \$10,000 for failure to file more than 90 days before a primary or general election. The bill extends this penalty to IEs that support or oppose a referendum.

For failure to file in 90 days or less before a primary or general election, SEEC may currently impose a maximum penalty of \$20,000. The bill instead allows SEEC to impose a penalty of up to \$20,000 or twice the amount of any unreported IE, including for a referendum, whichever is greater.

Currently, a knowing and willful failure to file an IE report is punishable by a fine of up to \$50,000. The bill instead allows SEEC to impose a civil penalty of up to \$50,000 or 10 times the amount of any unreported expenditure, whichever is greater.

In addition, the bill establishes personal liability for a civil penalty that remains unpaid after the latter of one year after the date when (1) SEEC imposed it or (2) a final judgment is issued following any judicial review of SEEC's action. Specifically, the bill makes the following individuals personally liable:

1. in the case of a committee, the chairperson and any officer or
2. in the case of a person other than a committee, (a) the CEO, CFO, or equivalent; (b) any other officer; and (c) any manager who

had direct, extensive, and substantive decision-making authority over the IE or IEs made or obligated to be made.

### **§§ 1, 3 & 19 — FOREIGN-INFLUENCED ENTITIES**

Federal law generally prohibits foreign nationals from making contributions, donations, or IEs in connection with federal, state, or local elections (see BACKGROUND). The bill additionally prohibits foreign-influenced entities from making (1) a contribution, or an express or implied promise to make a contribution, or (2) an expenditure. It similarly prohibits a person from soliciting, accepting, or receiving a contribution from a foreign-influenced entity.

#### ***Definitions (§ 1)***

Under the bill, a "foreign-influenced entity" means an entity in which:

1. one foreign owner holds, owns, controls, or has directly or indirectly acquired beneficial ownership of at least 5% of the total equity or outstanding voting shares;
2. multiple foreign owners hold, own, control, or have directly or indirectly acquired beneficial ownership of at least 20% of the total equity or outstanding voting shares; or
3. any foreign owner participates in any way, directly or indirectly, in the process of making decisions regarding the expenditures or contributions made by the entity.

A "foreign owner" is a (1) foreign national or (2) entity in which a foreign national holds, owns, controls, or otherwise has directly or indirectly acquired beneficial ownership of at least 50% of the total equity or outstanding voting shares.

Finally, "foreign national" has the same meaning as under federal law (see BACKGROUND).

### **§§ 14 & 16 — PARTY COMMITTEES AND FEDERAL ACCOUNTS**

The bill establishes a \$100,000 aggregate calendar year limit on



contributions to a party committee from the federal account of the political party's national committee. It exempts from this limit electronic or printed documentation that the national committee creates or maintains and provides to the party committee, such as a party platform, issue paper, or voter registry list.

In addition, the bill prohibits PACs organized for ongoing political activities from receiving contributions from the federal account of a political party's national committee. Currently, these PACs are the only type organized under Connecticut law that are permitted to accept such contributions.

## **§ 20 — POLITICAL ATTRIBUTIONS**

By law, printed, video, and audio political communications must include certain attributions, known as “disclaimers.” Among other things, they must identify the person making the expenditure for the communication.

### ***IEs for Printed Communications***

The law prohibits a person from making an IE for written, typed, or printed communications, including those on a billboard or that are web-based, unless the communication has a disclaimer on its face. Under the bill, when the communication is paid for by an entity (not a human being), the disclaimer must include the name of the individual who had direct, extensive, and substantive decision-making authority over the IE.

### ***Party Candidate Listings***

Current law requires that party committees (i.e., state central and town) use the appropriate disclaimer in any print, television, or social media promotion of a slate of candidates (disclaimers by individual candidates are not required). The bill expands the disclaimer to cover organization expenditures for party candidate listings and extends it to legislative caucus and legislative leadership committees, as well as party committees.

By law, a “party candidate listing” is a communication that (1) lists

the name or names of candidates for election; (2) is distributed through public advertising (e.g., cable television, newspapers, or similar media), direct mail, telephone, electronic mail, publicly accessible Internet sites, or personal delivery; and (3) is made to promote the success or defeat of a candidate or slate of candidates seeking nomination or election, or to aid or promote the success or defeat of a referendum question or a political party. The communication cannot be a solicitation for or on behalf of a candidate committee.

### ***Reporting Covered Transfers Identified in Advertisements***

By law, if a person identified in a political communication disclaimer as a top five transferor is also a recipient of a covered transfer (“recipient transferor”), the IE-maker must disclose in its reports to SEEC the names of the top five transferors to that recipient transferor. The “top five transferors” are the five persons that made the five largest aggregate covered transfers of \$5,000 or more to the person making the communication during the 12 months before the applicable primary or election.

The bill eliminates provisions in current law that prohibit certain disclosures in these reports. Specifically, the bill lifts the prohibition on disclosing the name of any person that made a covered transfer to a 501(c)(4) organization if the organization is a top five transferor. (Under federal law, these organizations are not required to publicly disclose their donors.)

It also lifts the prohibition on disclosing the name of any person that made a covered transfer to a top five transferor if (1) the recipient accepts covered transfers from 100 or more different sources and (2) no source accounts for 10% or more of the covered transfers accepted by the recipient during the 12 months immediately preceding the applicable primary or election.

The bill also specifies that a person is not required to list in a disclaimer any other person that made a covered transfer to it of less than \$5,000 in the aggregate during the 12 months immediately

preceding a referendum for which an IE is made. This provision already applies to primaries and elections.

**Internet Communications**

The bill modifies the disclaimer requirements for certain Internet communications, as shown in Table 1.

**Table 1: Disclaimer Requirements for Certain Internet Communications**

	<i>Current Law</i>	<i>The Bill</i>
<b>Type of Communication</b>	Internet text advertisement that (1) appears based on the result of an Internet search and (2) has 200 or fewer characters in its text	Any Internet communication disseminated through a medium that makes it impossible to provide all disclaimer information required by law
<b>Disclaimer Requirements</b>	Communication need not disclose the top five transferors but must (1) include a link to a website disclosing the names of the top five transferors and (2) contain any other disclaimer information required by law	Communication must, in a clear and conspicuous way, (1) state the name of the person who paid for the communication and (2) provide a way for anyone who receives the communication to obtain, with minimal effort and without receiving or viewing additional material, the remainder of the disclaimer information required by law

**§ 23 — ONLINE PLATFORMS**

The bill defines “online platform” and “qualified political advertisement” for purposes of state campaign finance laws and establishes records requirements for them, including making certain records open to the public. It specifies that these requirements are in addition to any other requirements in state law for reporting or disclosing contributions and expenditures.

Under the bill, an online platform must maintain a complete record of purchase requests for qualified political advertisements by a person whose requests exceed \$200 during a calendar year. The platform must make any such record available for online public inspection in a machine-readable format. Any person submitting a purchase request for a qualified political advertisement must provide the online

platform with all the information it needs to comply with these requirements.

***Definitions***

The bill defines "online platform" as any public-facing Internet website, application, or digital application, including a social network, advertisement network, or search engine that sells qualified political advertisements and that has (1) for seven of the last 12 months at least 400,000 unique monthly visitors or users that have a U.S. Internet protocol address or (2) advertising revenue that exceeds \$1,000 per year.

A "qualified political advertisement" is any advertisement, including sponsorship and search engine marketing, that is an expenditure.

***Required Information***

Records that online platforms maintain to comply with the bill's requirements (i.e., those of purchase requests for qualified political advertisements) must contain the following:

1. a digital copy of the qualified political advertisement;
2. a description of the advertisement's target audience, the number of generated views, and the date and time it was first and last shown;
3. information on the average rate charged for the advertisement and, as applicable, information on the name of a candidate the advertisement referenced and the office sought, the primary or election referenced, or the referendum referenced;
4. for (a) a purchase request by or on behalf of a candidate, the name of the candidate, authorized candidate committee, and committee treasurer or (b) any other purchase request, the name of the person purchasing the advertisement; the name, address, and phone number of a contact individual; and, in the case of a

person other than a human being, the name of an individual with direct, extensive, and substantive decision-making authority over the purchase request.

### ***Providing and Maintaining Records***

Information provided or maintained in accordance with the bill's provisions must be (1) made available as soon as possible and (2) retained by an online platform for at least four years. If an online platform includes a digital copy of a qualified political advertisement in any filing with the FEC, Federal Communications Commission, or similar federal agency, it may make available only identifying information sufficient to find that report.

### ***Penalties***

The bill subjects online platforms that fail to comply with its requirements to civil penalties imposed by SEEC. Specifically, failure to maintain a complete record of any purchase request for a qualified political advertisement is punishable by a maximum penalty of \$10,000. However, if the failure is for a qualified political advertisement that is made or obligated to be made 90 days or less before a primary, election, or referendum, the maximum penalty is \$20,000 or twice the amount of the total of all qualified political advertisements not maintained as part of the record, whichever is greater.

For any knowing and willful failure that SEEC finds, the online platform is subject to an additional civil penalty of up to \$50,000 or 10 times the amount of the total of all qualified political advertisements not maintained as part of such record, whichever is greater. In such a case, SEEC may refer the matter to the chief state's attorney.

## **§ 21 — ILLEGAL PRACTICES**

The bill establishes an additional illegal campaign finance practice. By law, those who knowingly and willfully commit an illegal practice are guilty of a class D felony, punishable by imprisonment of up to five years, a fine of up to \$5,000, or both (CGS § 9-623).

Under the bill, a person is guilty of an illegal practice if that person structures, assists in structuring, or attempts to structure or assist in structuring, a solicitation; contribution; expenditure; disbursement; or other transaction in order to evade state campaign finance laws.

## **§ 22 — SEEC INVESTIGATIONS**

By law, SEEC receives complaints from the secretary of the state, registrars of voters, town clerks, and individuals under oath about alleged election law violations. It investigates and holds hearings as it deems appropriate (CGS § 9-7b(a)(1)). The bill modifies the circumstances under which SEEC must dismiss a complaint within one year after receiving it.

### ***Time Limit***

Currently SEEC must dismiss any complaint it receives on or after January 1, 2018, for which it does not issue a final opinion within one year after receiving the complaint. However, the deadline must be extended if specified actions delay the final decision's issuance.

The bill instead requires SEEC to dismiss any such complaint for which it does not find reason to believe, within one year after receiving the complaint, that an election law violation occurred. The bill (1) requires that the deadline for making this finding be extended for the same reasons that the final decision deadline must be extended under current law and (2) establishes additional reasons for extending this deadline. As under current law, the one-year deadline must be extended by the length of the delay.

### ***Extensions***

Under current law, the one-year deadline for SEEC to issue a final decision must be extended if its issuance is delayed for any of the following reasons:

1. extension or continuance granted to a respondent by SEEC or its staff before issuing the decision;
2. issuance of a subpoena in connection with the complaint;

3. litigation in state or federal court related to the complaint; or
4. consultation with the chief state's attorney, attorney general, U.S. Department of Justice, or U.S. attorney for Connecticut.

The bill similarly requires an extension, for these same reasons, of the one-year deadline for finding reason to believe that an election law violation occurred. (SEEC regulations generally prohibit the commission from proceeding with a contested case unless it finds, by a majority vote of a quorum, reason to believe that a violation occurred (Conn. Agencies Regs., § 9-7b-35).)

The bill also requires an extension if a reason to believe finding is delayed because of an investigation by the commission or its staff involving a potential (1) IE violation or (2) state election law violation by a foreign national or foreign-influenced entity (see FOREIGN-INFLUENCED ENTITIES above).

## **BACKGROUND**

### ***IE-Only PACs***

In Declaratory Ruling 2013-02, SEEC ruled that, in light of a line of cases ruling that contribution limits to IE-Only PACs are unconstitutional, it would no longer enforce contribution limits to PACs that receive and spend funds only for IEs unless it received further guidance from the legislature or a court.

### ***Long- and Short-Form IE-Reports***

As part of these reports, a person must disclose the source and amount of any covered transfer of \$5,000 or more in the aggregate that it received during the 12 months before the applicable primary or election. This requirement applies if the IE (for which the report is being filed) is made or obligated to be made 180 days or less before the primary or election.

### ***Foreign Nationals and Related Federal Law***

***Foreign Nationals.*** Federal law defines a “foreign national” as any of the following:

1. a government of a foreign country and a foreign political party;
2. a person outside of the United States unless it is established that the person is (a) an individual and a U.S. citizen domiciled within the United States or (b) not an individual, has its principal place of business in the United States, and is organized under, or created by, the United States, a state, or other place subject to U.S. jurisdiction;
3. a partnership, association, corporation, organization, or other combination of persons organized under the laws of, or having its principal place of business in, a foreign country; or
4. an individual who is not a U.S. citizen or national and is not lawfully admitted for permanent residence (52 U.S.C. § 30121(b) and 22 U.S.C. § 611(b)).

***Prohibited Activities.*** Federal law prohibits a foreign national from, among other things, directly or indirectly making:

1. in connection with a federal, state, or local election, a contribution or donation of money or anything of value; an express or implied promise to make a contribution or donation; or an expenditure or IE or
2. a contribution or donation to a federal, state, or local political party's committee.

It similarly prohibits a person from soliciting, accepting, or receiving any contribution or donation described above from a foreign national (52 U.S.C. § 30121 and 11 C.F.R. § 110.20).

### ***Related Bills***

sSB 642, reported favorably by the Government Administration and Elections (GAE) Committee, also defines “online platform” and “qualified political advertisement” and establishes related records requirements.



SB 1042, reported favorably by the GAE Committee, makes the same changes to SEEC's complaint disposition process.

sHB 5815, reported favorably by the GAE Committee, establishes a disclaimer requirement for certain political communications that contain altered images.

sHB 7210, reported favorably by the GAE Committee, also makes it an illegal practice to structure, assist in structuring, or attempt to structure or assist in structuring, a solicitation; contribution; expenditure; disbursement; or other transaction in order to evade state campaign finance laws.

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable

Yea 12    Nay 3    (04/01/2019)