OLR Bill Analysis
sSB 1038

AN ACT CONCERNING CONFLICTS OF INTEREST DUE TO AN EMPLOYER OTHER THAN THE STATE UNDER THE STATE CODE OF ETHICS.

SUMMARY

This bill expands what constitutes a “substantial conflict of interest” under the state code of ethics to include actions taken by a public official (including an elected state official) or state employee that result in a direct monetary gain or loss to his or her outside employer or spouse's employer. As under existing law, a substantial conflict does not exist if the monetary gain or loss is no greater than the gain or loss realized by any other member of the same profession, occupation, or group. The bill establishes a procedure for elected state officials to follow if they have a substantial conflict of interest (see below).

The bill also expands what constitutes a “potential conflict of interest” under the code to include actions taken by a public official (other than an elected state official) or state employee that would affect the financial interest of his or her outside employer or spouse's employer, other than one (1) of a minimal nature or (2) that is not distinct from that of a substantial segment of the general public. The bill requires these officials and employees to follow current law’s procedures for addressing “potential conflicts of interest,” as amended by the bill.

The bill also makes conforming and technical changes.

EFFECTIVE DATE: October 1, 2019

PROCEDURE IF CONFLICT EXISTS

Substantial Conflicts

Under current law, public officials (including elected state officials) and state employees cannot take official action on a matter for which
they have a substantial conflict of interest. However, the bill creates an exception for substantial conflicts involving an elected state official's or his or her spouse's outside employer. Specifically, if an elected state official has such a conflict, he or she must (1) excuse himself or herself from the matter or (2) prepare a written statement prior to taking official action on the matter, describing, under penalty of false statement:

1. the matter requiring action;

2. the nature of the conflict; and

3. why, despite the conflict, such official is able to vote or otherwise participate fairly, objectively, and in the public interest in the matter.

It requires the official to submit a copy of the statement to (1) the Office of State Ethics (OSE) and (2) such official’s state agency, if the agency does not have a journal or minutes in which to enter it.

**Potential Conflicts**

The bill also requires officials and employees, other than elected state officials, who are members of a regulatory agency and who have a potential conflict involving an outside employer to follow current law’s procedures for addressing potential conflicts of interest, as amended by the bill. Specifically, the bill specifies that the written conflict of interest statement must be (1) signed prior to taking official action on the matter and (2) submitted to the regulatory agency if such agency does not have a journal or minutes. Thus, if the official or employee is a member of a state regulatory agency, he or she must (1) excuse himself or herself from the matter or (2) prepare and submit a written statement as described above.

By law, officials and employees who are not members of a regulatory agency must prepare a written statement under penalty of false statement that describes the matter requiring action and the potential conflict and deliver a copy to (1) their immediate supervisor, who must reassign the matter, or (2) OSE, if they do not have an
immediate supervisor. In this case, the official or employee must take steps that OSE prescribes or advises.

**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 (CGS § 53a-157b).

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable
Yea 14  Nay 0  (03/29/2019)