



Senate

General Assembly

File No. 484

January Session, 2021

Substitute Senate Bill No. 761

Senate, April 15, 2021

The Committee on Government Administration and Elections reported through SEN. FLEXER of the 29th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT PERMITTING THE USE OF CITIZENS' ELECTION PROGRAM GRANT FUNDS TO OFFSET A PARTICIPATING CANDIDATE'S CHILD CARE COSTS.

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 subdivision (32) as follows (*Effective July 1, 2021*):

3 (NEW) (32) "Child care services" means services rendered to a
4 candidate for the care of any child who is under thirteen years of age
5 and for whom such candidate is the parent or legal guardian, which
6 services are necessary as a direct result of campaign activity that would
7 not exist but for such candidate's campaign.

8 Sec. 2. Subsection (e) of section 9-706 of the general statutes is
9 repealed and the following is substituted in lieu thereof (*Effective July 1,*
10 *2021*):

11 (e) (1) The State Elections Enforcement Commission shall (A) adopt

12 regulations, in accordance with the provisions of chapter 54, on
13 permissible expenditures under subsection (g) of section 9-607, as
14 amended by this act, for qualified candidate committees receiving
15 grants from the fund under sections 9-700 to 9-716, inclusive, and (B) on
16 or after July 1, 2021, amend such regulations to permit expenditures for
17 child care services.

18 (2) After the amendment of regulations pursuant to subparagraph (B)
19 of subdivision (1) of this subsection, expenditures for child care services
20 made by the qualified candidate committee of a participating candidate
21 shall be deemed permissible if such expenditures (A) are, in the
22 aggregate, not more than the amount of qualifying contributions
23 permitted under section 9-704, and (B) comply with all regulations
24 adopted or amended, as applicable, pursuant to subdivision (1) of this
25 subsection.

26 Sec. 3. Subsection (c) of section 9-710 of the general statutes is
27 repealed and the following is substituted in lieu thereof (*Effective July 1,*
28 *2021*):

29 (c) A candidate who intends to participate in the Citizens' Election
30 Program may provide personal funds for such candidate's campaign for
31 nomination or election in an amount not exceeding: (1) For a candidate
32 for the office of Governor, twenty thousand dollars; (2) for a candidate
33 for the office of Lieutenant Governor, Attorney General, State
34 Comptroller, State Treasurer or Secretary of the State, ten thousand
35 dollars; (3) for a candidate for the office of state senator, two thousand
36 dollars; or (4) for a candidate for the office of state representative, one
37 thousand dollars. Such personal funds shall not constitute a qualifying
38 contribution under section 9-704. For the purposes of this section, and
39 after the amendment of regulations pursuant to subparagraph (B) of
40 subdivision (1) of subsection (e) of section 9-706, as amended by this act,
41 expenditures for child care services made directly from any such
42 candidate's personal funds and for which such candidate does not seek
43 reimbursement from his or her candidate committee, as provided in
44 subsection (k) of section 9-607, shall not count toward the amounts

45 provided in subdivisions (1) to (4), inclusive, as applicable, of this
46 subsection.

47 Sec. 4. Subdivision (2) of subsection (g) of section 9-607 of the general
48 statutes is repealed and the following is substituted in lieu thereof
49 (*Effective July 1, 2021*):

50 (2) Unless otherwise provided by this chapter, any treasurer, in
51 accomplishing the lawful purposes of the committee, may pay the
52 expenses of: (A) Advertising in electronic and print media; (B) any other
53 form of printed advertising or communications including "thank you"
54 advertising after the election; (C) campaign items, including, but not
55 limited to, brochures, leaflets, flyers, invitations, stationery, envelopes,
56 reply cards, return envelopes, campaign business cards, direct mailings,
57 postcards, palm cards, "thank you" notes, sample ballots and other
58 similar items; (D) political banners and billboards; (E) political
59 paraphernalia, which is customarily given or sold to supporters
60 including, but not limited to, campaign buttons, stickers, pins, pencils,
61 pens, matchbooks, balloons, pads, calendars, magnets, key chains, hats,
62 tee shirts, sweatshirts, frisbees, pot holders, jar openers and other
63 similar items; (F) purchasing office supplies for campaign or political
64 purposes, campaign photographs, raffle or other fund-raising permits
65 required by law, fund-raiser prizes, postage, express mail delivery
66 services, bulk mail permits, and computer supplies and services; (G)
67 banking service charges to maintain campaign and political accounts;
68 (H) subscriptions to newspapers and periodicals which enhance the
69 candidacy of the candidate or party; (I) lease or rental of office space for
70 campaign or political purposes and expenses in connection therewith
71 including, but not limited to, furniture, parking, storage space, utilities
72 and maintenance, provided a party committee or political committee
73 organized for ongoing political activities may purchase such office
74 space; (J) lease or rental of vehicles for campaign use only; (K) lease,
75 rental or use charges of any ordinary and necessary campaign office
76 equipment including, but not limited to, copy machines, telephones,
77 postage meters, facsimile machines, computer hardware, software and
78 printers, provided a party committee or political committee organized

79 for ongoing political activities may purchase office equipment, and
80 provided further that a candidate committee or a political committee,
81 other than a political committee formed for ongoing political activities
82 or an exploratory committee, may purchase computer equipment; (L)
83 compensation for campaign or committee staff, fringe benefits, [and]
84 payroll taxes and child care services, provided (i) the candidate and any
85 member of his immediate family shall not receive compensation, and (ii)
86 compensation for child care services is reasonable and customary for the
87 services rendered; (M) travel, meals and lodging expenses of speakers,
88 campaign or committee workers, the candidate and the candidate's
89 spouse for political and campaign purposes; (N) fund raising; (O)
90 reimbursements to candidates and campaign or committee workers
91 made in accordance with the provisions of this section for campaign-
92 related expenses for which a receipt is received by the treasurer; (P)
93 campaign or committee services of attorneys, accountants, consultants
94 or other professional persons for campaign activities, obtaining or
95 contesting ballot status, nomination, or election, and compliance with
96 this chapter; (Q) purchasing campaign finance reports; (R) repaying
97 permissible campaign loans made to the committee that are properly
98 reported and refunding contributions received from an impermissible
99 source or in excess of the limitations set forth in this chapter; (S)
100 conducting polls concerning any political party, issue, candidate or
101 individual; (T) gifts to campaign or committee workers or purchasing
102 flowers or other commemorative items for political purposes not to
103 exceed one hundred dollars to any one recipient in a calendar year or
104 for the campaign, as the case may be; (U) purchasing tickets or
105 advertising from charities, inaugural committees, or other civic
106 organizations if for a political purpose, for any candidate, a candidate's
107 spouse, a member of a candidate's campaign staff, or members of
108 committees; (V) the inauguration of an elected candidate by that
109 candidate's candidate committee; (W) hiring of halls, rooms, music and
110 other entertainment for political meetings and events; (X) reasonable
111 compensation for public speakers hired by the committee; (Y)
112 transporting electors to the polls and other get-out-the-vote activities on
113 election day; and (Z) any other necessary campaign or political expense.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2021</i>	9-601
Sec. 2	<i>July 1, 2021</i>	9-706(e)
Sec. 3	<i>July 1, 2021</i>	9-710(c)
Sec. 4	<i>July 1, 2021</i>	9-607(g)(2)

GAE *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:** None**Municipal Impact:** None**Explanation**

This bill requires the State Elections Enforcement Commission to amend the Citizens' Election Program (CEP) to permit expenditures for certain child care services. Expanding permissible expenditures to include child care services has no fiscal impact as the bill does not alter grant awards to qualified candidates.

The Out Years**State Impact:** None**Municipal Impact:** None

OLR Bill Analysis**sSB 761*****AN ACT PERMITTING THE USE OF CITIZENS' ELECTION PROGRAM GRANT FUNDS TO OFFSET A PARTICIPATING CANDIDATE'S CHILD CARE COSTS.*****SUMMARY**

This bill requires the State Elections Enforcement Commission (SEEC), on or after July 1, 2021, to amend the Citizens' Election Program (CEP) regulations to permit expenditures for child care services. It authorizes qualified candidate committees (i.e., those of participating CEP candidates that SEEC has approved for a Citizens' Election Fund (CEF) grant) to make expenditures for these services using CEF grants, subject to certain limits and conditions, after SEEC amends the regulations. Currently, participating CEP candidates who have qualified for a grant may use CEF grants for these expenditures under a 2020 Superior Court decision (see BACKGROUND).

The bill defines "child care services" as necessary services rendered to a candidate for the care of a child younger than age 13 and for whom the candidate is the parent or legal guardian when the services (1) are a direct result of campaign activity and (2) would not exist but for the candidate's campaign.

By law, the CEP is the state's voluntary public campaign financing program open to candidates running for statewide office or the General Assembly.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2021

PERMISSIBLE EXPENDITURES FOR CHILD CARE SERVICES

State law establishes permissible expenditures that candidate

committees and exploratory committees may make to accomplish their lawful purposes (e.g., compensation for staff). The law applies broadly to candidates participating in the CEP, as well as to those who are privately funded and running in a state or municipal election. However, the law also requires SEEC to adopt regulations on permissible expenditures specifically for participating CEP candidates who qualify for a grant (see BACKGROUND).

The bill requires SEEC, on or after July 1, 2021, to amend the CEP regulations on permissible expenditures. After the regulations are amended, it authorizes participating candidates who qualify for a grant to make expenditures for child care services using CEF grants, subject to the following conditions and limits:

1. aggregate child care services expenditures may not exceed the amount of qualifying contributions (QCs) required to qualify for a CEF grant (e.g., in 2020, \$16,000 for candidates for state senator and \$5,300 for candidates for state representative);
2. candidates may not use CEF grants to compensate themselves or immediate family members for child care services; and
3. any compensation for child care services must be reasonable and customary for the services rendered.

By law, participating CEP candidates may provide their campaign with a limited amount of personal funds (e.g., \$2,000 for state senator and \$1,000 for state representative). The bill exempts child care services expenditures made directly from a candidate's personal funds from these limits, as long as the candidate does not seek reimbursement from his or her candidate committee. The exemption applies once SEEC amends the CEP regulations as required by the bill.

Finally, the bill clarifies that privately funded candidates may pay for child care services using campaign funds, thus conforming the law to current practice.

BACKGROUND

Related Bill

SB 883, favorably reported by the reported by the Government Administration Elections Committee, contains the same provisions on the CEP and expenditures for child care services.

Related Declaratory Ruling

In Declaratory Ruling 2019-02, SEEC (1) ruled that under current CEP regulations, child care services are not a permissible expense for candidates who have been approved for a CEF grant and (2) indicated that a change to the law or its regulations would be necessary to permit these expenditures.

SEEC also reaffirmed its 1976 advisory opinion concerning privately funded candidates. In that opinion, the commission held that privately funded candidates may generally use campaign funds to pay for childcare services, provided the payments are (1) a direct result of campaign activity which would not exist but for the candidate's campaign, (2) reasonable and customary for the services rendered, and (3) properly documented by the campaign (AO 1976-23).

Related Case

In *Pereira v. State Elections Enforcement Commission*, the Superior Court sustained an administrative appeal from Declaratory Ruling 2019-02. It held that expenditures for child care services that meet the three conditions outlined in AO 1976-23 are permissible under CEP regulations. Specifically, they satisfy the requirement that all funds in a qualified candidate committee's depository account be used only for campaign-related expenditures that directly further the candidate's nomination for election or election (Not Reported, 2020 WL 5624102 (2020)).

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 15 Nay 3 (03/29/2021)