



General Assembly

January Session, 2021

Raised Bill No. 1078

LCO No. 5630



Referred to Committee on GOVERNMENT ADMINISTRATION
AND ELECTIONS

Introduced by:
(GAE)

AN ACT CONCERNING CAMPAIGN FINANCE LAWS.

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

1 Section 1. Subsection (b) of section 9-601b of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (b) The term "expenditure" does not mean:

5 (1) A loan of money, made in the ordinary course of business, by a
6 state or national bank;

7 (2) A communication made by any corporation, organization or
8 association solely to its members, owners, stockholders, executive or
9 administrative personnel, or their families;

10 (3) Nonpartisan voter registration and get-out-the-vote campaigns by
11 any corporation, organization or association aimed at its members,
12 owners, stockholders, executive or administrative personnel, or their
13 families;

14 (4) Uncompensated services provided by individuals volunteering
15 their time on behalf of a party committee, political committee, slate
16 committee or candidate committee, including any services provided for
17 the benefit of nonparticipating and participating candidates under the
18 Citizens' Election Program and any unreimbursed travel expenses made
19 by an individual who volunteers the individual's personal services to
20 any such committee. For purposes of this subdivision, an individual is
21 a volunteer if such individual is not receiving compensation for such
22 services regardless of whether such individual received compensation
23 in the past or may receive compensation for similar services that may be
24 performed in the future;

25 (5) Any news story, commentary or editorial distributed through the
26 facilities of any broadcasting station, newspaper, magazine or other
27 periodical, unless such facilities are owned or controlled by any political
28 party, committee or candidate;

29 (6) The use of real or personal property, a portion or all of the cost of
30 invitations and the cost of food or beverages, voluntarily provided by
31 an individual to a candidate, including a nonparticipating or
32 participating candidate under the Citizens' Election Program, or to a
33 party, political or slate committee, in rendering voluntary personal
34 services at the individual's residential premises or a community room
35 in the individual's residence facility, to the extent that the cumulative
36 value of the invitations, food or beverages provided by an individual on
37 behalf of any candidate or committee does not exceed four hundred
38 dollars with respect to any single event or does not exceed eight
39 hundred dollars for any such event hosted by two or more individuals,
40 provided at least one such individual owns or resides at the residential
41 premises, and further provided the cumulative value of the invitations,
42 food or beverages provided by an individual on behalf of any such
43 candidate or committee does not exceed eight hundred dollars with
44 respect to a calendar year or single election, as the case may be;

45 (7) A communication described in subdivision (2) of subsection (a) of
46 this section that includes speech or expression made (A) prior to the

47 ninety-day period preceding the date of a primary or an election at
48 which the clearly identified candidate or candidates are seeking
49 nomination to public office or position, that is made for the purpose of
50 influencing any legislative or administrative action, as defined in section
51 1-91, or executive action, or (B) during a legislative session for the
52 purpose of influencing legislative action;

53 (8) An organization expenditure by a party committee, legislative
54 caucus committee or legislative leadership committee;

55 (9) A commercial advertisement that refers to an owner, director or
56 officer of a business entity who is also a candidate and that had
57 previously been broadcast or appeared when the owner, director or
58 officer was not a candidate;

59 (10) A communication containing an endorsement on behalf of a
60 candidate for nomination or election to the office of Governor,
61 Lieutenant Governor, Secretary of the State, State Treasurer, State
62 Comptroller, Attorney General, state senator or state representative,
63 from a candidate for the office of Governor, Lieutenant Governor,
64 Secretary of the State, State Treasurer, State Comptroller, Attorney
65 General, state senator or state representative, shall not be an
66 expenditure attributable to the endorsing candidate, if the candidate
67 making the endorsement is unopposed at the time of the
68 communication;

69 (11) A communication that is sent by mail to addresses in the district
70 for which a candidate being endorsed by another candidate pursuant to
71 the provisions of this subdivision is seeking nomination or election to
72 the office of state senator or state representative, containing an
73 endorsement on behalf of such candidate for such nomination or
74 election, from a candidate for the office of state senator or state
75 representative, shall not be an expenditure attributable to the endorsing
76 candidate, if the candidate making the endorsement is not seeking
77 election to the office of state senator or state representative for a district
78 that contains any geographical area shared by the district for the office
79 to which the endorsed candidate is seeking nomination or election;

80 (12) Campaign training events provided to multiple individuals by a
81 legislative caucus committee and any associated materials, provided the
82 cumulative value of such events and materials does not exceed six
83 thousand dollars in the aggregate for a calendar year;

84 (13) A lawful communication by any charitable organization which is
85 a tax-exempt organization under Section 501(c)(3) of the Internal
86 Revenue Code of 1986, or any subsequent corresponding internal
87 revenue code of the United States, as from time to time amended;

88 (14) The use of offices, telephones, computers and similar equipment
89 provided by a party committee, legislative caucus committee or
90 legislative leadership committee that serve as headquarters for or are
91 used by such party committee, legislative caucus committee or
92 legislative leadership committee; [or]

93 (15) An expense or expenses incurred by a human being acting alone
94 in an amount that is two hundred dollars or less, in the aggregate, that
95 benefits a candidate for a single election; or

96 (16) A solicitation via the Internet for a contribution to any committee,
97 provided any such contribution described in this subdivision shall be
98 construed to be an expenditure.

99 Sec. 2. Subsection (f) of section 9-612 of the general statutes is repealed
100 and the following is substituted in lieu thereof (*Effective from passage*):

101 (f) (1) As used in this subsection and subsections (g) and (h) of this
102 section:

103 (A) "Quasi-public agency" has the same meaning as provided in
104 section 1-120.

105 (B) "State agency" means any office, department, board, council,
106 commission, institution or other agency in the executive or legislative
107 branch of state government.

108 (C) "State contract" means an agreement or contract with the state or

109 any state agency or any quasi-public agency, let through a procurement
110 process or otherwise, having a value of fifty thousand dollars or more,
111 or a combination or series of such agreements or contracts having a
112 value of one hundred thousand dollars or more in a calendar year, for
113 (i) the rendition of services, (ii) the furnishing of any goods, material,
114 supplies, equipment or any items of any kind, (iii) the construction,
115 alteration or repair of any public building or public work, (iv) the
116 acquisition, sale or lease of any land or building, (v) a licensing
117 arrangement, or (vi) a grant, loan or loan guarantee. "State contract"
118 does not include any agreement or contract with the state, any state
119 agency or any quasi-public agency that is exclusively federally funded,
120 an education loan, a loan to an individual for other than commercial
121 purposes or any agreement or contract between the state or any state
122 agency and the United States Department of the Navy or the United
123 States Department of Defense.

124 (D) "State contractor" means a person, business entity or nonprofit
125 organization that enters into a state contract. Such person, business
126 entity or nonprofit organization shall be deemed to be a state contractor
127 until December thirty-first of the year in which such contract terminates.
128 "State contractor" does not include a municipality or any other political
129 subdivision of the state, including any entities or associations duly
130 created by the municipality or political subdivision exclusively amongst
131 themselves to further any purpose authorized by statute or charter, or
132 an employee in the executive or legislative branch of state government
133 or a quasi-public agency, whether in the classified or unclassified service
134 and full or part-time, and only in such person's capacity as a state or
135 quasi-public agency employee.

136 (E) "Prospective state contractor" means a person, business entity or
137 nonprofit organization that (i) submits a response to a state contract
138 solicitation by the state, a state agency or a quasi-public agency, or a
139 proposal in response to a request for proposals by the state, a state
140 agency or a quasi-public agency, until the contract has been entered into,
141 or (ii) holds a valid prequalification certificate issued by the
142 Commissioner of Administrative Services under section 4a-100.

143 "Prospective state contractor" does not include a municipality or any
144 other political subdivision of the state, including any entities or
145 associations duly created by the municipality or political subdivision
146 exclusively amongst themselves to further any purpose authorized by
147 statute or charter, or an employee in the executive or legislative branch
148 of state government or a quasi-public agency, whether in the classified
149 or unclassified service and full or part-time, and only in such person's
150 capacity as a state or quasi-public agency employee.

151 (F) "Principal of a state contractor or prospective state contractor"
152 means (i) any individual who is a member of the board of directors of,
153 or has an ownership interest of five per cent or more in, a state contractor
154 or prospective state contractor, which is a business entity, except for an
155 individual who is a member of the board of directors of a nonprofit
156 organization, (ii) an individual who is employed by a state contractor or
157 prospective state contractor, which is a business entity, as president,
158 treasurer or executive vice president, (iii) an individual who is the chief
159 executive officer of a state contractor or prospective state contractor,
160 which is not a business entity, or if a state contractor or prospective state
161 contractor has no such officer, then the officer who duly possesses
162 comparable powers and duties, (iv) an officer or an employee of any
163 state contractor or prospective state contractor who has managerial or
164 discretionary responsibilities with respect to a state contract, (v) the
165 spouse or a dependent child who is eighteen years of age or older of an
166 individual described in this subparagraph, or (vi) a political committee
167 established or controlled by an individual described in this
168 subparagraph or the business entity or nonprofit organization that is the
169 state contractor or prospective state contractor.

170 (G) "Dependent child" means a child residing in an individual's
171 household who may legally be claimed as a dependent on the federal
172 income tax return of such individual.

173 (H) "Managerial or discretionary responsibilities with respect to a
174 state contract" means having direct, extensive and substantive
175 responsibilities with respect to the negotiation of the state contract and

176 not peripheral, clerical or ministerial responsibilities.

177 (I) "Rendition of services" means the provision of any service to a state
178 agency or quasi-public agency in exchange for a fee, remuneration or
179 compensation of any kind from the state or through an arrangement
180 with the state.

181 (J) "State contract solicitation" means a request by a state agency or
182 quasi-public agency, in whatever form issued, including, but not limited
183 to, an invitation to bid, request for proposals, request for information or
184 request for quotes, inviting bids, quotes or other types of submittals,
185 through a competitive procurement process or another process
186 authorized by law waiving competitive procurement.

187 (K) "Subcontractor" means any person, business entity or nonprofit
188 organization that contracts to perform part or all of the obligations of a
189 state contractor's state contract. Such person, business entity or
190 nonprofit organization shall be deemed to be a subcontractor until
191 December thirty-first of the year in which the subcontract terminates.
192 "Subcontractor" does not include (i) a municipality or any other political
193 subdivision of the state, including any entities or associations duly
194 created by the municipality or political subdivision exclusively amongst
195 themselves to further any purpose authorized by statute or charter, or
196 (ii) an employee in the executive or legislative branch of state
197 government or a quasi-public agency, whether in the classified or
198 unclassified service and full or part-time, and only in such person's
199 capacity as a state or quasi-public agency employee.

200 (L) "Principal of a subcontractor" means (i) any individual who is a
201 member of the board of directors of, or has an ownership interest of five
202 per cent or more in, a subcontractor, which is a business entity, except
203 for an individual who is a member of the board of directors of a
204 nonprofit organization, (ii) an individual who is employed by a
205 subcontractor, which is a business entity, as president, treasurer or
206 executive vice president, (iii) an individual who is the chief executive
207 officer of a subcontractor, which is not a business entity, or if a
208 subcontractor has no such officer, then the officer who duly possesses

209 comparable powers and duties, (iv) an officer or an employee of any
210 subcontractor who has managerial or discretionary responsibilities with
211 respect to a subcontract with a state contractor, (v) the spouse or a
212 dependent child who is eighteen years of age or older of an individual
213 described in this subparagraph, or (vi) a political committee established
214 or controlled by an individual described in this subparagraph or the
215 business entity or nonprofit organization that is the subcontractor.

216 (2) (A) No state contractor, prospective state contractor, principal of
217 a state contractor or principal of a prospective state contractor, with
218 regard to a state contract or a state contract solicitation with or from a
219 state agency in the executive branch or a quasi-public agency or a
220 holder, or principal of a holder, of a valid prequalification certificate,
221 shall make a contribution to, or, on and after January 1, 2011, knowingly
222 solicit contributions from the state contractor's or prospective state
223 contractor's employees or from a subcontractor or principals of the
224 subcontractor on behalf of (i) an exploratory committee or candidate
225 committee established by a candidate for nomination or election to the
226 office of Governor, Lieutenant Governor, Attorney General, State
227 Comptroller, Secretary of the State or State Treasurer, (ii) a political
228 committee authorized to make contributions or expenditures to or for
229 the benefit of such candidates, or (iii) a party committee;

230 (B) No state contractor [, prospective state contractor,] or principal of
231 a state contractor, or prospective state contractor or principal of a
232 prospective state contractor who has submitted a pending proposal,
233 with regard to a state contract or a state contract solicitation with or from
234 the General Assembly, or [a] prospective state contractor, principal of a
235 prospective state contractor or holder, or principal of a holder, of a valid
236 prequalification certificate who has a current or pending contract or is
237 actively seeking a contract with the executive branch, shall make a
238 contribution to, or, on and after January 1, 2011, knowingly solicit
239 contributions from [the state contractor's or prospective state
240 contractor's] its employees or from a subcontractor or principals of the
241 subcontractor on behalf of (i) an exploratory committee or candidate
242 committee established by a candidate for nomination or election to the

243 office of state senator or state representative, (ii) a political committee
244 authorized to make contributions or expenditures to or for the benefit
245 of such candidates, or (iii) a party committee;

246 (C) If a state contractor or principal of a state contractor makes or
247 solicits a contribution as prohibited under subparagraph (A) or (B) of
248 this subdivision, as determined by the State Elections Enforcement
249 Commission, the contracting state agency or quasi-public agency may,
250 in the case of a state contract executed on or after February 8, 2007, void
251 the existing contract with such contractor, and no state agency or quasi-
252 public agency shall award the state contractor a state contract or an
253 extension or an amendment to a state contract for one year after the
254 election for which such contribution is made or solicited unless the
255 commission determines that mitigating circumstances exist concerning
256 such violation. No violation of the prohibitions contained in
257 subparagraph (A) or (B) of this subdivision shall be deemed to have
258 occurred if, and only if, the improper contribution is returned to the
259 principal by the later of thirty days after receipt of such contribution by
260 the recipient committee treasurer or the filing date that corresponds
261 with the reporting period in which such contribution was made;

262 (D) If a prospective state contractor or principal of a prospective state
263 contractor makes or solicits a contribution as prohibited under
264 subparagraph (A) or (B) of this subdivision, as determined by the State
265 Elections Enforcement Commission, no state agency or quasi-public
266 agency shall award the prospective state contractor the contract
267 described in the state contract solicitation or any other state contract for
268 one year after the election for which such contribution is made or
269 solicited unless the commission determines that mitigating
270 circumstances exist concerning such violation. The Commissioner of
271 Administrative Services shall notify applicants of the provisions of this
272 subparagraph and subparagraphs (A) and (B) of this subdivision during
273 the prequalification application process; and

274 (E) The State Elections Enforcement Commission shall make
275 available to each state agency and quasi-public agency a written notice

276 advising state contractors and prospective state contractors of the
277 contribution and solicitation prohibitions contained in subparagraphs
278 (A) and (B) of this subdivision. Such notice shall: (i) Direct each state
279 contractor and prospective state contractor to inform each individual
280 described in subparagraph (F) of subdivision (1) of this subsection, with
281 regard to such state contractor or prospective state contractor, about the
282 provisions of subparagraph (A) or (B) of this subdivision, whichever is
283 applicable, and this subparagraph; (ii) inform each state contractor and
284 prospective state contractor of the civil and criminal penalties that could
285 be imposed for violations of such prohibitions if any such contribution
286 is made or solicited; (iii) inform each state contractor and prospective
287 state contractor that, in the case of a state contractor, if any such
288 contribution is made or solicited, the contract may be voided; (iv) inform
289 each state contractor and prospective state contractor that, in the case of
290 a prospective state contractor, if any such contribution is made or
291 solicited, the contract described in the state contract solicitation shall not
292 be awarded, unless the commission determines that mitigating
293 circumstances exist concerning such violation; and (v) inform each state
294 contractor and prospective state contractor that the state will not award
295 any other state contract to anyone found in violation of such
296 prohibitions for a period of one year after the election for which such
297 contribution is made or solicited, unless the commission determines that
298 mitigating circumstances exist concerning such violation. Each state
299 agency and quasi-public agency shall distribute such notice to the chief
300 executive officer of its contractors and prospective state contractors, or
301 an authorized signatory to a state contract, and shall obtain a written
302 acknowledgment of the receipt of such notice.

303 (3) (A) On and after December 31, 2006, neither the Governor,
304 Lieutenant Governor, Attorney General, State Comptroller, Secretary of
305 the State or State Treasurer, any candidate for any such office nor any
306 agent of any such official or candidate shall knowingly, wilfully or
307 intentionally solicit contributions on behalf of an exploratory committee
308 or candidate committee established by a candidate for nomination or
309 election to any public office, a political committee or a party committee,
310 from a person who he or she knows is prohibited from making

311 contributions, including a principal of a state contractor or prospective
312 state contractor with regard to a state contract solicitation with or from
313 a state agency in the executive branch or a quasi-public agency or a
314 holder of a valid prequalification certificate.

315 (B) On and after December 31, 2006, neither a member of the General
316 Assembly, any candidate for any such office nor any agent of any such
317 official or candidate shall knowingly, wilfully or intentionally solicit
318 contributions on behalf of an exploratory committee or candidate
319 committee established by a candidate for nomination or election to any
320 public office, a political committee or a party committee, from a person
321 who he or she knows is prohibited from making contributions,
322 including a principal of a state contractor or prospective state contractor
323 with regard to a state contract solicitation with or from the General
324 Assembly or a holder of a valid prequalification certificate.

325 (4) The provisions of this subsection shall not apply to the campaign
326 of a principal of a state contractor or prospective state contractor or to a
327 principal of a state contractor or prospective state contractor who is an
328 elected public official.

329 (5) Each state contractor and prospective state contractor shall make
330 reasonable efforts to comply with the provisions of this subsection. If
331 the State Elections Enforcement Commission determines that a state
332 contractor or prospective state contractor has failed to make reasonable
333 efforts to comply with this subsection, the commission may impose civil
334 penalties against such state contractor or prospective state contractor in
335 accordance with subsection (a) of section 9-7b.

336 Sec. 3. Section 9-718 of the general statutes is repealed and the
337 following is substituted in lieu thereof (*Effective from passage*):

338 (a) Notwithstanding any provision of the general statutes and except
339 as provided in subsection (e) of this section, no town committee,
340 legislative caucus committee or legislative leadership committee shall
341 make an organization expenditure for the benefit of a participating
342 candidate or the candidate committee of a participating candidate in the

343 Citizens' Election Program for the office of state senator in an amount
344 that exceeds ten thousand dollars for the general election campaign.

345 (b) Notwithstanding any provision of the general statutes no party
346 committee [, legislative caucus committee] or legislative leadership
347 committee shall make an organization expenditure for the purposes
348 described in subparagraph (A) of subdivision (25) of section 9-601 for
349 the benefit of a participating candidate or the candidate committee of a
350 participating candidate in the Citizens' Election Program for the office
351 of state senator for the primary campaign.

352 (c) Notwithstanding any provision of the general statutes and except
353 as provided in subsection (e) of this section, no town committee,
354 legislative caucus committee or legislative leadership committee shall
355 make an organization expenditure for the benefit of a participating
356 candidate or the candidate committee of a participating candidate in the
357 Citizens' Election Program for the office of state representative in an
358 amount that exceeds three thousand five hundred dollars for the general
359 election campaign.

360 (d) Notwithstanding any provision of the general statutes, no party
361 committee [, legislative caucus committee] or legislative leadership
362 committee shall make an organization expenditure for the purposes
363 described in subparagraph (A) of subdivision (25) of section 9-601 for
364 the benefit of a participating candidate or the candidate committee of a
365 participating candidate in the Citizens' Election Program for the office
366 of state representative for the primary campaign.

367 (e) For any election held in 2014, and thereafter, the amount of the
368 limitations on organization expenditures provided in subsections (a)
369 and (c) of this section shall be adjusted by the State Elections
370 Enforcement Commission not later than January 15, 2014, and biennially
371 thereafter, in accordance with any change in the consumer price index
372 for all urban consumers as published by the United States Department
373 of Labor, Bureau of Labor Statistics, during the period beginning on
374 January 1, 2010, and ending on December thirty-first in the year
375 preceding the year in which said adjustment is to be made.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	9-601b(b)
Sec. 2	<i>from passage</i>	9-612(f)
Sec. 3	<i>from passage</i>	9-718

Statement of Purpose:

To (1) specify that certain online solicitations for political contributions are excluded from the definition of "expenditure", (2) allow certain individuals or entities to make contributions to legislative candidate committees and caucus committees, and (3) remove restrictions on the ability of legislative caucus committees to make organization expenditures during primaries.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]