OLR Bill Analysis
sHB 6663

AN ACT REVISING CERTAIN CAMPAIGN FINANCE STATUTES.

SUMMARY

This bill modifies campaign finance laws by (1) eliminating aggregate individual contribution limits to certain committees and (2) codifying “independent expenditure political committees” (known as an IE-only PACs) as a type of PAC and requiring their registration with the State Elections Enforcement Commission (SEEC).

The bill also makes several conforming and technical changes.

EFFECTIVE DATE: October 1, 2021

§ 1 — AGGREGATE CONTRIBUTION LIMIT FOR INDIVIDUALS

State law generally limits the amount that individuals may contribute to a specific candidate committee, party committee, or political committee. Additionally, current law prohibits an individual from contributing more than $30,000 in the aggregate during a single primary and election to (1) candidate committees, (2) exploratory committees, and (3) slate committee for justice of the peace (in a primary).

The bill removes this limit, thus allowing individuals to make unlimited aggregate contributions to these committees (see BACKGROUND).

§§ 2-12 — IE-ONLY PACS

Existing law authorizes persons (including individuals, entities, and committees) to make unlimited IEs (CGS § 9-601d). The bill codifies IE-only PACs as a type of PAC under Connecticut's campaign finance laws and, like other committees that make IEs, requires their registration with SEEC and subjects them to disclosure requirements. It defines them as PACs that make only (1) IEs and (2) contributions to
other IE-only PACs. By law, an IE is an expenditure made without the consent, coordination, or consultation of a (1) candidate or candidate's agent, (2) candidate committee, (3) PAC, or (4) party committee (CGS § 9-601c).

The bill makes several conforming changes, including specifying that (1) individuals 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).

**Lawful Purposes (§ 4)**

By law, committees, including PACs, may pay specific expenses, such as for advertising or office supplies, to accomplish their lawful purposes. 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 that, in accomplishing their lawful purposes, these committees 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.

**Surplus Distributions (§ 5)**

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 referendum held in November (CGS § 9-608(e)(1)).

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.

BACKGROUND

Aggregate Contribution Limits

In McCutcheon et al. v. Federal Election Commission, 134 S. Ct. 1434 (2014), the U.S. Supreme Court held that aggregate limits on contributions by individuals to federal candidates, political parties, and PACs were unconstitutional under the First Amendment.

In Advisory Opinion 2014-03, SEEC announced that, unless it received further guidance from the legislature or a court of competent jurisdiction, it would no longer enforce current law's $30,000 aggregate limit on contributions by individuals during a single primary and election to (1) candidate committees, (2) exploratory committees, and (3) slate committees for justice of the peace (in a primary).

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. Currently, these PACs may register with the commission using SEEC Form 8 and report contributions and expenditures using SEEC Form 40.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable
Yea 18  Nay 0  (03/29/2021)