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## **OLR Bill Analysis**

### **sHB 6904**

#### ***AN ACT CONCERNING CAMPAIGN FINANCE.***

#### **SUMMARY**

This bill makes unrelated changes affecting campaign finance and the State Elections Enforcement Commission (SEEC). It exempts, from state campaign finance law's definition of "expenditure," Internet solicitations for contributions to any committee (i.e., a candidate, party, or political committee). It specifies that any contribution in response to the Internet solicitation is still considered an expenditure by the person making the contribution. Generally, state law subjects expenditures by candidate committees, party committees, and political committees to campaign finance reporting requirements. Exempted items or services need not be reported as expenditures.

The bill also narrows the circumstances under which SEEC must dismiss a complaint within one year after receiving it. Under current law, SEEC must dismiss a complaint if it does not issue a final decision on it within one year after receipt, with certain exceptions. The bill instead requires the commission to dismiss after one year any complaint it receives on or after July 1, 2023, for which it has not (1) found reason to believe a state election law violation occurred and (2) initiated a contested case proceeding. It allows SEEC to extend this deadline for the same reasons as under current law and adds additional exceptions (e.g., for violations by a foreign national).

Lastly, the bill increases the annual limit on contributions by an individual to a state central committee from \$10,000 to \$15,000.

EFFECTIVE DATE: Upon passage

#### **SEEC COMPLAINTS**

##### ***Time Limit***

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)).

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

The bill relaxes this requirement for SEEC complaints received on or after July 1, 2023. It instead requires the commission to dismiss after one year any complaint for which it has not (1) found reason to believe a state election law violation occurred and (2) initiated a contested case proceeding.

The bill also (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 (see below). 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 and initiating a contested case. (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 the finding and commencement are delayed because of an investigation by SEEC or its staff involving a potential state election law violation (1) by a foreign national (as defined in federal law, see BACKGROUND) or (2) involving independent expenditures (e.g., making or reporting them).

## **BACKGROUND**

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

***Foreign Nationals.*** Federal campaign finance 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 1225 (§ 17), reported favorably by the Government Administration and Elections (GAE) Committee, narrows the circumstances under which SEEC must dismiss a complaint within one year after receiving it.

sSB 1188, reported favorably by the GAE Committee, explicitly prohibits foreign nationals from making contributions or expenditures under state campaign finance laws and defines “foreign national” under these laws.

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 18 Nay 0 (03/24/2023)