



Senate

General Assembly

File No. 470

February Session, 2024

Substitute Senate Bill No. 387

Senate, April 15, 2024

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 CONCERNING THE USE OF ONLINE DONATION PLATFORMS FOR POLITICAL CAMPAIGNS.

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

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2 repealed and the following is substituted in lieu thereof (*Effective from*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

4 (b) As used in this chapter and chapter 157, "contribution" does not
5 mean:

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

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

11 (3) Nonpartisan voter registration and get-out-the-vote campaigns by

12 any corporation, organization or association aimed at its members,
13 owners, stockholders, executive or administrative personnel, or their
14 families;

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

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

42 (6) The sale of food or beverage for use by a party, political, slate or
43 candidate committee, including those for a participating or
44 nonparticipating candidate, at a discount, if the charge is not less than

45 the cost to the vendor, to the extent that the cumulative value of the
46 discount given to or on behalf of any single candidate committee does
47 not exceed four hundred dollars with respect to any single primary or
48 election, or to or on behalf of any party, political or slate committee, does
49 not exceed six hundred dollars in a calendar year;

50 (7) The display of a lawn sign by a human being or on real property;

51 (8) The payment, by a party committee or slate committee of the costs
52 of preparation, display, mailing or other distribution incurred by the
53 committee or individual with respect to any printed slate card, sample
54 ballot or other printed list containing the names of three or more
55 candidates;

56 (9) The donation of any item of personal property by an individual to
57 a committee for a fund-raising affair, including a tag sale or auction, or
58 the purchase by an individual of any such item at such an affair, to the
59 extent that the cumulative value donated or purchased does not exceed
60 one hundred dollars;

61 (10) (A) The purchase of advertising space which clearly identifies the
62 purchaser, in a program for a fund-raising affair sponsored by the
63 candidate committee of a candidate for an office of a municipality,
64 provided the cumulative purchase of such space does not exceed two
65 hundred fifty dollars from any single such candidate or the candidate's
66 committee with respect to any single election campaign if the purchaser
67 is a business entity or fifty dollars for purchases by any other person;

68 (B) The purchase of advertising space which clearly identifies the
69 purchaser, in a program for a fund-raising affair or on signs at a fund-
70 raising affair sponsored by a party committee or a political committee,
71 other than an exploratory committee, provided the cumulative purchase
72 of such space does not exceed two hundred fifty dollars from any single
73 party committee or a political committee, other than an exploratory
74 committee, in any calendar year if the purchaser is a business entity or
75 fifty dollars for purchases by any other person. Notwithstanding the
76 provisions of this subparagraph, the following may not purchase

77 advertising space in a program for a fund-raising affair or on signs at a
78 fund-raising affair sponsored by a party committee or a political
79 committee, other than an exploratory committee: (i) A communicator
80 lobbyist, (ii) a member of the immediate family of a communicator
81 lobbyist, (iii) a state contractor, (iv) a prospective state contractor, or (v)
82 a principal of a state contractor or prospective state contractor. As used
83 in this subparagraph, "state contractor", "prospective state contractor"
84 and "principal of a state contractor or prospective state contractor" have
85 the same meanings as provided in subsection (f) of section 9-612;

86 (11) The payment of money by a candidate to the candidate's
87 candidate committee, provided the committee is for a nonparticipating
88 candidate;

89 (12) The donation of goods or services by a business entity to a
90 committee for a fund-raising affair, including a tag sale or auction, to
91 the extent that the cumulative value donated does not exceed two
92 hundred dollars;

93 (13) The advance of a security deposit by an individual to a telephone
94 company, as defined in section 16-1, for telecommunications service for
95 a committee or to another utility company, such as an electric
96 distribution company, provided the security deposit is refunded to the
97 individual;

98 (14) The provision of facilities, equipment, technical and managerial
99 support, and broadcast time by a community antenna television
100 company, as defined in section 16-1, for community access
101 programming pursuant to section 16-331a, unless (A) the major purpose
102 of providing such facilities, equipment, support and time is to influence
103 the nomination or election of a candidate, or (B) such facilities,
104 equipment, support and time are provided on behalf of a political party;

105 (15) The sale of food or beverage by a town committee to an
106 individual at a town fair, county fair, local festival or similar mass
107 gathering held within the state, to the extent that the cumulative
108 payment made by any one individual for such items does not exceed

109 fifty dollars;

110 (16) An organization expenditure by a party committee, legislative
111 caucus committee or legislative leadership committee;

112 (17) The donation of food or beverage by an individual for
113 consumption at a slate, candidate, political committee or party
114 committee meeting, event or activity that is not a fund-raising affair to
115 the extent that the cumulative value of the food or beverages donated
116 by an individual for a single meeting or event does not exceed fifty
117 dollars;

118 (18) The value associated with the de minimis activity on behalf of a
119 party committee, political committee, slate committee or candidate
120 committee, including for activities including, but not limited to, (A) the
121 creation of electronic or written communications or digital photos or
122 video as part of an electronic file created on a voluntary basis without
123 compensation, including, but not limited to, the creation and ongoing
124 content development and delivery of social media on the Internet or
125 telephone, including, but not limited to, the sending or receiving of
126 electronic mail or messages, (B) the posting or display of a candidate's
127 name or group of candidates' names at a town fair, county fair, local
128 festival or similar mass gathering by a party committee, (C) the use of
129 personal property or a service that is customarily attendant to the
130 occupancy of a residential dwelling, or the donation of an item or items
131 of personal property that are customarily used for campaign purposes,
132 by an individual, to a candidate committee, provided the cumulative
133 fair market value of such use of personal property or service or items of
134 personal property does not exceed one hundred dollars in the aggregate
135 for any single election or calendar year, as the case may be;

136 (19) The use of offices, telephones, computers and similar equipment
137 provided by a party committee, legislative caucus committee or
138 legislative leadership committee that serve as headquarters for or are
139 used by such party committee, legislative caucus committee or
140 legislative leadership committee;

141 (20) A communication, as described in subdivision (7) of subsection
142 (b) of section 9-601b, as amended by this act;

143 (21) An independent expenditure, as defined in section 9-601c;

144 (22) A communication containing an endorsement on behalf of a
145 candidate for nomination or election to the office of Governor,
146 Lieutenant Governor, Secretary of the State, State Treasurer, State
147 Comptroller, Attorney General, state senator or state representative,
148 from a candidate for the office of Governor, Lieutenant Governor,
149 Secretary of the State, State Treasurer, State Comptroller, Attorney
150 General, state senator or state representative, provided the candidate
151 (A) making the endorsement is unopposed at the time of the
152 communication, and (B) being endorsed paid for such communication;

153 (23) A communication that is sent by mail to addresses in the district
154 for which a candidate being endorsed by another candidate pursuant to
155 this subdivision is seeking nomination or election to the office of state
156 senator or state representative, containing an endorsement on behalf of
157 such candidate for such nomination or election from a candidate for the
158 office of state senator or state representative, provided the candidate (A)
159 making the endorsement is not seeking election to the office of state
160 senator or state representative for a district that contains any
161 geographical area shared by the district for the office to which the
162 endorsed candidate is seeking nomination or election, and (B) being
163 endorsed paid for such communication; [or]

164 (24) Campaign training events provided to multiple individuals by a
165 legislative caucus committee and any associated materials, provided the
166 cumulative value of such events and materials does not exceed six
167 thousand dollars in the aggregate for a calendar year; or

168 (25) With respect to an online platform that collects any contribution
169 from a contributor and transmits such contribution to a committee, a
170 voluntary payment made by such contributor to such online platform,
171 which is (A) in addition to such contribution, and (B) used by such
172 online platform to conduct its operations.

173 Sec. 2. Subsection (b) of section 9-601b of the general statutes is
174 repealed and the following is substituted in lieu thereof (*Effective from*
175 *passage*):

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

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

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

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

186 (4) Uncompensated services provided by individuals volunteering
187 their time on behalf of a party committee, political committee, slate
188 committee or candidate committee, including any services provided for
189 the benefit of nonparticipating and participating candidates under the
190 Citizens' Election Program and any unreimbursed travel expenses made
191 by an individual who volunteers the individual's personal services to
192 any such committee. For purposes of this subdivision, an individual is
193 a volunteer if such individual is not receiving compensation for such
194 services regardless of whether such individual received compensation
195 in the past or may receive compensation for similar services that may be
196 performed in the future;

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

201 (6) The use of real or personal property, a portion or all of the cost of
202 invitations and the cost of food or beverages, voluntarily provided by
203 an individual to a candidate, including a nonparticipating or

204 participating candidate under the Citizens' Election Program, or to a
205 party, political or slate committee, in rendering voluntary personal
206 services at the individual's residential premises or a community room
207 in the individual's residence facility, to the extent that the cumulative
208 value of the invitations, food or beverages provided by an individual on
209 behalf of any candidate or committee does not exceed four hundred
210 dollars with respect to any single event or does not exceed eight
211 hundred dollars for any such event hosted by two or more individuals,
212 provided at least one such individual owns or resides at the residential
213 premises, and further provided the cumulative value of the invitations,
214 food or beverages provided by an individual on behalf of any such
215 candidate or committee does not exceed eight hundred dollars with
216 respect to a calendar year or single election, as the case may be;

217 (7) A communication described in subdivision (2) of subsection (a) of
218 this section that includes speech or expression made (A) prior to the
219 ninety-day period preceding the date of a primary or an election at
220 which the clearly identified candidate or candidates are seeking
221 nomination to public office or position, that is made for the purpose of
222 influencing any legislative or administrative action, as defined in section
223 1-91, or executive action, or (B) during a legislative session for the
224 purpose of influencing legislative action;

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

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

231 (10) A communication containing an endorsement on behalf of a
232 candidate for nomination or election to the office of Governor,
233 Lieutenant Governor, Secretary of the State, State Treasurer, State
234 Comptroller, Attorney General, state senator or state representative,
235 from a candidate for the office of Governor, Lieutenant Governor,
236 Secretary of the State, State Treasurer, State Comptroller, Attorney

237 General, state senator or state representative, shall not be an
238 expenditure attributable to the endorsing candidate, if the candidate
239 making the endorsement is unopposed at the time of the
240 communication;

241 (11) A communication that is sent by mail to addresses in the district
242 for which a candidate being endorsed by another candidate pursuant to
243 the provisions of this subdivision is seeking nomination or election to
244 the office of state senator or state representative, containing an
245 endorsement on behalf of such candidate for such nomination or
246 election, from a candidate for the office of state senator or state
247 representative, shall not be an expenditure attributable to the endorsing
248 candidate, if the candidate making the endorsement is not seeking
249 election to the office of state senator or state representative for a district
250 that contains any geographical area shared by the district for the office
251 to which the endorsed candidate is seeking nomination or election;

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

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

260 (14) The use of offices, telephones, computers and similar equipment
261 provided by a party committee, legislative caucus committee or
262 legislative leadership committee that serve as headquarters for or are
263 used by such party committee, legislative caucus committee or
264 legislative leadership committee; [or]

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

268 (16) With respect to an online platform that collects any contribution
 269 from a contributor and transmits such contribution to a committee, the
 270 use of such online platform to request a voluntary payment made by
 271 such contributor to such online platform, which is (A) in addition to
 272 such contribution, and (B) used by such online platform to conduct its
 273 operations.

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

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**

The bill provides additional exemptions to existing state definitions of "contribution" and "expenditure", and clarifies exempted items or services do not need to be reported as contributions or expenditures, resulting in no fiscal impact to the state or municipalities.

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

OLR Bill Analysis**sSB 387*****AN ACT CONCERNING THE USE OF ONLINE DONATION PLATFORMS FOR POLITICAL CAMPAIGNS.*****SUMMARY**

Generally, state campaign finance law's definitions of "contribution" and "expenditure" include, with specified exceptions, anything of value that promotes either the success or defeat of a candidate or political party.

This bill adds a new exemption to each definition. It exempts from the definition of contribution certain payments to an online platform that collects contributions from contributors and transmits them to committees (see below). Specifically, it exempts voluntary payments to the platform by the contributor that are (1) in addition to the contribution and (2) used by the platform to conduct its operations. The bill adds a parallel exemption to the definition of expenditure for using the platform to request these voluntary payments.

Generally, state law subjects contributions to, and expenditures by, candidate committees, party committees, and political committees to campaign finance reporting requirements. It also places limits on contributions made to benefit these committees. Exempted items or services do not need to be reported as contributions or expenditures.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 13 Nay 6 (03/26/2024)