



General Assembly

February Session, 2024

Raised Bill No. 253

LCO No. 1906



Referred to Committee on GOVERNMENT ADMINISTRATION
AND ELECTIONS

Introduced by:
(GAE)

AN ACT CONCERNING FOREIGN POLITICAL SPENDING.

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

1 Section 1. Section 9-601 of the 2024 supplement to the general statutes
2 is amended by adding subdivisions (33) to (38), inclusive, as follows
3 (*Effective from passage*):

4 (NEW) (33) "Foreign national" means:

5 (A) A foreign principal and any agent or separate segregated fund of
6 a foreign principal;

7 (B) An individual who is not (i) a citizen of the United States, (ii) a
8 national of the United States, or (iii) lawfully admitted for permanent
9 residence; or

10 (C) A firm, partnership, corporation, association, organization or
11 other entity:

12 (i) With respect to which a foreign owner or a person described in

13 subparagraph (A) or (B) of this subdivision holds, owns, controls or
14 otherwise has a direct or indirect beneficial ownership of at least five
15 per cent of such entity's total equity or outstanding voting shares;

16 (ii) With respect to which two or more, in combination, foreign
17 owners or persons described in subparagraph (A) or (B) of this
18 subdivision hold, own, control or otherwise have a direct or indirect
19 beneficial ownership of at least twenty per cent of such entity's total
20 equity or outstanding voting shares, excluding interests held in a widely
21 held, diversified fund;

22 (iii) With respect to which a foreign owner or individual described in
23 subparagraph (A) or (B), as applicable, of this subdivision participates
24 directly or indirectly in decisions to engage in any activity subject to the
25 provisions of chapter 155 or 157; or

26 (iv) That is exempt from taxation under Section 501(c)(4) of the
27 Internal Revenue Code of 1986, or any subsequent corresponding
28 internal revenue code of the United States, as amended from time to
29 time, and with respect to which at least twenty per cent of the income
30 received by such entity in the most recent taxable year derives from one
31 or more foreign owners.

32 (NEW) (34) "Foreign principal" has the same meaning as provided in
33 22 USC 611(b), as amended from time to time.

34 (NEW) (35) "National of the United States" has the same meaning as
35 provided in 8 USC 1101(a)(22), as amended from time to time.

36 (NEW) (36) "Lawfully admitted for permanent residence" has the
37 same meaning as provided in 8 USC 1101(a)(20), as amended from time
38 to time.

39 (NEW) (37) "Foreign owner" means a firm, partnership, corporation,
40 association, organization or other entity with respect to which a person
41 described in subparagraph (A) or (B) of subdivision (33) of this section
42 holds, owns, controls or otherwise has a direct or indirect beneficial

43 ownership of at least fifty per cent of such entity's total equity or
44 outstanding voting shares, excluding interests held in a widely held,
45 diversified fund.

46 (NEW) (38) "Widely held, diversified fund" means a pooled
47 investment, including a common trust fund of a financial institution,
48 mutual fund or limited partnership, (A) that has more than one hundred
49 investors, (B) that invests not more than five per cent of its value in the
50 securities of a single issuer, other than the federal government, (C) that
51 invests not more than twenty per cent of its value in any one economic
52 or geographic sector, and (D) for which no investor, and no immediate
53 family member of an investor, is able to exercise control over the
54 financial interests held by the pooled investment, including by
55 exercising the pooled investment's authority as the holder of corporate
56 securities.

57 Sec. 2. Section 9-622 of the general statutes is repealed and the
58 following is substituted in lieu thereof (*Effective from passage*):

59 The following persons shall be guilty of illegal practices and shall be
60 punished in accordance with the provisions of section 9-623:

61 (1) Any person who, directly or indirectly, individually or by another
62 person, gives or offers or promises to any person any money, gift,
63 advantage, preferment, entertainment, aid, emolument or other
64 valuable thing for the purpose of inducing or procuring any person to
65 sign a nominating, primary or referendum petition or to vote or refrain
66 from voting for or against any person or for or against any measure at
67 any election, caucus, convention, primary or referendum;

68 (2) Any person who, directly or indirectly, receives, accepts, requests
69 or solicits from any person, committee, association, organization or
70 corporation, any money, gift, advantage, preferment, aid, emolument or
71 other valuable thing for the purpose of inducing or procuring any
72 person to sign a nominating, primary or referendum petition or to vote
73 or refrain from voting for or against any person or for or against any
74 measure at any such election, caucus, primary or referendum;

75 (3) Any person who, in consideration of any money, gift, advantage,
76 preferment, aid, emolument or other valuable thing paid, received,
77 accepted or promised to the person's advantage or any other person's
78 advantage, votes or refrains from voting for or against any person or for
79 or against any measure at any such election, caucus, primary or
80 referendum;

81 (4) Any person who solicits from any candidate any money, gift,
82 contribution, emolument or other valuable thing for the purpose of
83 using the same for the support, assistance, benefit or expenses of any
84 club, company or organization, or for the purpose of defraying the cost
85 or expenses of any political campaign, primary, referendum or election;

86 (5) Any person who, directly or indirectly, pays, gives, contributes or
87 promises any money or other valuable thing to defray or towards
88 defraying the cost or expenses of any campaign, primary, referendum
89 or election to any person, committee, company, club, organization or
90 association, other than to a treasurer, except that this subdivision shall
91 not apply to any expenses for postage, telegrams, telephoning,
92 stationery, express charges, traveling, meals, lodging or photocopying
93 incurred by any candidate for office or for nomination to office, so far as
94 may be permitted under the provisions of this chapter;

95 (6) Any person who, in order to secure or promote the person's own
96 nomination or election as a candidate, or that of any other person,
97 directly or indirectly, promises to appoint, or promises to secure or
98 assist in securing the appointment, nomination or election of any other
99 person to any public position, or to any position of honor, trust or
100 emolument; but any person may publicly announce the person's own
101 choice or purpose in relation to any appointment, nomination or
102 election in which the person may be called to take part, if the person is
103 nominated for or elected to such office;

104 (7) Any person who, directly or indirectly, individually or through
105 another person, makes a payment or promise of payment to a treasurer
106 in a name other than the person's own, and any treasurer who

107 knowingly receives a payment or promise of payment, or enters or
108 causes the same to be entered in the person's accounts in any other name
109 than that of the person by whom such payment or promise of payment
110 is made;

111 (8) Any person who knowingly and wilfully violates any provision
112 of this chapter;

113 (9) Any person who offers or receives a cash contribution in excess of
114 one hundred dollars to promote the success or defeat of any political
115 party, candidate or referendum question;

116 (10) Any person who solicits, makes or receives a contribution that is
117 otherwise prohibited by any provision of this chapter;

118 (11) Any department head or deputy department head of a state
119 department who solicits a contribution on behalf of, or for the benefit of,
120 any candidate for state, district or municipal office or any political party;

121 (12) Any municipal employee who solicits a contribution on behalf
122 of, or for the benefit of, any candidate for state, district or municipal
123 office, any political committee or any political party, from (A) an
124 individual under the supervision of such employee, or (B) the spouse or
125 a dependent child of such individual;

126 (13) Any person who makes an expenditure, that is not an
127 independent expenditure, for a candidate without the knowledge of
128 such candidate. No candidate shall be civilly or criminally liable with
129 regard to any such expenditure;

130 (14) Any chief of staff of a legislative caucus who solicits a
131 contribution on behalf of or for the benefit of any candidate for state,
132 district or municipal office from an employee of the legislative caucus;

133 (15) Any chief of staff for a state-wide elected official who solicits a
134 contribution on behalf of or for the benefit of any candidate for state,
135 district or municipal office from a member of such official's staff; [or]

136 (16) Any chief of staff for the Governor or Lieutenant Governor who
137 solicits a contribution on behalf of or for the benefit of any candidate for
138 state, district or municipal office from a member of the staff of the
139 Governor or Lieutenant Governor, or from any commissioner or deputy
140 commissioner of any state agency;

141 (17) Any foreign national that makes, directly or indirectly, (A) any
142 contribution or any express or implied promise to make a contribution,
143 or (B) any expenditure; or

144 (18) Any person who solicits, accepts or receives any contribution or
145 covered transfer from a foreign national.

146 Sec. 3. Subsection (c) of section 9-601d of the general statutes is
147 repealed and the following is substituted in lieu thereof (*Effective from*
148 *passage*):

149 (c) The independent expenditure long-form report shall identify: (1)
150 The name of the person making or obligating to make such independent
151 expenditure or expenditures and, in the case of a person other than an
152 individual, provide a certification that the person making such
153 independent expenditure is not a foreign national; (2) the tax exempt
154 status of such person, if applicable; (3) the mailing address of such
155 person; (4) the principal business address of the person, if different from
156 the mailing address; (5) the address, telephone number and electronic
157 mail address of the agent for service of process in this state of such
158 person; (6) the date of the primary or election for which the independent
159 expenditure or expenditures were made or obligated to be made; (7) the
160 name of any candidate who was the subject of any independent
161 expenditure or expenditures and whether the independent expenditure
162 or expenditures were in support of or in opposition to such candidate;
163 and (8) the name, telephone number and electronic mail address for the
164 individual filing such report. Such individual filing such report shall
165 affirm that the expenditure reported is an independent expenditure
166 under penalty of false statement.

167 Sec. 4. Subsection (b) of section 9-605 of the general statutes is

168 repealed and the following is substituted in lieu thereof (*Effective from*
169 *passage*):

170 (b) The registration statement shall include: (1) The name and address
171 of the committee; (2) a statement of the purpose of the committee; (3) the
172 name and address of its treasurer, and deputy treasurer if applicable; (4)
173 the name, address and position of its [chairman] chairperson, and other
174 principal officers if applicable; (5) the name and address of the
175 depository institution for its funds; (6) the name of each person, other
176 than an individual, that is a member of the committee; (7) the name and
177 party affiliation of each candidate whom the committee is supporting
178 and the office or position sought by each candidate; (8) if the committee
179 is supporting the entire ticket of any party, a statement to that effect and
180 the name of the party; (9) if the committee is supporting or opposing
181 any referendum question, a brief statement identifying the substance of
182 the question; (10) if the committee is established by a business entity or
183 organization, the name of the business entity or organization and, if the
184 committee is established by a person other than a human being, a
185 certification that the person making the expenditure is not a foreign
186 national; (11) if the committee is established by an organization, whether
187 it will receive its funds from the organization's treasury or from
188 voluntary contributions; (12) if the committee files reports with the
189 Federal Elections Commission or any out-of-state agency, a statement to
190 that effect including the name of the agency; (13) a statement indicating
191 whether the committee is established for a single primary, election or
192 referendum or for ongoing political activities; (14) if the committee is
193 established or controlled by a lobbyist, a statement to that effect and the
194 name of the lobbyist; (15) the name and address of the person making
195 the initial contribution or disbursement, if any, to the committee; and
196 (16) any information that the State Elections Enforcement Commission
197 requires to facilitate compliance with the provisions of this chapter or
198 chapter 157. If no such initial contribution or disbursement has been
199 made at the time of the filing of such statement, the treasurer of the
200 committee shall, not later than forty-eight hours after receipt of such
201 contribution or disbursement, file a report with the State Elections

202 Enforcement Commission. The report shall be in the same form as
203 statements filed under section 9-608.

204 Sec. 5. Subdivision (1) of subsection (g) of section 9-7a of the general
205 statutes is repealed and the following is substituted in lieu thereof
206 (*Effective from passage*):

207 (g) (1) ~~(A)~~ In the case of a written complaint filed with the commission
208 pursuant to section 9-7b, commission staff shall conduct and complete a
209 preliminary examination of such complaint by the fourteenth day
210 following its receipt, at which time such staff shall, at its discretion, ~~[(A)]~~
211 ~~(i)~~ dismiss the complaint for failure to allege any substantial violation of
212 state election law supported by evidence, ~~[(B)]~~ ~~(ii)~~ engage the
213 respondent in discussions in an effort to speedily resolve any matter
214 pertaining to a de minimis violation, or ~~[(C)]~~ ~~(iii)~~ investigate and docket
215 the complaint for a determination by the commission that probable
216 cause or no probable cause exists for any such violation. If commission
217 staff dismisses a complaint pursuant to subparagraph ~~(A)~~~~(i)~~ of this
218 subdivision, such staff shall provide a brief written statement concisely
219 setting forth the reasons for such dismissal. If commission staff engages
220 a respondent pursuant to subparagraph ~~[(B)]~~ ~~(A)~~~~(ii)~~ of this subdivision
221 but is unable to speedily resolve any such matter described in said
222 subparagraph by the forty-fifth day following receipt of the complaint,
223 such staff shall docket such complaint for a determination by the
224 commission that probable cause or no probable cause exists for any
225 violation of state election law. If the commission does not, by the sixtieth
226 day following receipt of the complaint, either issue a decision or render
227 its determination that probable cause or no probable cause exists for any
228 violation of state election laws, the complainant or respondent may
229 apply to the superior court for the judicial district of Hartford for an
230 order to show cause why the commission has not acted upon the
231 complaint and to provide evidence that the commission has
232 unreasonably delayed action.

233 (B) (i) ~~[For]~~ Except as provided in subparagraph (B)(ii) of this
234 subparagraph, for any complaint received on or after January 1, 2018, if

235 the commission does not, by one year following receipt of such
 236 complaint, issue a decision thereon, the commission shall dismiss such
 237 complaint, provided the length of time of any delay caused by (i) the
 238 commission or commission staff granting any extension or continuance
 239 to a respondent prior to the issuance of any such decision, (ii) any
 240 subpoena issued in connection with such complaint, (iii) any litigation
 241 in state or federal court related to such complaint, or (iv) any
 242 investigation by, or consultation of the commission or commission staff
 243 with, the Chief State's Attorney, the Attorney General, the United States
 244 Department of Justice or the United States Attorney for Connecticut
 245 related to such complaint, shall be added to such one year.

246 (ii) For any complaint received on or after July 1, 2024, that relates to
 247 any potential violation of state election law by a foreign national, if the
 248 commission does not, by one year following receipt of such complaint,
 249 find reason to believe that a violation of state election law has been
 250 committed by a foreign national and commence a contested case, as
 251 defined in section 4-166, the commission shall dismiss such complaint,
 252 provided the length of time of any delay caused by any investigation by
 253 the commission or commission staff involving a potential violation of
 254 state election law by a foreign national shall be added to such one year.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	9-601(33) to (38)
Sec. 2	<i>from passage</i>	9-622
Sec. 3	<i>from passage</i>	9-601d(c)
Sec. 4	<i>from passage</i>	9-605(b)
Sec. 5	<i>from passage</i>	9-7a(g)(1)

Statement of Purpose:

To prevent foreign interference in state referenda and elections and allow for greater enforcement of violations, including by affording the State Elections Enforcement Commission more time to investigate foreign political spending cases.

[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.]