OLR Bill Analysis

sHB 5452

AN ACT CONCERNING VARIOUS CAMPAIGN FINANCE REFORMS.

SUMMARY

This bill makes various changes to the state's campaign finance laws. It requires that committee treasurers' authorizations for campaign finance obligations be in writing and makes it an illegal practice for a person to incur an obligation for a committee without the treasurer's written authorization (§§ 1-3).

The bill also extends an exemption from certain political advertising attribution (i.e., disclaimer) requirements to include certain text and media messages. Among other things, such a message must not solicit funds and must state the name of each committee that made or incurred an expenditure for it (§ 4).

Additionally, the bill allows legislative caucus and leadership committees of the same party and legislative chamber to transfer funds to each other (§§ 5 & 6). Lastly, it moves up, from January 15 to January 1 in a state election year, the deadline by which the State Elections Enforcement Commission (SEEC) must adjust for inflation Citizens' Election Program (CEP) grant amounts, individual contribution limits, and required contribution totals (§§ 7-9).

EFFECTIVE DATE: July 1, 2024, except that the changes regarding CEP adjustments are effective on January 1, 2025.

§§ 1-3 — WRITTEN AUTHORIZATION FOR CAMPAIGN FINANCIAL OBLIGATIONS

Existing law requires that campaign finance obligations incurred by a candidate committee, party committee, or political committee be authorized by the committee's treasurer. Additionally, SEEC regulations require that services provided to a committee by its staff or

outside professionals (e.g., attorneys and accountants) be supported by a written agreement if they cost more than $100 (Conn. Agencies Regs., § 9-607-1).

The bill requires that the treasurer's authorization be in writing for all obligations. It makes a conforming change by specifying that candidates or committee workers seeking reimbursement for a permissible expenditure paid for with personal funds must have received the treasurer's written authorization for the expenditure. As under existing law, the authorization requirement does not apply if the candidate uses his or her personal funds and does not seek reimbursement.

Relatedly, the bill makes it an illegal campaign finance practice to incur an obligation for a committee without receiving a treasurer's written authorization. The bill specifies treasurers are not civilly or criminally liable for unauthorized obligations.

By law, an illegal campaign finance practice is subject to a civil penalty of up to $2,000 per offense or twice the amount of any improper payment or contribution, whichever is greater (CGS § 9-7b(a)(2)(D)). If the act is knowing and willful, it is a class D felony, punishable by up to five years in prison, a fine of up to $5,000, or both (CGS § 9-623(a)).

§ 4 — POLITICAL ADVERTISING EXEMPTION

By law, printed, video, and audio political communications must include certain attributions, known as "disclaimers." Among other things, they must (1) identify the person making the expenditure for the communication (i.e., include the phrase "paid for by") and (2) if coordinated with a candidate, indicate that it was approved by the candidate.

The bill exempts from these requirements text or media messages that (1) do not solicit funds, (2) clearly identify one or more candidates or political parties, and (3) state the name of each committee that made or incurred an expenditure for the message. Under the bill and existing law, "text or media messages" generally include texts, images, sounds, or multimedia message service (MMS) messages but exclude emails sent

to email addresses.

Under existing law, the disclaimer exemption also applies to certain editorials, news stories, and commentaries; banners; political paraphernalia (e.g., campaign buttons); and signs with a surface area of 32 square feet or less.

§§ 5 & 6 — LEADERSHIP AND CAUCUS COMMITTEES

Existing law allows legislative leadership and caucus committees to pay or reimburse one another for the pro rata share of expenses for accomplishing the paying or reimbursing committee's lawful purposes. The bill additionally allows legislative leadership and caucus committees of the same party and within the same legislative chamber (i.e., the House or the Senate) to transfer money between themselves if their respective treasurers approve the transfer in writing. Specifically, it allows transfers between a caucus committee and a leadership committee or between two leadership committees.

Under existing law, the House speaker, Senate president pro tempore, and House and Senate majority leaders may each establish a legislative leadership committee, while the House and Senate minority leaders may each establish two leadership committees. Additionally, the members of the same political party of a chamber in the General Assembly may establish a single legislative caucus committee (CGS § 9-605(e)(2) & (3)).

§§ 7-9 — CEP THRESHOLDS

The CEP is the state's voluntary public financing program available to candidates for legislative and statewide office. Candidates qualify for it by raising an aggregate amount of qualifying contributions (QCs).

Existing law (1) sets base amounts for grants to participating candidates, the maximum amount of a QC, and the aggregate amount of QCs that must be raised and (2) requires that each of these amounts be adjusted for inflation for each election year they apply to. Under current law, SEEC must (1) publish the adjusted amounts by January 15 in the year of the election they apply to and (2) base them on inflationary

changes from January 1 in a specified year through December 31 in the year before the adjustment must be made (e.g., through December 31, 2025, for the 2026 election).

The bill instead requires SEEC to (1) publish the adjusted amounts by January 1 in the year of the election they apply to and (2) base them on inflationary changes from December 1 in a specified year through November 30 in the year before the adjustment must be made (e.g., through November 30, 2025, for the 2026 election). As under existing law, SEEC must base the adjustments on changes to the consumer price index for all urban consumers as published by the U.S. Department of Labor for the applicable period.

The bill's changes apply beginning with the 2026 election cycle. It is unclear whether any inflation adjustments would apply to special elections in 2025 (i.e., to fill any vacancies in legislative office).

BACKGROUND

Related Bill

sSB 252 (§ 22), reported favorably by the Government Administration and Elections Committee, eliminates inflationary adjustments for the maximum amount of a QC and the aggregate amount of QCs that must be raised, thus restoring them to their base levels.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute
Yea 14 Nay 5 (03/26/2024)