Proposed Substitute Bill No. 323

LCO No. **2997**

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE OFFICE OF STATE ETHICS FOR REVISIONS TO THE STATE CODES OF ETHICS.

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

Section 1. Subsection (d) of section 1-80 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(d) The board shall elect a chairperson who shall, except as provided in subsection (b) of section 1-82 and subsection (b) of section 1-93, preside at meetings of the board and a vice-chairperson to preside in the absence of the chairperson. **[**Six**]** Five members of the board shall constitute a quorum. Except as provided in subdivision (3) of subsection (a) of section 1-81, subsections (a) and (b) of section 1-82, subsection (b) of section 1-88, subsection (e) of section 1-92, subsections (a) and (b) of section 1-93 and subsection (b) of section 1-99, a majority vote of the members shall be required for action of the board. The chairperson or any three members may call a meeting.

Sec. 2. Subsections (a) and (b) of section 1-83 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

(a) (1) All state-wide elected officers, members of the General Assembly, department heads and their deputies, members or directors of each quasi-public agency, members of the Investment Advisory Council and such other members of the Executive Department and such

employees of quasi-public agencies as the Governor shall require, shall file electronically with the Office of State Ethics using the software created by the office, under penalty of false statement, a statement of financial interests for the preceding calendar year on or before the May first next in any year in which they hold such an office or position. If, in any year, May first falls on a weekend or legal holiday, such statement shall be filed not later than the next business day. Any such individual who leaves his or her office or position shall file electronically a statement of financial interests covering that portion of the year during which such individual held his or her office or position. The Office of State Ethics shall notify such individuals of the requirements of this subsection not later than sixty days after their departure from such office or position. Such individuals shall file such statement electronically not later than sixty days after receipt of the notification.

(2) Each state agency, department, board and commission shall develop and implement, in cooperation with the Office of State Ethics, an ethics statement as it relates to the mission of the agency, department, board or commission. The executive head of each such agency, department, board or commission shall be directly responsible for the development and enforcement of such ethics statement and shall file a copy of such ethics statement with the Office of State Ethics.

(b) (1) The statement of financial interests, except as provided in subdivision (2) of this subsection, shall include the following information for the preceding calendar year in regard to the individual required to file the statement and the individual's spouse and dependent children residing in the individual's household: (A) The names of all businesses with which associated; (B) all sources of income, including the name of each employer, with a description of the type of income received, in excess of one thousand dollars, without specifying amounts of income; (C) the name of securities in excess of five thousand dollars at fair market value owned by such individual, spouse or dependent children or held in the name of a corporation, partnership or trust for the benefit of such individual, spouse or dependent children;

(D) the existence of any known blind trust and the names of the trustees; (E) all real property and its location, whether owned by such individual, spouse or dependent children or held in the name of a corporation, partnership or trust for the benefit of such individual, spouse or dependent children; (F) the names and addresses of creditors to whom the individual, the individual's spouse or dependent children, individually, owed debts of more than ten thousand dollars; (G) any leases or contracts with the state or a quasi-public agency held or entered into by the individual or a business with which he or she was associated; and (H) the name of any of the following that is a partner or owner of, or has a similar business affiliation with, the business included under subparagraph (A) of this subdivision: (i) Any lobbyist, (ii) any person the individual filing the statement knows or has reason to know is doing business with or seeking to do business with the state or is engaged in activities that are directly regulated by the department or agency in which the individual is employed, or (iii) any business with which such lobbyist or person is associated.

(2) In the case of securities in excess of five thousand dollars at fair market value held within (A) a retirement savings plan, as described in Section 401 of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, (B) a tax-sheltered annuity retirement plan, as described in Section 403 of said Internal Revenue Code, (C) a payroll deduction individual retirement account plan, as described in Section 408 or 408A of said Internal Revenue Code, **[**(C)**]** (D) a governmental deferred compensation plan, as described in Section 457 of said Internal Revenue Code, or **[**(D)**]** (E) an education savings plan, as described in Section 529 of said Internal Revenue Code, the names of such securities shall not be required to be disclosed in any statement of financial interests and only the name of such retirement savings plan, tax-sheltered annuity retirement plan, individual retirement account plan, deferred compensation plan or education savings plan holding such securities shall be required.

Sec. 3. Subsections (a) to (c), inclusive, of section 1-84 of the 2026 supplement to the general statutes are repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

(a) No public official or state employee shall, while serving as such, have any financial interest in, or engage in, any business, employment, transaction or professional activity, which is in substantial conflict with the proper discharge of **[**his**]** such official's or employee's duties or employment in the public interest and of **[**his**]** such official's or employee's responsibilities as prescribed in the laws of this state, as defined in section 1-85, as amended by this act.

(b) No public official or state employee shall accept other employment which will either impair his independence of judgment as to **[**his**]** such official's or employee's official duties or employment or require **[**him, or induce him**]** or induce such official or employee, to disclose confidential information acquired by **[**him**]** such official or employee in the course of and by reason of **[**his**]** such official's or employee's official duties.

(c) No public official or state employee shall wilfully and knowingly disclose, for financial gain, to any other person, confidential information acquired by **[**him**]** such official or employee in the course of and by reason of **[**his**]** such official's or employee's official duties or employment and no public official or state employee shall use **[**his**]** such official's or employee's public office or position or any confidential information received through **[**his**]** such official's or employee's holding such public office or position to obtain financial gain for **[**himself, his**]** such official or employee, such official's or employee's spouse, child, child's spouse, parent, brother or sister or a business with which he is associated.

Sec. 4. Section 1-85 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

(a) (1) For purposes of this section, "business with which the public

official or state employee is associated" has the same meaning as "business with which he is associated", as provided in section 1-79.

(2) A public official, including an elected state official, or state employee has an interest which is in substantial conflict with the proper discharge of **[**his**]** such official's or employee's duties or employment in the public interest and of **[**his**]** such official's or employee's responsibilities as prescribed in the laws of this state, if **[**he**]** such official or employee has reason to believe or expect that **[**he, his**]** any of the following persons will derive a direct monetary gain or suffer a direct monetary loss, as the case may be, by reason of such official's or employee's official activity: The official or employee, or such official's or employee's spouse, **[**a**]** dependent child, or **[**a business with which he is associated will derive a direct monetary gain or suffer a direct monetary loss, as the case may be, by reason of his official activity**]** nonstate employer or the nonstate employer of the official's or employee's spouse, or a business with which the public official or state employee is associated, except as provided in subdivision (3) of this subsection.

(3) In the case of an elected state official, such official only has a substantial conflict regarding a matter concerning such elected official's nonstate employer or the nonstate employer of such official's spouse or a business with which the official is associated, if such official has actual knowledge, rather than has reason to believe or expect, that such nonstate employer or business will derive a direct monetary gain or suffer a direct monetary loss, as the case may be, by reason of the official activity of such official.

(4) A public official, including an elected state official, or state employee does not have an interest which is in substantial conflict with the proper discharge of **[**his**]** such official's or employee's duties in the public interest and of **[**his**]** such official's or employee's responsibilities as prescribed by the laws of this state, if any benefit or detriment accrues to **[**him, his**]** such official or employee, such official's or employee's spouse, **[**a**]** dependent child **[**,**]** or nonstate employer, the nonstate

employer of the official's or employee's spouse or a business with which **[**he, his spouse or such dependent child**]** the public official or state employee is associated as a member of a profession, occupation or group to no greater extent than any other member of such profession, occupation or group. **[**A**]** Except as provided in subsection (b) of this section and subdivision (5) of subsection (a) of section 1-86, as amended by this act, a public official, including an elected state official or state employee who has a substantial conflict may not take official action on the matter.

(b) If an elected state official has a substantial conflict regarding a matter that concerns a direct monetary gain or direct monetary loss for the nonstate employer of such official or the nonstate employer of such official's spouse, such official shall either excuse himself or herself from the matter or, prior to taking official action on the matter, prepare a written statement, on a form prescribed by the Office of State Ethics and signed under penalty of false statement, describing the matter requiring action, the nature of the conflict and explaining why, despite the conflict, such official is able to vote or otherwise participate fairly, objectively and in the public interest in such matter. Such official shall submit a copy of such statement to the Office of State Ethics and enter a copy of the statement in the journal or minutes of the state agency to which such official has been elected, or, if such agency does not have a journal or minutes, submit the copy to such agency.

Sec. 5. Subsection (a) of section 1-86 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

(a) (1) For purposes of this section, "business with which such public official or employee is associated" has the same meaning as "business with which he is associated", as provided in section 1-79.

[(a)**]** (2) Any public official or state employee, other than an elected state official, who, in the discharge of such official's or employee's official duties, would be required to take an action that would affect a financial interest of such official or employee, such official's or

employee's spouse, parent, brother, sister, child, **[**or**]** the spouse of a child, nonstate employer, nonstate employer of the official's or employee's spouse or a business with which such official or employee is associated, other than an interest of a de minimis nature, an interest that is not distinct from that of a substantial segment of the general public or an interest in substantial conflict with the performance of official duties, as defined in section 1-85, as amended by this act, has a potential conflict of interest.

[Under such circumstances, such official or employee shall, if**]** (3) If such official or employee is a member of a state regulatory agency, such official or employee shall either excuse himself or herself from the matter or, prior to taking official action on the matter, prepare a written statement on a form prescribed by the Office of State Ethics and signed under penalty of false statement, describing the matter requiring action and the nature of the potential conflict and explaining why despite the potential conflict, such official or employee is able to vote **[**and**]** or otherwise participate fairly, objectively and in the public interest in such matter. Such public official or state employee shall **[**deliver**]** submit a copy of the statement to the Office of State Ethics and enter a copy of the statement in the journal or minutes of the agency or, if such agency does not have a journal or minutes, submit the copy to such agency.

(4) If such official or employee is not a member of a state regulatory agency, **[**such official or employee shall,**]** in the case of either a substantial or potential conflict **[**,**]** that would affect a financial interest of such official or employee, such official's or employee's spouse, parent, brother, sister, child or the spouse of a child or a business with which such official or employee is associated, such official or employee shall prepare a written statement signed under penalty of false statement describing the matter requiring action and the nature of the conflict and **[**deliver**]** submit a copy of the statement to such official's or employee's immediate **[**superior**]** supervisor, if any, who shall assign the matter to another employee, or if such official or employee has no immediate **[**superior**]** supervisor, such official or employee shall take such steps as

the Office of State Ethics shall prescribe or advise.

(5) In the case of either a substantial or potential conflict that would affect a financial interest of the official's or employee's nonstate employer, or the nonstate employer of the official's or employee's spouse, such official or employee shall either (A) excuse himself or herself from the matter, or (B) prior to taking official action on the matter, prepare a written statement on a form prescribed by the Office of State Ethics and signed under penalty of false statement, describing the matter requiring action and the nature of the conflict and either (i) explaining why despite the conflict, such official or employee is able to vote or otherwise participate fairly, objectively and in the public interest in such matter, (ii) stating that the official or employee has been directed to continue work on the matter by such official's or employee's supervisor in the agency after disclosing the substantial or potential conflict to such supervisor, or (iii) both. Such official or employee shall submit a copy of the statement in the journal or minutes of the agency or, if such agency does not have a journal or minutes, submit the copy to such agency.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*from passage*	1-80(d)
Sec. 2	*October 1, 2026*	1-83(a) and (b)
Sec. 3	*October 1, 2026*	1-84(a) to (c)
Sec. 4	*October 1, 2026*	1-85
Sec. 5	*October 1, 2026*	1-86(a)