



House of Representatives

General Assembly

File No. 438

January Session, 2021

Substitute House Bill No. 6574

House of Representatives, April 14, 2021

The Committee on Government Administration and Elections reported through REP. FOX of the 148th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING REVISIONS TO THE STATE CODES OF ETHICS.

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

1 Section 1. Subdivision (5) of section 1-79 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2021*):

4 (5) "Gift" means anything of value, which is directly and personally
5 received, unless consideration of equal or greater value is given in
6 return. "Gift" does not include:

7 (A) A political contribution otherwise reported as required by law or
8 a donation or payment as described in subdivision (9) or (10) of
9 subsection (b) of section 9-601a;

10 (B) Services provided by persons volunteering their time, if provided
11 to aid or promote the success or defeat of any political party, any
12 candidate or candidates for public office or the position of convention

13 delegate or town committee member or any referendum question;

14 (C) A commercially reasonable loan made on terms not more
15 favorable than loans made in the ordinary course of business;

16 (D) A gift received from (i) an individual's spouse, [fiance or fiancée]
17 fiancé or fiancée, (ii) the parent, grandparent, brother or sister of such
18 spouse or such individual, or (iii) the child of such individual or the
19 spouse of such child;

20 (E) Goods or services (i) that are provided to a state agency or quasi-
21 public agency (I) for use on state or quasi-public agency property, or (II)
22 that support an event or the participation by a public official or state
23 employee at an event, and (ii) that facilitate state or quasi-public agency
24 action or functions. As used in this subparagraph, "state property"
25 means property owned by the state or a quasi-public agency or property
26 leased to a state agency or quasi-public agency;

27 (F) A certificate, plaque or other ceremonial award costing less than
28 one hundred dollars;

29 (G) A rebate, discount or promotional item available to the general
30 public;

31 (H) Printed or recorded informational material germane to state
32 action or functions;

33 (I) Food or beverage or both, costing less than fifty dollars in the
34 aggregate per recipient in a calendar year, and consumed on an occasion
35 or occasions at which the person paying, directly or indirectly, for the
36 food or beverage, or his representative, is in attendance;

37 (J) Food or beverage or both, costing less than fifty dollars per person
38 and consumed at a publicly noticed legislative reception to which all
39 members of the General Assembly are invited and which is hosted not
40 more than once in any calendar year by a lobbyist or business
41 organization. For the purposes of such limit, (i) a reception hosted by a
42 lobbyist who is an individual shall be deemed to have also been hosted

43 by the business organization which such lobbyist owns or is employed
44 by, and (ii) a reception hosted by a business organization shall be
45 deemed to have also been hosted by all owners and employees of the
46 business organization who are lobbyists. In making the calculation for
47 the purposes of such fifty-dollar limit, the donor shall divide the amount
48 spent on food and beverage by the number of persons whom the donor
49 reasonably expects to attend the reception;

50 (K) Food or beverage or both, costing less than fifty dollars per person
51 and consumed at a publicly noticed reception to which all members of
52 the General Assembly from a region of the state are invited and which
53 is hosted not more than once in any calendar year by a lobbyist or
54 business organization. For the purposes of such limit, (i) a reception
55 hosted by a lobbyist who is an individual shall be deemed to have also
56 been hosted by the business organization which such lobbyist owns or
57 is employed by, and (ii) a reception hosted by a business organization
58 shall be deemed to have also been hosted by all owners and employees
59 of the business organization who are lobbyists. In making the
60 calculation for the purposes of such fifty-dollar limit, the donor shall
61 divide the amount spent on food and beverage by the number of
62 persons whom the donor reasonably expects to attend the reception. As
63 used in this subparagraph, "region of the state" means the established
64 geographic service area of the organization hosting the reception;

65 (L) A gift, including, but not limited to, food or beverage or both,
66 provided by an individual for the celebration of a major life event,
67 provided any such gift provided by an individual who is not a member
68 of the family of the recipient does not exceed one thousand dollars in
69 value;

70 (M) Gifts costing less than one hundred dollars in the aggregate or
71 food or beverage provided at a hospitality suite at a meeting or
72 conference of an interstate legislative association, by a person who is not
73 a registrant or is not doing business with the state of Connecticut;

74 (N) Admission to a charitable or civic event, including food and
75 beverage provided at such event, but excluding lodging or travel

76 expenses, at which a public official or state employee participates in his
77 or her official capacity, provided such admission is provided by the
78 primary sponsoring entity;

79 (O) Anything of value provided by an employer of (i) a public official,
80 (ii) a state employee, or (iii) a spouse of a public official or state
81 employee, to such official, employee or spouse, provided such benefits
82 are customarily and ordinarily provided to others in similar
83 circumstances;

84 (P) Anything having a value of not more than ten dollars, provided
85 the aggregate value of all things provided by a donor to a recipient
86 under this subdivision in any calendar year does not exceed fifty dollars;

87 (Q) Training that is provided by a vendor for a product purchased by
88 a state or quasi-public agency that is offered to all customers of such
89 vendor;

90 (R) Travel expenses, lodging, food, beverage and other benefits
91 customarily provided by a prospective employer, when provided to a
92 student at a public institution of higher education whose employment
93 is derived from such student's status as a student at such institution, in
94 connection with bona fide employment discussions; or

95 (S) Expenses of a public official, paid by the party committee of which
96 party such official is a member, for the purpose of accomplishing the
97 lawful purposes of the committee. As used in this subparagraph, "party
98 committee" has the same meaning as provided in subdivision (2) of
99 section 9-601 and "lawful purposes of the committee" has the same
100 meaning as provided in subsection (g) of section 9-607.

101 Sec. 2. Subdivision (12) of section 1-79 of the general statutes is
102 repealed and the following is substituted in lieu thereof (*Effective July 1,*
103 *2021*):

104 (12) "Quasi-public agency" means Connecticut Innovations,
105 Incorporated, the Connecticut Health and Education Facilities
106 Authority, the Connecticut Higher Education Supplemental Loan

107 Authority, the Connecticut Student Loan Foundation, the Connecticut
108 Housing Finance Authority, the State Housing Authority, the Materials
109 Innovation and Recycling Authority, the Capital Region Development
110 Authority, the Connecticut Lottery Corporation, the Connecticut
111 Airport Authority, the Connecticut Health Insurance Exchange, the
112 Connecticut Green Bank, the Connecticut Retirement Security
113 Authority, the Connecticut Port Authority, the Connecticut Municipal
114 Redevelopment Authority, [and] the State Education Resource Center
115 and the Paid Family and Medical Leave Insurance Authority.

116 Sec. 3. Section 1-79 of the general statutes is amended by adding
117 subdivision (21) as follows (*Effective October 1, 2021*):

118 (NEW) (21) "Confidential information" means any information in the
119 possession of the state, a state employee or a public official, whatever its
120 form, which (A) is required not to be disclosed to the general public
121 under any provision of the general statutes or federal law; or (B) falls
122 within a category of permissibly nondisclosable information under the
123 Freedom of Information Act, as defined in section 1-200, and which the
124 appropriate agency, state employee or public official has decided not to
125 disclose to the general public.

126 Sec. 4. Subsection (c) of section 1-81 of the general statutes is repealed
127 and the following is substituted in lieu thereof (*Effective October 1, 2021*):

128 (c) The Office of State Ethics shall employ an executive director,
129 general counsel and ethics enforcement officer, each of whom shall be
130 exempt from classified state service. The ethics enforcement officer shall
131 be a member of the bar of this state. The salary for the executive director,
132 general counsel and the ethics enforcement officer shall be determined
133 by the Commissioner of Administrative Services in accordance with
134 accepted personnel practices. No one person may serve in more than
135 one of the positions described in this subsection. The Office of State
136 Ethics may employ necessary staff within available appropriations.
137 Such necessary staff of the Office of State Ethics shall be in classified
138 state service.

139 Sec. 5. Subsection (g) of section 1-81 of the general statutes is repealed
140 and the following is substituted in lieu thereof (*Effective October 1, 2021*):

141 (g) There shall be an enforcement division within the Office of State
142 Ethics. The enforcement division shall be responsible for investigating
143 complaints brought to or by the board. The ethics enforcement officer,
144 described in subsection (c) of this section, shall supervise the
145 enforcement division. The ethics enforcement officer may represent the
146 Office of State Ethics before the Superior Court in an appeal of any
147 ruling or finding pursuant to, or any matter arising under, section 1-82,
148 as amended by this act, 1-93, as amended by this act, or 1-101nn,
149 provided the board is not a party in such appeal. The enforcement
150 division shall employ such attorneys and investigators, as necessary,
151 within available appropriations, and may refer matters to the office of
152 the Chief State's Attorney, as appropriate.

153 Sec. 6. Subsection (b) of section 1-82 of the general statutes is repealed
154 and the following is substituted in lieu thereof (*Effective October 1, 2021*):

155 (b) If a judge trial referee determines that probable cause exists for
156 the violation of a provision of this part, section 1-101bb or section 1-
157 101nn, the board shall initiate hearings to determine whether there has
158 been a violation of this part, section 1-101bb or section 1-101nn. Any
159 such hearing shall be initiated by the board not later than thirty days
160 after the finding of probable cause by a judge trial referee and shall be
161 concluded not later than ninety days after its initiation, except that such
162 thirty or ninety-day limitation period shall not apply if the judge trial
163 referee determines that good cause exists for extending such limitation
164 period. A judge trial referee, who has not taken part in the probable
165 cause determination on the matter shall be assigned by the Chief Court
166 Administrator and shall be compensated in accordance with section 52-
167 434 out of funds available to the Office of State Ethics. Such judge trial
168 referee shall preside over such hearing and rule on all issues concerning
169 the application of the rules of evidence, which shall be the same as in
170 judicial proceedings. The judge trial referee shall have no vote in any
171 decision of the board. All hearings of the board held pursuant to this

172 subsection shall be open. At such hearing the board shall have the same
173 powers as the Office of State Ethics under subsection (a) of this section
174 and the respondent shall have the right to be represented by legal
175 counsel, to compel attendance of witnesses and the production of books,
176 documents, records and papers and to examine and cross-examine
177 witnesses. Not later than ten days prior to the commencement of any
178 hearing conducted pursuant to this subsection, the Office of State Ethics
179 shall provide the respondent with a list of its intended witnesses. The
180 judge trial referee shall, while engaged in the discharge of the duties as
181 provided in this subsection, have the same authority as is provided in
182 section 51-35 over witnesses who refuse to obey a subpoena or to testify
183 with respect to any matter upon which such witness may be lawfully
184 interrogated, and may commit any such witness for contempt for a
185 period no longer than thirty days. The Office of State Ethics shall make
186 a record of all proceedings pursuant to this subsection. During the
187 course of any such hearing, no ex-parte communication shall occur
188 between the board, or any of its members, and: (1) The judge trial
189 referee, or (2) any staff member of the Enforcement Division of the Office
190 of State Ethics, concerning the complaint or the respondent. The board
191 shall find no person in violation of any provision of this part, section 1-
192 101bb or section 1-101nn except upon the concurring vote of two-thirds
193 of its members present and voting. No member of the board shall vote
194 on the question of whether a violation of any provision of this part has
195 occurred unless such member was physically present for the duration
196 of any hearing held pursuant to this subsection. Not later than [fifteen]
197 forty-five days after the public hearing conducted in accordance with
198 this subsection, the board shall publish its finding and a memorandum
199 of the reasons therefor. Such finding and memorandum shall be deemed
200 to be the final decision of the board on the matter for the purposes of
201 chapter 54. The respondent, if aggrieved by the finding and
202 memorandum, may appeal therefrom to the Superior Court in
203 accordance with the provisions of section 4-183.

204 Sec. 7. Subsection (a) of section 1-83 of the general statutes is repealed
205 and the following is substituted in lieu thereof (*Effective October 1, 2021*):

206 (a) (1) All state-wide elected officers, members of the General
207 Assembly, department heads and their deputies, members or directors
208 of each quasi-public agency, members of the Investment Advisory
209 Council and such members of the Executive Department and such
210 employees of quasi-public agencies as the Governor shall require, shall
211 file electronically with the Office of State Ethics using the software
212 created by the office, under penalty of false statement, a statement of
213 financial interests for the preceding calendar year [with the Office of
214 State Ethics] on or before the May first next in any year in which they
215 hold such an office or position. If, in any year, May first falls on a
216 weekend or legal holiday, such statement shall be filed not later than the
217 next business day. Any such individual who leaves his or her office or
218 position shall file electronically a statement of financial interests
219 covering that portion of the year during which such individual held his
220 or her office or position. The Office of State Ethics shall notify such
221 individuals of the requirements of this subsection not later than sixty
222 days after their departure from such office or position. Such individuals
223 shall file such statement electronically not later than sixty days after
224 receipt of the notification.

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

233 Sec. 8. Subsection (o) of section 1-84 of the general statutes is repealed
234 and the following is substituted in lieu thereof (*Effective October 1, 2021*):

235 (o) If (1) any person (A) is doing business with or seeking to do
236 business with the department or agency in which a public official or
237 state employee is employed, or (B) is engaged in activities which are
238 directly regulated by such department or agency, and (2) such person or

239 a representative of such person gives to such public official or state
240 employee anything [of value which is subject to the reporting
241 requirements pursuant to subsection (e) of section 1-96] having a value
242 of more than ten dollars, such person or representative shall, not later
243 than ten days thereafter, give such recipient and the executive head of
244 the recipient's department or agency a written report stating the name
245 of the donor, a description of the item or items given, the value of such
246 items and the cumulative value of all items given to such recipient
247 during that calendar year. The provisions of this subsection shall not
248 apply to a political contribution otherwise reported as required by law.

249 Sec. 9. Subsections (c) to (e), inclusive, of section 1-84b of the general
250 statutes are repealed and the following is substituted in lieu thereof
251 (*Effective October 1, 2021*):

252 (c) The provisions of this subsection apply to present or former
253 executive branch public officials or state employees of an agency who
254 hold or formerly held positions which involve significant decision-
255 making or supervisory responsibility. [and are] Such positions shall be
256 designated as such by the agency concerned, in consultation with the
257 Office of State Ethics, [in consultation with the agency concerned] except
258 that such provisions shall not apply to members or former members of
259 the boards or commissions who serve ex officio, who are required by
260 statute to represent the regulated industry or who are permitted by
261 statute to have a past or present affiliation with the regulated industry.
262 [Designation] On or before November 1, 2021, and not less than
263 annually thereafter, the head of each agency concerned, or his or her
264 designee, shall submit the designation of all positions in existence on
265 such date that are subject to the provisions of this subsection [shall be
266 by regulations adopted by the Citizen's Ethics Advisory Board in
267 accordance with chapter 54] to the office electronically, in a manner
268 prescribed by the Citizen's Ethics Advisory Board. If an agency creates
269 such a position after its annual submission under this subsection, the
270 head of such agency, or his or her designee, shall submit the designation
271 of the newly created position not later than thirty days after the creation
272 of such position. As used in this subsection, "agency" means the Health

273 Systems Planning Unit of the Office of Health Strategy, the Connecticut
274 Siting Council, the Department of Banking, the Insurance Department,
275 the Department of Emergency Services and Public Protection, the office
276 within the Department of Consumer Protection that carries out the
277 duties and responsibilities of sections 30-2 to 30-68m, inclusive, the
278 Public Utilities Regulatory Authority, including the Office of Consumer
279 Counsel, and the Department of Consumer Protection and the term
280 "employment" means professional services or other services rendered as
281 an employee or as an independent contractor.

282 (1) No public official or state employee in an executive branch
283 position designated [by the Office of State Ethics] pursuant to the
284 provisions of this subsection shall negotiate for, seek or accept
285 employment with any business subject to regulation by his agency.

286 (2) No former public official or state employee who held such a
287 position in the executive branch shall, within one year after leaving an
288 agency, accept employment with a business subject to regulation by that
289 agency.

290 (3) No business shall employ a present or former public official or
291 state employee in violation of this subsection.

292 (d) The provisions of subsection (e) of this section apply to (1) present
293 or former Department of Consumer Protection public officials or state
294 employees who hold or formerly held positions which involve
295 significant decision-making or supervisory responsibility and [are]
296 designated as such by the department, in consultation with the Office of
297 State Ethics, [in consultation with the agency concerned,] and (2) present
298 or former public officials or state employees of other agencies who hold
299 or formerly held positions which involve significant decision-making or
300 supervisory responsibility concerning the regulation or investigation of
301 (A) any business entity (i) engaged in Indian gaming operations in the
302 state, and (ii) in which a federally-recognized Indian tribe in the state
303 owns a controlling interest, or (B) a governmental agency of a federally-
304 recognized Indian tribe engaged in Indian gaming operations in the
305 state, which positions are designated as such by the agency concerned,

306 in consultation with the Office of State Ethics. [, in consultation with the
307 agency concerned. Designation of] On or before November 1, 2021, and
308 not less than annually thereafter, the Commissioner of Consumer
309 Protection and the head of each agency concerned, or their designees,
310 shall submit designations of all positions in existence on such date that
311 are subject to the provisions of this subsection [shall be by regulations
312 adopted by the Citizen's Ethics Advisory Board in accordance with
313 chapter 54. As used in subsection (e) of this section, the term
314 "employment" means professional services or other services rendered as
315 an employee or as an independent contractor] to the office
316 electronically, in a manner prescribed by the Citizen's Ethics Advisory
317 Board. If the department or agency concerned creates such a position
318 after its annual submission under this subsection, the Commissioner of
319 Consumer Protection or the head of such agency, as applicable, or their
320 designees, shall submit the designation of the newly created position
321 not later than thirty days after the creation of such position.

322 (e) (1) No Department of Consumer Protection public official or state
323 employee or other public official or state employee described in
324 subdivision (2) of subsection (d) of this section [, in a position designated
325 by the Office of State Ethics,] shall negotiate for, seek or accept
326 employment with (A) a business entity (i) engaged in Indian gaming
327 operations in the state, and (ii) in which a federally-recognized Indian
328 tribe in the state owns a controlling interest, or (B) a governmental
329 agency of a federally-recognized Indian tribe engaged in Indian gaming
330 operations in the state.

331 (2) No former Department of Consumer Protection public official or
332 state employee or other former public official or state employee
333 described in subdivision (2) of subsection (d) of this section, who held
334 such a position shall, within two years after leaving such agency, accept
335 employment with (A) a business entity (i) engaged in Indian gaming
336 operations in the state, and (ii) in which a federally-recognized Indian
337 tribe in the state owns a controlling interest, or (B) a governmental
338 agency of a federally-recognized Indian tribe engaged in Indian gaming
339 operations in the state.

340 (3) As used in this subsection, "employment" means professional
341 services or other services rendered as an employee or as an independent
342 contractor.

343 Sec. 10. Section 1-86e of the general statutes is repealed and the
344 following is substituted in lieu thereof (*Effective October 1, 2021*):

345 (a) No person hired by the state as a consultant or independent
346 contractor, and no person employed by such consultant or independent
347 contractor, shall:

348 (1) Use the authority provided [to the person] under the contract, or
349 any confidential information acquired in the performance of the
350 contract, to obtain financial gain for the [person] consultant or
351 independent contractor, an employee of the [person] consultant or
352 independent contractor or a member of the immediate family of any
353 such [person] consultant, independent contractor or employee;

354 (2) Accept another state contract which would impair the
355 independent judgment of the [person] consultant, independent
356 contractor or employee in the performance of the existing contract; or

357 (3) Accept anything of value based on an understanding that the
358 actions of the [person] consultant, independent contractor or employee
359 on behalf of the state would be influenced.

360 (b) No person shall give anything of value to a person hired by the
361 state as a consultant or independent contractor or an employee of a
362 consultant or independent contractor based on an understanding that
363 the actions of the consultant, [or] independent contractor or employee
364 on behalf of the state would be influenced.

365 Sec. 11. Subsection (a) of section 1-90a of the general statutes is
366 repealed and the following is substituted in lieu thereof (*Effective October*
367 *1, 2021*):

368 (a) Notwithstanding the provisions of sections 1-84, as amended by
369 this act, 1-84a, 1-85 and 1-86, a public official or state employee of a

370 public institution of higher education whose employment is derived
371 from such official's or employee's status as a student at such institution
372 shall not be subject to the provisions of said sections, if (1) such
373 institution has adopted written policies and procedures to regulate
374 student conduct concerning conflicts of interest relating to student
375 holding of public office or state employment, and (2) such policies and
376 procedures have been approved by the Citizen's Ethics Advisory Board
377 in accordance with subsection (b) of this section.

378 Sec. 12. Subdivision (7) of section 1-91 of the general statutes is
379 repealed and the following is substituted in lieu thereof (*Effective October*
380 *1, 2021*):

381 (7) "Gift" means anything of value, which is directly and personally
382 received, unless consideration of equal or greater value is given in
383 return. "Gift" does not include:

384 (A) A political contribution otherwise reported as required by law or
385 a donation or payment described in subdivision (9) or (10) of subsection
386 (b) of section 9-601a;

387 (B) Services provided by persons volunteering their time, if provided
388 to aid or promote the success or defeat of any political party, any
389 candidate or candidates for public office or the position of convention
390 delegate or town committee member or any referendum question;

391 (C) A commercially reasonable loan made on terms not more
392 favorable than loans made in the ordinary course of business;

393 (D) A gift received from (i) the individual's spouse, fiancé or fiancée,
394 (ii) the parent, grandparent, brother or sister of such spouse or such
395 individual, or (iii) the child of such individual or the spouse of such
396 child;

397 (E) Goods or services (i) that are provided to a state agency or quasi-
398 public agency (I) for use on state or quasi-public agency property, or (II)
399 that support an event or the participation by a public official or state
400 employee at an event, and (ii) that facilitate state or quasi-public agency

401 action or functions. As used in this subparagraph, "state property"
402 means property owned by the state or a quasi-public agency or property
403 leased to a state or quasi-public agency;

404 (F) A certificate, plaque or other ceremonial award costing less than
405 one hundred dollars;

406 (G) A rebate, discount or promotional item available to the general
407 public;

408 (H) Printed or recorded informational material germane to state
409 action or functions;

410 (I) Food or beverage or both, costing less than fifty dollars in the
411 aggregate per recipient in a calendar year, and consumed on an occasion
412 or occasions at which the person paying, directly or indirectly, for the
413 food or beverage, or his representative, is in attendance;

414 (J) Food or beverage or both, costing less than fifty dollars per person
415 and consumed at a publicly noticed legislative reception to which all
416 members of the General Assembly are invited and which is hosted not
417 more than once in any calendar year by a lobbyist or business
418 organization. For the purposes of such limit, (i) a reception hosted by a
419 lobbyist who is an individual shall be deemed to have also been hosted
420 by the business organization which he owns or is employed by, and (ii)
421 a reception hosted by a business organization shall be deemed to have
422 also been hosted by all owners and employees of the business
423 organization who are lobbyists. In making the calculation for the
424 purposes of such fifty-dollar limit, the donor shall divide the amount
425 spent on food and beverage by the number of persons whom the donor
426 reasonably expects to attend the reception;

427 (K) Food or beverage or both, costing less than fifty dollars per person
428 and consumed at a publicly noticed reception to which all members of
429 the General Assembly from a region of the state are invited and which
430 is hosted not more than once in any calendar year by a lobbyist or
431 business organization. For the purposes of such limit, (i) a reception

432 hosted by a lobbyist who is an individual shall be deemed to have also
433 been hosted by the business organization which he owns or is employed
434 by, and (ii) a reception hosted by a business organization shall be
435 deemed to have also been hosted by all owners and employees of the
436 business organization who are lobbyists. In making the calculation for
437 the purposes of such fifty-dollar limit, the donor shall divide the amount
438 spent on food and beverage by the number of persons whom the donor
439 reasonably expects to attend the reception. As used in this
440 subparagraph, "region of the state" means the established geographic
441 service area of the organization hosting the reception;

442 (L) A gift, including, but not limited to, food or beverage or both,
443 provided by an individual for the celebration of a major life event,
444 provided any such gift provided by an individual who is not a member
445 of the family of the recipient does not exceed one thousand dollars in
446 value;

447 (M) Gifts costing less than one hundred dollars in the aggregate or
448 food or beverage provided at a hospitality suite at a meeting or
449 conference of an interstate legislative association, by a person who is not
450 a registrant or is not doing business with the state of Connecticut;

451 (N) Admission to a charitable or civic event, including food and
452 beverage provided at such event, but excluding lodging or travel
453 expenses, at which a public official or state employee participates in his
454 or her official capacity, provided such admission is provided by the
455 primary sponsoring entity;

456 (O) Anything of value provided by an employer of (i) a public official,
457 (ii) a state employee, or (iii) a spouse of a public official or state
458 employee, to such official, employee or spouse, provided such benefits
459 are customarily and ordinarily provided to others in similar
460 circumstances;

461 (P) Anything having a value of not more than ten dollars, provided
462 the aggregate value of all things provided by a donor to a recipient
463 under this subdivision in any calendar year does not exceed fifty dollars;

464 or

465 (Q) Training that is provided by a vendor for a product purchased by
466 a state or quasi-public agency that is offered to all customers of such
467 vendor.

468 Sec. 13. Subsection (b) of section 1-93 of the general statutes is
469 repealed and the following is substituted in lieu thereof (*Effective October*
470 *1, 2021*):

471 (b) If a judge trial referee indicates that probable cause exists for the
472 violation of a provision of this part or section 1-101bb, the board shall
473 initiate hearings to determine whether there has been a violation of this
474 part or section 1-101bb. Any such hearing shall be initiated by the board
475 not later than thirty days after the finding of probable cause by a judge
476 trial referee and shall be concluded not later than ninety days after its
477 initiation, except that such thirty-day or ninety-day limitation period
478 shall not apply if the judge trial referee determines that good cause
479 exists for extending such limitation period. A judge trial referee, who
480 has not taken part in the probable cause determination on the matter
481 shall be assigned by the Chief Court Administrator and shall be
482 compensated in accordance with section 52-434 out of funds available to
483 the board. Such judge trial referee shall preside over such hearing and
484 rule on all issues concerning the application of the rules of evidence,
485 which shall be the same as in judicial proceedings. The judge trial referee
486 shall have no vote in any decision of the board. All hearings of the board
487 held pursuant to this subsection shall be open. At such hearing the
488 board shall have the same powers as the Office of State Ethics under
489 subsection (a) of this section and the respondent shall have the right to
490 be represented by legal counsel, to compel attendance of witnesses and
491 the production of books, documents, records and papers and to examine
492 and cross-examine witnesses. Not later than ten days prior to the
493 commencement of any hearing conducted pursuant to this subsection,
494 the Office of State Ethics shall provide the respondent with a list of its
495 intended witnesses. The judge trial referee shall, while engaged in the
496 discharge of the duties as provided in this subsection, have the same

497 authority as is provided in section 51-35 over witnesses who refuse to
498 obey a subpoena or to testify with respect to any matter upon which
499 such witness may be lawfully interrogated, and may commit any such
500 witness for contempt for a period no longer than thirty days. The Office
501 of State Ethics shall make a record of all proceedings pursuant to this
502 subsection. During the course of any such hearing, no ex-parte
503 communication shall occur between the board, or any of its members,
504 and: (1) The judge trial referee, or (2) any staff member of the
505 Enforcement Division of the Office of State Ethics, concerning the
506 complaint or the respondent. The board shall find no person in violation
507 of any provision of this part or section 1-101bb except upon the
508 concurring vote of two-thirds of its members present and voting. No
509 member of the board shall vote on the question of whether a violation
510 of any provision of this part or section 1-101bb has occurred unless such
511 member was physically present for the duration of any hearing held
512 pursuant to this subsection. Not later than [fifteen] forty-five days after
513 the public hearing conducted in accordance with this subsection, the
514 board shall publish its finding and a memorandum of the reasons
515 therefor. Such finding and memorandum shall be deemed to be the final
516 decision of the board on the matter for the purposes of chapter 54. The
517 respondent, if aggrieved by the finding and memorandum, may appeal
518 therefrom to the Superior Court in accordance with the provisions of
519 section 4-183.

520 Sec. 14. Subsection (b) of section 1-97 of the general statutes is
521 repealed and the following is substituted in lieu thereof (*Effective October*
522 *1, 2021*):

523 (b) No person shall employ, or be employed as, a lobbyist for
524 compensation [which] that is contingent upon the outcome of any
525 administrative or legislative action.

526 Sec. 15. Sections 1-80b to 1-80d, inclusive, 1-82b and 1-89a of the
527 general statutes are repealed. (*Effective October 1, 2021*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2021	1-79(5)
Sec. 2	July 1, 2021	1-79(12)
Sec. 3	October 1, 2021	1-79
Sec. 4	October 1, 2021	1-81(c)
Sec. 5	October 1, 2021	1-81(g)
Sec. 6	October 1, 2021	1-82(b)
Sec. 7	October 1, 2021	1-83(a)
Sec. 8	October 1, 2021	1-84(o)
Sec. 9	October 1, 2021	1-84b(c) to (e)
Sec. 10	October 1, 2021	1-86e
Sec. 11	October 1, 2021	1-90a(a)
Sec. 12	October 1, 2021	1-91(7)
Sec. 13	October 1, 2021	1-93(b)
Sec. 14	October 1, 2021	1-97(b)
Sec. 15	October 1, 2021	Repealer section

Statement of Legislative Commissioners:

In Section 9(d), references to "Commissioner of Consumer Protection" and "department" were added for consistency.

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, which makes numerous revisions to the state codes of ethics, has no fiscal impact on the state or municipalities.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 6574*****AN ACT CONCERNING REVISIONS TO THE STATE CODES OF ETHICS.*****SUMMARY**

This bill makes numerous changes to the state codes of ethics for public officials and lobbyists by:

1. adding the Paid Family and Medical Leave Insurance Authority to the list of quasi-public agencies subject to the ethics code for public officials (§ 2);
2. defining confidential information for the law's purposes as similarly defined in regulations (§ 3);
3. authorizing the Office of State Ethics (OSE) ethics enforcement officer (whom the bill specifies must belong to the Connecticut bar) to represent the office in certain matters before the Superior Court (§§ 4 & 5);
4. requiring public officials and state employees who must file statements of financial interests with OSE to file them electronically using software the office creates (§ 7, see BACKGROUND);
5. exempting certain gifts from the codes' gift prohibition (§§ 1 & 12) and clarifying who must report certain expenditures to a beneficiary public official or state employee (§ 8);
6. requiring certain state regulatory agencies, in consultation with OSE, to annually submit a statement designating the agency positions which are subject to the public officials code's revolving door provisions (§ 9);

7. extending the prohibited activities that apply to state-hired consultants and independent contractors to include persons they employ (§ 10);
8. exempting students serving as public officials from certain code provisions (§ 11);
9. extending the Citizen's Ethics Advisory Board's (CEAB) deadline for final hearing decisions on violations (§§ 6 & 13); and
10. clarifying that both individuals employing lobbyists and those employed as lobbyists are subject to the Code of Ethics for Lobbyists' prohibition on contingency fee lobbying (§ 14).

The bill repeals several obsolete provisions related to the 2005 transfer of OSE from the State Ethics Commission and extending deadlines for probable cause hearings in the same year. It also repeals a requirement that OSE conduct annual conferences on ethical issues (§ 15).

Finally, the bill makes numerous technical and conforming changes.

EFFECTIVE DATE: October 1, 2021, except the provision defining the Paid Family and Medical Leave Insurance Authority as a quasi-public agency is effective July 1, 2021.

§§ 1, 3, 8 & 11-12 — STATE ETHICS CODES

Gift Exemption (§§ 1 & 12)

The State Codes of Ethics generally prohibit public officials and state employees from accepting gifts (generally anything of value exceeding \$10) from restricted donors (e.g., registered lobbyists and prequalified state contractors). It similarly prohibits restricted donors from making these gifts. However, existing law establishes several exemptions from these prohibitions, including one for gifts received from certain members of the individual's or his or her spouse's family.

The bill additionally exempts gifts received from the individual's or spouse's grandparent.

Confidential Information (§ 3)

The Code of Ethics for Public Officials generally prohibits current and former public officials and state employees, as well as state consultants and independent contractors, from using, for financial gain, confidential information they acquire in performing their duties. “Confidential information” is currently defined in OSE’s regulations but not in state law (Conn. Agencies Reg. § 1-81-15).

The bill codifies the definition in state law with minor changes. Under the bill, confidential information is any information possessed by the state, a state employee, or a public official, whatever its form, that is (1) prohibited from disclosure to the general public under any state or federal law, or (2) permissibly nondisclosable under the Freedom of Information Act, and the appropriate agency, state employee, or public official has decided not to disclose it to the general public.

Notice of Certain Donations (§ 8)

The bill clarifies that a person who gives anything valued at more than \$10 to a public official or state employee (either directly or through a representative) must comply with certain reporting requirements if the person is (1) doing business with, or seeking to do business with, the official’s or employee’s employing department or agency or (2) engaged in activities that the department or agency directly regulates.

Under the reporting requirements, the donor must give the recipient’s department or agency a written report within 10 days stating (1) the donor’s name, (2) a description of the item or items given and their value, and (3) the cumulative value of all items given to the individual during the calendar year. The Code of Ethics for Lobbyists contains an identical reporting requirement (CGS § 1-97(d)).

College Student Exemption (§ 11)

The bill extends, in part, the exemption from certain provisions of the Code of Ethics for Public Officials that applies to student employees of a state college or university to also apply to students who serve as public officials by virtue of their student status at a state college or university

(e.g., a student member of the board of trustees). This includes exemptions from the code's provisions on prohibited activities, disclosure or use of confidential information, and conflicts of interest.

As under current law for student employees, the above exemptions are valid only if the student's institution has (1) adopted related written policies and procedures and (2) the policies and procedures have been approved by CEAB. The law requires institutions to submit (1) their policies and procedures to the board triennially and (2) any significant revisions within 30 days of their adoption.

Under existing law, student employees are additionally exempt from (1) restrictions on certain expense-paid travel provided by prospective employers and (2) a requirement to wait one year before accepting certain post-employment opportunities (CGS §§ 1-79(5)(R) and 1-84b(h)).

§§ 9 & 10 — PROHIBITED ACTIVITIES UNDER THE ETHICS CODE ***Positions Subject to Revolving Door Provisions (§ 9)***

The Code of Ethics for Public Officials generally prohibits public officials and state employees in certain regulatory agencies who hold positions with significant decision-making or supervisory responsibilities from accepting employment for one year after leaving state service with a business subject to regulation by their former agency. (The prohibition is two years for certain employment in the gaming industry.) Under current law, covered positions are designated by OSE, in consultation with the applicable agency, and adopted as regulations by CEAB.

By November 1, 2021, and at least annually from then on, the bill instead requires the heads of certain executive branch regulatory agencies or their designees to electronically submit to OSE designations of all existing positions that are subject to these restrictions. They must do so in a manner CEAB prescribes. As under current law, they must make these designations in consultation with OSE.

Under the bill, the agency head or designee must submit any newly

created positions that are subject to these provisions, but not included in the annual submission to OSE, within 30 days after the position's creation. OSE must prepare a list of all designated positions and post it on its website.

As under current law, the designation requirement applies to the Office of Health Strategy's Health Systems Planning Unit; Connecticut Siting Council; Department of Banking; Insurance Department; Department of Emergency Services and Public Protection; the Public Utilities Regulatory Authority, including the Office of Consumer Counsel; and the Department of Consumer Protection.

Consultants and Independent Contractors (§ 10)

The Code of Ethics for Public Officials prohibits state agency consultants and independent contractors from engaging in certain unethical bidding or contracting practices. The bill extends these prohibitions to cover individuals employed by these consultants and independent contractors. In doing so, it prohibits these individuals from the following:

1. using their contractual authority, or any confidential information acquired in performing the contract, to obtain financial gain for themselves, immediate family members, or their employees and immediate family members;
2. accepting another state contract that impairs their judgment on the existing contract; or
3. accepting anything of value based on an understanding that it would influence their action on behalf of the state.

Current law similarly prohibits a person from giving anything of value to a consultant or independent contractor hired by the state based on an understanding that it would influence the consultant's or independent contractor's actions. The bill extends this prohibition to giving anything of value to a consultant's or independent contractor's employee under these circumstances.

The bill subjects violators of the above prohibitions to existing law's penalties for violating the Code of Ethics for Public Officials. By law, OSE may impose a civil penalty of up to \$10,000 per violation. Additionally, a person who intentionally violates the code is guilty of a class A misdemeanor, punishable by up to one year in prison, a fine of up to \$2,000, or both, for a first violation (or a class D felony if the violator derived a financial benefit of at least \$1,000 from the violation) and a class D felony for subsequent violations. A class D felony is punishable by up to five years in prison, a fine of up to \$5,000, or both.

The bill also makes violators liable to the state for damages equal to the amount of the financial advantage. CEAB must immediately inform the attorney general of the violation (CGS §§ 1-88 and -89).

§§ 4-6 & 13 — OFFICE OF STATE ETHICS & CITIZEN'S ETHICS ADVISORY BOARD

Ethics Enforcement Officer (§§ 4 & 5)

The bill authorizes OSE's ethics enforcement officer (whom the bill specifies must be a member of the Connecticut bar) to represent the office before the Superior Court in an appeal of any ruling or finding arising under the ethics codes for public officials, lobbyists, and state contractors as long as CEAB is not a party in the appeal (e.g., enforcing a subpoena). Under existing law, OSE's legal division (which is separate from the enforcement division) represents CEAB in all matters in which the board is a party (e.g., appeals of final decisions) unless the board requests the attorney general's assistance (CGS § 1-81(f)).

Complaint Procedures and Time Limits (§§ 6 & 13)

The bill extends the deadline, from 15 to 45 days after a public hearing on a State Codes of Ethics violation, by which CEAB must publish its finding and a memorandum explaining the reasons for the finding (i.e., its final decision).

BACKGROUND

Statements of Financial Interest (SFI)

By law, a person must file an SFI if he or she is, among other things,

a (1) statewide elected officer, legislator, department head or deputy department head, member or director of a quasi-public agency, or member of the Investment Advisory Council; (2) member of the Executive Department designated by the governor; or (3) quasi-public agency employee designated by the governor. The SFIs must be filed annually by May 1. Additionally, filers who leave their position or office must file a final SFI that covers their activities from the most recent filing through their departure. They must do so within 60 days after being notified by OSE.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 18 Nay 0 (03/29/2021)