



Important Law Changes Applicable to 2014 Candidates Participating in the Citizens' Election Program ("CEP")

Public Acts 13-180 and 13-191

Becoming a Candidate [Public Act 13-180, section 1]

Under prior law, an individual becomes a candidate (and must therefore register within ten days) when the individual has (A) been endorsed by a party or become eligible for a position on the ballot at an election or primary, or (B) solicited or received contributions, made expenditures or given consent to any other person to solicit or receive contributions or make expenditures with the intent to bring about the individual's nomination or election. Public Act 13-180 (the "Act") clarifies that individuals may solicit or receive contributions on behalf of a party committee without triggering the need to register as a candidate. An individual may also give consent to a party committee for that party committee to (1) make expenditures with the intent to bring about the individual's nomination for election or election to office, or (2) solicit or receive contributions for the party committee that the party committee intends to use to support that individual's nomination for election or election to office, and neither triggers the need to register as a candidate.

Requirements to be a Treasurer [Public Act 13-180, section 25]

The Act sets some additional restrictions on who may serve as treasurer or deputy treasurer of a candidate committee. First, in order to serve in such a capacity, the person must have paid any civil penalties or forfeitures assessed against him under the campaign finance statutes. In addition, if the person has been convicted of or pled guilty or *nolo contendere* to any felony involving fraud, forgery, larceny, embezzlement or bribery, or any criminal offense under the state election or campaign finance laws, the Act will not permit such person to serve as a treasurer or deputy treasurer unless at least eight years have elapsed from the date of the conviction or plea or the completion of any sentence, whichever date is later, without a subsequent conviction of or plea to another such felony or offense.

Eligibility to Apply for a CEP Grant [Public Act 13-180, section 26]

Pursuant to the Act, no candidate may apply for a CEP grant if the candidate has been convicted of or pled guilty or *nolo contendere* to (A) any criminal offense of the state election or campaign finance laws unless at least eight years have elapsed from the date of the conviction or plea or the completion of any sentence, whichever date is later, without a subsequent conviction of or plea to another such office; or (B) any felony related to the candidate's public office.

Additional Certifications in CEP Grant Application [Public Act 13-180, section 27]

The Act has added several written certifications to the CEP grant application.

First, the committee must certify that all outstanding civil penalties or forfeitures assessed pursuant to the campaign finance laws against the current or any former committee of the candidate have been paid, provided (A) in the case of a candidate running for statewide office, any such penalty or forfeiture was assessed not later than 24 months prior to the submission of the application; or (B) in the case of a candidate running for General Assembly, any such penalty or forfeiture was assessed not later than 12 months prior to the submission of the application.

Second, the committee must certify that the treasurer has paid any civil penalties or forfeitures assessed against him under the campaign finance statutes and has not been convicted of or pled guilty or *nolo contendere* to: (A) any felony involving fraud, forgery, larceny, embezzlement or bribery; or (B) any criminal offense under the state election or campaign finance laws unless at least eight years have elapsed from the date of the conviction or plea or the completion of any sentence, whichever date is later, without a subsequent conviction of or plea to another such felony or offense.

Finally, the committee must certify that the candidate has not been convicted of or pled guilty or *nolo contendere* to: (A) any criminal offense under the state election or campaign finance laws unless at least eight years have elapsed from the date of the conviction or plea or the completion of any sentence, whichever date is later, without a subsequent conviction of or plea to another such felony or offense; or (B) a felony related to the candidate's public office.

Deposit Rule [Public Act 13-180, section 5]

The Act provides that treasurers must deposit contributions into the committee's designated depository not later than **twenty days** after receiving them. Under prior law, they only had fourteen days to deposit contributions.

Changes and Additions to Contribution and Expenditure Exemptions

1) House Party Exemption [Public Act 13-180, section 2]

The Act modifies the house party provision in a couple ways. First, while the host(s) must generally pay for all costs associated with the event in order to make use of the house party exemption, a candidate or committee may now pay for a portion or all of the costs of the invitation for the event.

In such a case, the amount paid by the candidate or committee is not counted toward the calculation of the cumulative value of the party provided by the host(s), for purposes of determining whether the event falls within the house party exemption.

In addition, in the event of a primary, the host is no longer restricted to spending only \$400 on house parties for the candidate for the primary and \$400 for the general election. The host may now spend up to \$800 on house parties for the candidate for the entire election cycle, even if more than \$400 is

spent during the primary or general election period. Each individual host's cost for any single house party remains capped at \$400, and the limit for a house party hosted by multiple individuals remains capped at \$800.

2) *De Minimis* Activity [Public Act 13-180, section 2]

The Act clarifies that included in the definition of *de minimis* activity is the creation of digital photos or video as part of an electronic file. This means, for example, that a volunteer could provide the campaign with a disc of digital photos to be used for campaign purposes and this would not need to be counted as an in-kind contribution from that individual.

3) Use of Offices and Equipment Provided by a Party Committee, Legislative Leadership Committee, or Legislative Caucus Committee [Public Act 13-180, sections 2 and 3]

Under the prior law, a party committee, legislative leadership committee, or legislative caucus committee could provide offices, telephones, computers, and similar equipment that serves as its headquarters or otherwise uses to a candidate as an organization expenditure. Under the Act, this provision of offices and equipment is no longer an organization expenditure but is instead a permissible donation from a party committee, legislative leadership committee, or legislative caucus committee to a candidate through the contribution and expenditure exemptions. Practically speaking, this means that when such a committee allows a candidate or candidates to use the committee's office space and equipment, it no longer has to allocate the cost of the expense and report that allocation among each candidate using them. Rather, the related costs are merely reported as expenses of the committee providing such offices or equipment. Recipient candidates have no reporting obligations if a party committee, legislative leadership committee, or legislative caucus committee is sharing use of its office space and equipment under this exception. *Please note that party committees may provide such offices and equipment to both statewide and General Assembly candidates. Legislative leadership committees and legislative caucus committees may only provide use of such offices and equipment to General Assembly candidates.*

4) Communications Involving Endorsements [Public Act 13-180, section 2]

The Act has added new exceptions to the definitions of contribution and expenditure for communications involving endorsements.

Specifically, where a communication contains an endorsement made by a statewide office or General Assembly candidate on behalf of another statewide office or General Assembly candidate, it is neither an expenditure by the candidate making the endorsement nor a contribution from him or his candidate committee to the candidate being endorsed, provided (A) the candidate making the endorsement is unopposed at the time of communication; and (B) the campaign of the candidate being endorsed has paid for the communication.

Where a communication contains an endorsement made by a General Assembly candidate on behalf of another General Assembly candidate and it is sent by mail to addresses in the district for which the candidate being endorsed is running, it is neither an expenditure by the candidate making the endorsement nor a contribution from him or his candidate committee to the candidate being

endorsed, provided (A) the candidate making the endorsement is not seeking election for a district that contains any geographical area shared by the district the endorsed candidate is seeking; and (B) the campaign of the candidate being endorsed has paid for the communication.

5) Campaign Training Events By Legislative Caucus Committees [Public Act 13-180, section 2]

Legislative caucus committees may provide campaign training events and any associated materials to multiple individuals without being considered a contribution or expenditure to involved candidates as long as the cumulative value of such events and materials does not exceed \$6,000 in the aggregate per calendar year. These events no longer have to be allocated among the attending candidates as organization expenditures.

Additional Grants due to Adjourned Primaries and Elections [Public Act 13-180, section 32]

In the case of an adjourned primary due to a tie vote, a qualified candidate committee of a major party candidate will be eligible for an additional grant in the amount of: (A) \$15,000 in the case of state senate; and (B) \$5,000 in the case of state representative.

In the case of an adjourned election due to a tie vote, a qualified candidate committee of a candidate who has been nominated or who has qualified to appear on the election ballot through the petitioning process will be eligible for an additional grant for the general election campaign in the amount of: (A) \$15,000 in the case of state senate; and (B) \$5,000 in the case of state representative.

Reimbursements from Other Candidate Committees [Public Act 13-180, sections 29 and 30]

Under the Act, a candidate committee that received a grant is now permitted to deposit money from another candidate committee for a reimbursement for shared expenses for which only the committee being paid or reimbursed is under a contractual obligation to pay. Short of this exception, a candidate committee that has received a grant may not deposit monies from a candidate committee for any other reason or from any other type of committee.

Disclaimer Requirements for Written Communications [Public Act 13-180, section 9]

For communications in the form of a flyer or leaflet, newspaper, magazine, or similar literature, or that is delivered by mail, the disclaimer required to be on the face of communication must now be at least in **eight-point type of uniform font**.

Also, where a party committee pays for any print, television or social media communication promoting a slate of candidates, it is no longer required to include the words “approved by” together with the names of the candidates on the slate. Rather, it need only include the “paid for by” language followed by the name of the party committee.

Organization Expenditures [Public Act 13-180, sections 1 and 28]

Several changes have been made to what a party committee, legislative caucus committee, or legislative leadership committee may provide to a candidate as an organization expenditure. An organization expenditure is a certain type of in-kind donation that is not considered an expenditure or contribution and therefore does not count toward the party committee's contribution limit to the candidate, but it remains reportable.

Under prior law, communications in the form of **party candidate listings** were limited to certain specified categories of content about the candidate being supported in order to qualify as an organization expenditure (rather than a contribution). The Act now permits a party candidate listing to promote the success **or defeat** of any candidate or slate of candidates, as well as the success or defeat of any referendum question or political party, as long as the communication is not a solicitation for or on behalf of a candidate committee.

The Act also permits a party committee, legislative caucus committee, or legislative leadership committee to provide candidates, as an organization expenditure, an electronic page for **merchant account services** to collect online contributions.

In addition, state central committees are no longer limited in the amount of organization expenditures they may make on behalf of a participating General Assembly candidate. Under prior law, they could only give up to \$10,000 in organization expenditures on behalf of a participating state senate candidate for a general election campaign and up to \$3,500 for a participating state representative candidate. These limits remain in place for town committees as well as legislative caucus committees and legislative leadership committees. Pursuant to the Act, they will be biennially adjusted in accordance with any change in the consumer price index.

Contributions from a Joint Checking Account [Public Act 13-191, section 1]

Under the prior law, contributions written from a joint checking account were considered to be from the signer of the check, or if signed by more than one of the account holders, divided equally between them. If the account holders did not wish the check to be divided equally, they could submit a signed statement (e.g. a certification card), with the check signed by both of them, indicating how the contribution should be allocated differently. With the passage of Public Act 13-191, joint checking account holders are now permitted to submit such signed statements and have the check allocated in accordance with those statements even if only one of them has actually signed the accompanying check.

Filing Requirements [Public Act 13-180, sections 14 and 17]

The Act has changed the filing requirements of candidate committees established by a candidate who is **unsuccessful in a primary** and is not eligible to appear on the general election ballot. Such committees no longer have to file on the seventh day preceding the election filing or any quarterly filings that occur after they have lost the primary (i.e. the October 10 filing in the case of a November election / September primary).

In addition, candidate committees and exploratory committees established for an office to be elected at a **special election** no longer have to file any quarterly filings occurring during the election cycle (January 10, April 10, July 10, or October 10).

Also, with respect to **supplemental disclosure statements**, committees need only begin filing these weekly statements on the *second* Thursday after the July 10 statement is due with respect to a primary and on the *second* Thursday after the October 10 statement with respect to the general election. Under the old law, these filings were required to start being filed on the first Thursday after the quarterly filings were due.

Civil Penalties [Public Act 13-180, section 11]

The Act has also added a new provision concerning joint and several liability for impermissible coordinated expenditures. If an expenditure is deemed impermissible and is coordinated with a candidate committee or a candidate or an agent of the candidate, then the candidate, agent of the candidate or the treasurer of such committee who participated in or had knowledge of the coordination, are now jointly and severally liable for paying any penalty assessed by the Commission.

Class D Felony (Knowing and Willful Violations) [Public Act 13-258, section 40]

Pursuant to Public Act 13-258, any person who knowingly and willfully violates the campaign finance laws shall be guilty of a Class D felony.

For a more detailed summary of Public Act 13-180, please see the Office of Legislative Research's [Bill Analysis](#) available on the Connecticut General Assembly website.