



Important Law Changes Applicable to Political Committees

Public Acts 13-180 and 13-191

Changes to Political Committee's Registration Statement & Biennial Re-Registration [Public Act 13-180, section 13 & 16]

Under the prior law, the chairperson of a political committee was required to report any changes in information in the committee's registration statement by filing an amended registration with the applicable filing repository. Under Public Act 13-180 (the "Act"), this duty may now be performed by the treasurer, unless the amendment (including a biennial re-registration) involves a change in officer, in which case the chairperson must still report the change.

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 political 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.

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.

Contribution Limits from Individuals [Public Act 13-180, section 7]

The Act increases the amount an individual may contribute per year from \$1,000 to **\$2,000** with respect to legislative leadership and legislative caucus committees and from \$750 to **\$1,000** for any other type of political committee *with the exception of referendum committees, exploratory committees, political committees established by organizations, and political committees formed by a slate of candidates in a primary for office of justice of the peace of the same town*. The contribution limits for such committees remain the same. See [Contribution Limits & Restrictions](#) (revised July, 2013).

Aggregate Contribution Limits from Political Committees Established by an Organization to Various Other Committees (*Political Committees Established by an Organization Only*) **[Public Act 13-180, section 18]**

Under the prior law, there was an annual aggregate cap of \$15,000 on contributions made by a political committee established by an organization to the following types of committees: state central committees, town committees, and various other political committees. The Act removes this \$15,000 limit. Generally speaking, organizations are unions, as well as certain trade or professional associations funded *exclusively* from membership dues.

Changes to Certain Contribution Exemptions

1) Ad Purchases [Public Act 13-180, section 2]

Previously only town committees and municipal candidate committees could make use of the ad book exemption in the law to collect donations. This exception was expanded and political committees, other than exploratory committees, may now also make use of it. Under this exception, a business entity may now purchase advertising space in a program for or on signs at a fundraising affair held by a political committee if the aggregate purchase price does not exceed \$250 in the calendar year. Other “persons,” including individuals, other committees, and organizations, may purchase space as well, though they are limited to \$50.

Note that if the purchase exceeds the given limit, then the entire amount constitutes a contribution. For example, if an individual purchases \$200 worth of advertising space for a fundraiser ad book, this amount is above the \$50 limit and therefore should be reported as a \$200 contribution from the individual. If a business entity purchases \$300 worth of advertising space for a fundraiser ad book, this amount is above the \$250 limit and the entire amount is therefore an impermissible business contribution.

Communicator lobbyists and their family members, and state contractors, prospective state contractors, and principals of state contractors and prospective state contractors are prohibited from purchasing advertising space for political committee fundraisers.

The advertising space purchase exception applies *cumulatively* to all purchases by the same business entity or person during a calendar year. Moreover, in order to utilize this exception, the event must be a **bona fide** fundraising event intended to make a profit exclusive of any receipts from the sale of ads, and there must be an actual program and/or a sign at the fundraising event.

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

Under prior law, in order to make use of the house party exemption, the host(s) had to pay for the entire cost of the event – for all of the invitations, food and beverages. While the host(s) must still 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.

3) *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 political committee with a disc of digital photos to be used for committee purposes and this would not need to be counted as an in-kind contribution from that individual.

4) Use of Offices and Equipment Provided by a Legislative Leadership or Legislative Caucus Committee (*Legislative Leadership Committees and Legislative Caucus Committees Only*) [Public Act 13-180, section 2]

Under the prior law, a legislative leadership 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 legislative leadership or legislative caucus committee to a candidate not considered a contribution. Practically speaking, this means that when a legislative leadership or legislative caucus 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 legislative leadership or legislative caucus committee.

5) Campaign Training Events Provided by a Legislative Caucus Committee (*Legislative Caucus Committees Only*) [Public Act 13-180, section 2]

The Act adds a new exception for campaign training events, and associated materials, provided to multiple individuals **by a legislative caucus committee**, as long as the cumulative value of such events and materials does not exceed \$6,000 in the aggregate for a calendar year. These events no longer have to be allocated among the attending candidates as organization expenditures.

Lawful Purposes of a Political Committee [Public Act 13-180, sections 1 & 6]

All spending by a political committee must be for the committee's lawful purpose. Under the old law, the lawful purpose of a political committee was promoting the success or defeat of candidates for nomination or election to public office or promoting the success or defeat of referendum questions. The Act has added promoting a political party, including party building activities, to this list. The Act defines "**party building activities**" as "any political meeting, conference, convention, and other event, attendance or involvement at which promotes or advances the interests of a party at a local, state or national level, and any associated expenses, including travel, lodging, and any admission or fees or other costs, whether or not any such meeting, conference, convention, or other event is sponsored by the party." Expenditures for such activities now allowable should be coded "PTY-BLDG" when reported.

The prior law also provided that for a legislative caucus committee, the lawful purpose included expending funds to defray costs of its members for conducting legislative and constituency-related business which are not reimbursed or paid by the state. The Act removes the restriction to members of the committee so that the committee may expend funds to defray the costs of anyone for conducting such business. It also expands this lawful purpose to legislative *leadership* committees as well.

Formation of a New Legislative Leadership Committee by the House Majority Leader (*Legislative Leadership Committees Only*) [Public Act 13-180, section 31]

The Act clarifies that the House and Senate majority and minority leaders-elect may each establish a legislative leadership committee, if (1) the legislative leadership committee of the individual who is leaving the same leadership position declines to accept additional contributions; and (2) the committee established by the leader-elect does not accept contributions for the rest of the calendar year that the existing committee would not be able to because of the law's contribution limits.

Organization Expenditures (*Legislative Leadership Committees and Legislative Caucus Committees Only*) [Public Act 13-180, section 1]

Several changes have been made to what a legislative leadership or legislative caucus committee may provide to a candidate or candidate committee as an organization expenditure. An organization expenditure is a certain type of in-kind donation to candidates.

Under prior law, communications in the form of **party candidate listings** were limited to certain specified categories of content about the candidate being supported. The Act now permits a party candidate listing to promote the defeat of an opponent as well as the success a candidate or slate of candidates. The communication on behalf of the candidate may now also promote the success or defeat of any referendum question or political party. Such communications still may not include solicitations.

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

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 the communication must now be at least in **eight-point type of uniform font**.

Independent and Non-Independent (Coordinated) Expenditures [Public Act 13-180, sections 3 & 8]

Whether an expenditure is independent or coordinated (and therefore a contribution) is an important distinction for a political committee since contributions are limited in amount and cannot be accepted by candidates participating in the Citizens' Election Program. What qualifies as independent is narrow under the law: it may not be made with the consent, coordination or consultation of a candidate, agent, candidate committee, political committee, or party committee. The Act changes some of the instances in which the Commission will presume that a coordinated expenditure was made; however, these adjustments do not change the definition of independent expenditures. Committees should continue to exercise caution in this area.

Reporting Independent Expenditures [Public Act 13-180, section 8]

The disclosure structure for the reporting of independent expenditures by political committees has also changed. The 48 hour reporting period for expenditures made or obligated to be made more than ninety days before the primary or election date, and exceeding one thousand dollars in the aggregate, has been changed. The Act requires disclosure of such independent expenditures made or obligated to be made during the primary campaign or general election campaign period, as those periods are defined in [Section 9-700 in the General Statutes](#), no later than 24 hours after making or obligating to make the expenditure. New forms will be developed accordingly. Before filing, check to make sure you have the most recent version of the campaign finance disclosure form.

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.

Civil Penalties [Public Act 13-180, sections 10]

Under prior law, a person who is found to have knowingly and willfully violated any provisions of the campaign finance statutes could be fined up to \$5,000 or imprisoned up to five years or both. The Act now permits a civil penalty of up to **\$25,000**, unless a fine of a larger amount is otherwise provided for as a maximum fine in the statutes, in which case the larger amount is the maximum fine for the violation. The Act also removed the potential for imprisonment as a penalty.