UNDERSTANDING CONNECTICUT CAMPAIGN FINANCE LAWS

A Guide for Traditional Political Committees

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STATE ELECTIONS
ENFORCEMENT COMMISSION

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I. Introduction

This publication serves as a guide for traditional political committees which intend to raise and spend funds in connection with elections or primaries for offices held in Connecticut at the state, district or local level. Traditional political committees are political committees that may make contributions to and coordinated expenditures with candidates and other committees. The Commission also publishes guides for party committees and various types of candidates and plans to release a new guide for independent expenditure political committees (including referendum committees). Independent expenditure political committees are a type of political committee that may not make contributions to or coordinated expenditures with candidates or committees and consequently have less restrictions on the sources from which they can receive. For more information on the differences between traditional and independent expenditures, please see Chapter II.

The Connecticut campaign finance laws applicable to political committees appear in Chapter 155 of the Connecticut General Statutes, Sections 9-600 through 9-625. Copies of the campaign finance laws, disclosure forms, and committee registration statements are available at both the State Elections Enforcement Commission's offices and on our website, www.ct.gov/seec.

A. Changes in the Law

Since the previous edition of this guide, several bills have passed that affect political committees.

In 2015, the legislature made modifications to the definition of communicator lobbyist, raising their threshold of compensation from $2,000 to $3,000. See Public Act 15-15.

During the 2016 session, Public Act 2016-203 was signed into law which mandated that the majority of committees registered with the Commission file electronically by eCRIS effective July 1, 2017. Specifically, the following committees are now required to file electronically: (1) candidate committees and exploratory committees of candidates for statewide office, General Assembly or judge of probate, and are therefore registered with the Commission, who raise or spend $1,000 or more; (2) all state central committees, legislative caucus committees and legislative leadership committees; (3) town committees and political committees registered with the Commission that raise or spend $1,000 or more during the current calendar year or in the preceding regular election cycle; and (4) any other committees or other persons (including individuals and businesses) who make or obligate to make an independent expenditure in excess of $1,000 on behalf of a statewide office, General Assembly, or judge of probate candidate. If a treasurer is able to demonstrate good cause for not being able to file electronically, the Commission may waive the requirement. Political committees registered to spend on municipal candidates only and therefore file with the town clerk may only file by paper at this time. For those few committees that file with the Commission and are allowed to file by paper, Public Act 2016-203 also added a provision that permits the Commission to consider a committee's receipt from the post office or a commercial delivery service confirming that the statement was made or

should have been made to the Commission by the deadline. Thus, if you are filing by mail, we strongly encourage you to drop your statement off at the post office or other delivery service and obtain a receipt indicating that the statement will be received on or before the deadline date. Political committees authorized to spend on statewide office candidates should also be aware that Public Act 2016-29 imposed new solicitation and contribution restrictions on certain individuals affiliated with the Connecticut Retirement Security Authority.

Finally, in a 2017 special session, the legislature modified the Commission's complaint procedures so that any complaints received on or after January 1, 2018 must be dismissed if the Commission does not issue a decision on the complaint within one year of receiving it. This one-year time limit may be extended due to the following: (i) the Commission or its staff granting any extension or continuance to a respondent prior to the issuance of a decision; (ii) any subpoena being issued in connection with the complaint; (iii) any litigation in state or federal court related to the complaint; or (iv) any investigation by or consultation of the Commission or its staff with the Chief State's Attorney, the Attorney General, the United States Department of Justice, or the United States Attorney for Connecticut related to such complaint. See Public Act 17-2 (June Special Session). In light of such law change, respondents, including treasurers, should be prepared and organized to immediately respond to requests from the Commission in the event a complaint is filed against them.

B. Changes in this Guide

The previous editions of this guide focused on traditional political committees that could make contributions to candidates and committees. This guide will continue to have that focus. The Commission will also be issuing a separate guide for independent expenditure political committees, which are political committees that may only make independent expenditures, and will include referendum committees. Chapter II of this guidebook focuses on the distinction between traditional and independent expenditure political committees and whether registration of a political committee is required.

This guide will also highlight changes to the law since it was last issued, as discussed above, which are denoted by reference to the public act and at times emphasized in "Important Notes." In addition, the guide offers additional clarification of existing law based on questions received by Commission staff since the guide's previous edition.

We wholeheartedly welcome suggestions for future improvements to this guide from you, the political committee chairpersons, treasurers, and committee workers that are its intended audience. Please remember, the guide is **not** a substitute for statutes and regulations. Anyone using this guide should refer to the specific statutory provisions, regulations, declaratory rulings, and advisory opinions of the Commission referenced throughout.

C. Requesting Compliance Advice

Anyone subject to Connecticut's campaign finance laws may contact the State Elections Enforcement Commission to discuss how the campaign finance provisions apply to them in a particular situation. You may request advice by calling the

Commission or by writing to us by U.S. mail or e-mail. PLEASE DO NOT request advice for the SAME QUESTION using more than one of these methods.

1. **Call the Compliance Unit at (860) 256-2940;**

OR

2. **Make a request for written advice.**

   You may submit a request for written advice by e-mailing seec@ct.gov (including "compliance advice" in the subject line) or by sending a letter to:

   State Elections Enforcement Commission
   Attn: Compliance Unit
   20 Trinity Street
   Hartford, CT 06106

   In your request for advice, please include a complete description of all relevant facts and a specific question. Your request must concern a specific transaction or activity that you plan to undertake or are currently undertaking and intend to continue in the future.

The Commission and/or its staff issue three types of written advice: opinions of counsel, advisory opinions, and declaratory rulings. An **opinion of counsel** is an opinion by Commission staff counsel; it is not binding on the Commission. The person requesting the opinion of counsel may rely upon the opinion with respect to any matter brought before the Commission based upon the same facts and circumstances addressed in the opinion of counsel. If there is an omission or change in any of the facts or assumptions presented, and such omission, fact or assumption is material to the conclusions presented in the opinion of counsel, then the requestor may not rely on those conclusions in support for such activity brought before the Commission.

When the Commission receives similar questions from various individuals or concludes that the regulated community would best be served by more general, written guidance, the Commission may opt to issue an **advisory opinion**. An advisory opinion is an official Commission statement on a question relating to the application of Connecticut campaign finance law. Unlike an opinion of counsel, upon which only the recipient named in the opinion may rely, the regulated community at large may rely on an advisory opinion, which is voted on and adopted by the Commission.

Finally, the Commission may issue a **declaratory ruling**. The purpose of a declaratory ruling is to obtain the Commission's ruling as to the applicability to specified circumstances of a provision of the General Statutes, a regulation, or a final decision on a matter within the Commission's jurisdiction. A declaratory ruling generally involves a comment period and people on file as having requested notice of such opportunities to comment are made aware of the draft available for comment. Contact your Elections Officer to be added to this list if you would like such notice. An individual may petition for a declaratory ruling or the Commission may initiate a proceeding on its own motion. A petition for a declaratory ruling must: (1) state clearly and concisely the substance and nature of the petition; (2) identify the statute, regulation and/or order

which the petition concerns; (3) identify the particular aspect to which the petition is directed; and (4) be accompanied by a statement of any supporting data, facts, and/or arguments that support the petitioner's position. A declaratory ruling has general applicability.

The Compliance Unit will NOT respond to requests for oral or written advice concerning:

1. **The conduct of another individual, committee, or entity**.

   The Compliance Unit may provide you only with advice concerning your own conduct. Complaints about the conduct of another individual, committee, or entity should be registered through the complaint process administered by our Enforcement Unit.

2. **Conduct that has already occurred**.

   The Compliance Unit may provide you only with advice concerning your current or future conduct.

3. **Issues that are not covered under the campaign finance statutes**.

   The Compliance Unit may only provide you with advice concerning Chapter 155 through 157 of the General Statutes, portions of Chapter 152 concerning referenda, and General Statutes 9-7a and 9-7b, the enabling statutes for the State Elections Enforcement Commission.

II. Requirement to Form a Political Committee

If you wish to raise or spend money to promote the success or defeat of candidates, referendum questions, or a political party, you may be required to form a political committee, of which there are two major types – (1) traditional political committees; and (2) independent expenditure political committees. Whether you must register a political committee and which of these two types will depend on the answers to some basic questions:

- Will you be raising money to spend in Connecticut elections or referenda?
- Will you be giving monies or in-kind donations to candidates, candidate committees, party committees, or traditional political committees?
- Will you be working in coordination with candidates or such committees?

This chapter of the guide will explain the general requirements for individuals and other persons wishing to engage in certain political activity – when they need to report activity, when they need to register a political committee, and which forms they would use to do so – which will be based on how the above questions are answered.

Please keep in mind that Connecticut campaign finance law uses the term "**individual**" to generally mean a human being and uses the term "**person**" very broadly to mean "an individual, committee, firm, partnership, organization, association, syndicate, company trust, corporation, limited liability company or any other legal entity of any kind but does not mean the state or any political or administrative subdivision of the state."

[General Statutes §§ 9-601(9) and (10)]

A. Incidental Spenders: Individuals & Preexisting Groups

An incidental spender is someone who answers the key questions as follows:

Will you be raising money to spend in Connecticut elections or referenda?	NO
Will you be giving monies or in-kind donations to candidates, candidate committees, party committees, or traditional political committees?	NO
Will you be working in coordination with candidates or such committees?	NO

Incidental spenders are those making expenditures from their general treasury. In other words, these are individuals or groups who are **not raising** money specifically for use in Connecticut elections or referenda but rather are spending out of their existing treasury to make expenditures that are **wholly and totally independent** of candidates, candidate committees, party committees, and traditional political committees.

1. An Individual Acting Alone Spending Personal Funds

An individual acting alone and using personal funds may make **contributions** to candidates and committees, subject to source and dollar limits, from their own funds without forming a political committee. The candidate or committee to which the individual is giving will report the contribution on their financial disclosure statements.

This is true for monetary contributions, in-kind contributions, and coordinated expenditures.

Individuals acting alone and using personal funds may also make unlimited **independent expenditures** and need not form a political committee. They do not need to file anything if spending $1,000 or less in the aggregate. If they spend or obligate to spend in excess of $1,000 in the aggregate, the individual must file a financial disclosure statement called a SEEC Form 26-LONG for the first filing and a SEEC Form 26-SHORT for any subsequent filings. These filings generally are due according to the regular filing dates for candidate committees but more frequently for certain elections during specific timeframes as laid out below. Because an individual who spends or incurs over $1,000 in independent expenditures is required to disclose, it is highly recommended that such an individual keep track of their spending so they know when they hit the $1,000 trigger.

[General Statutes §§ 9-601d, 9-602(a), 9-612(d); Advisory Opinion 2014-02]

2. Preexisting Groups

Preexisting groups are entities or informal associations that have an existing bank account that was established for reasons other than spending on candidates. The funds in the bank account cannot have been raised for the purpose of spending on candidates, referenda, or committees. Preexisting groups include organizations, businesses both for profit and not for profit, whether organized in Connecticut or any other state, taxpayer groups, parent-teacher associations and other similar groups.

Candidates and committees (other than independent expenditure political committees) may not accept contributions from preexisting groups. In order to give contributions to or make coordinated expenditures with candidates, candidate committees, party committees, or traditional political committees, a preexisting group must form a traditional political committee and make contributions through it.

Like individuals, preexisting groups may, acting independently, make unlimited independent expenditures. Preexisting groups that spend $1,000 or less on independent expenditures from their existing treasury funds are not required to report as long as they do not **raise** new funds for the purpose of making the independent expenditure (in which case they would be required to form a political committee, see below). When a preexisting group spends or incurs over $1,000 in independent expenditures, however, it must register and report using the SEEC Form 26-LONG for its first filing and use the SEEC Form 26-SHORT for any subsequent filings. These filings generally are due according to the regular filing dates for committees but more frequently during specific timeframes, as laid out below.

A preexisting group that wishes to **raise** money to make independent expenditures, and will never make contributions, with respect to Connecticut candidates, referenda or committees would need to form an independent expenditure political committee as laid out in the Section B of this chapter.

Important Note: For grassroots groups choosing to raise and spend less than $1,000 and wondering what types of activities they can do without triggering the need to form a political committee, additional guidance may be found in Declaratory Ruling 2018-01: Political Activity of Organized Groups.

[General Statutes §§ 9-601(10), 9-601c, 9-601d, 9-602(a), 9-613(c), 9-614(a)]

3. Filing Requirements for Incidental Spenders

For preexisting groups and individuals acting alone spending their own existing funds on independent expenditures, they are considered "incidental spenders." As discussed previously, they do not need to file if they spend $1,000 or less on independent expenditures but if they spend or incur over $1,000, they must register and report using SEEC Form 26-LONG for their first filing and the SEEC Form 26-SHORT for any subsequent filings. The SEEC Form 26-LONG includes certain identifying information about the spender as well as information about the underlying expenditures and will only be filed one time for each election cycle. After that, the spender will use the SEEC Form 26-SHORT to disclose subsequent independent expenditures which separately exceed $1,000 in the aggregate.

If an incidental spender is spending or obligating to spend in excess of $1,000 on a General Assembly or statewide office candidate, it must file within 24 hours of making or obligating to make the expenditure if it occurs during the primary campaign or general election campaign period – which is essentially the period beginning the day after the convention, caucus or town meeting is held for the purpose of endorsing or nominating the candidate, as the case may be.

If the triggering expenditure is made or obligated to be made before this period in the case of a General Assembly or statewide office candidate, or it is being made or obligated to be made for municipal candidates, judge of probate candidates, party committees, or on referenda, the spender would need to report the expenditure(s) whenever the next filing would be due by a candidate committee.

EXAMPLE A: An individual acting alone makes independent expenditures exceeding $1,000 to promote a statewide candidate on March 20 of an even year (before the primary campaign or general election campaign period has begun). The individual must file a statement reporting the expenditure with the Commission by no later than April 10, the standard, quarterly filing date. The period covered would be March 20 through March 31 and report all activity that has occurred during that time. If the individual does not make any expenditures after this time, she will have no further filings.

EXAMPLE B: On July 13 of an even year, a preexisting group incurs an independent expenditure in excess of $1,000 to promote a senate candidate facing a primary. Because this is during the primary campaign period, the group must report the activity to the Commission no later than 11:59 p.m. on July 14.

To reiterate, persons that are not required to form committees are only required to file incident-specific statements – meaning that once the person has filed a statement reporting an independent expenditure or expenditures, it will not have any further

disclosure statements if it does not make or obligate to make any additional independent expenditures.

[General Statutes §§ 9-601d, 9-612(d), 9-700; Advisory Opinion 2014-02]

B. Political Committees: Two or More Individuals Acting Together & Raising Funds for Candidates, Referenda, and/or Political Parties

Individuals or persons are generally required to form political committees if they answer:

Yes, we will be **raising** money to spend in Connecticut elections or referenda.

Which type of political committee they must form depends on the answers to the second and third questions as laid out in the next two subsections.

1. Two or More Individuals

Two or more individuals acting together and who solicit and receive contributions for spending on candidates, referenda, or political parties must generally register a political committee and file financial disclosure statements. What type of committee they form will depend on the type of expenditures the committee wishes to make.

a. Independent Expenditure Political Committees

Individuals acting together may form an **independent expenditure** political committee, if they answer:

No, we will not be giving monies or in-kind donations to candidates or committees.
No, we will not be working in coordination with candidates or committees.

Independent expenditure political committees may **never** make contributions, including coordinated expenditures, to candidates or committees (although an independent expenditure political committee is permitted to make contributions to other independent expenditure political committees).

Individuals acting together that do not receive funds in excess of $1,000 or make or incur expenditures in excess of $1,000 should keep in mind that they are provided with a "**safe harbor**," meaning they are **not** required to register a political committee so long as they stay under the $1,000 threshold. But if such individuals acting together receive funds exceeding $1,000 in the aggregate or make or incur expenditures exceeding $1,000 in the aggregate, they must register a political committee and comply with the requisite disclosure requirements which will be laid out later in this guide. Because a group that has reached the $1,000 threshold must form a political committee and disclose all of its previous financial activity, it is highly recommended that any group of two or more individuals engaging in election spending keep records of **all** of its financial activity.

Once the $1,000 threshold is exceeded, the individuals must register an independent expenditure political committee by completing a SEEC Form 8, "Independent Expenditure Only Political Committee Registration." The Commission will be releasing a separate guide for independent expenditure political committees.

Important Note: Keep in mind that the "safe harbor" mentioned above is for filing only and does **not** exempt two or more individuals acting together on independent expenditures and receiving or spending less than $1,000 from the **attribution requirements**, which are set forth later in this Guide, in **Chapter VII. Spending Committee Funds**.

b. Traditional Political Committees

Individuals acting together must form a **traditional** political committee when they answer either or both of the following in the affirmative:

> Yes, we will be giving monies or in-kind donations to candidates or committees.
> Yes, we will be working in coordination with candidates or committees.

Traditional political committees may spend money to make contributions to candidates and other Connecticut committees, and to make independent expenditures as well. Because they may make contributions, however, there are contribution limits set on what they may receive, as laid out in **Chapter V. Raising Funds for Your Committee**.

Note that the $1,000 safe harbor mentioned in the previous section applies only to monies raised and spent by a group of individuals seeking to make independent expenditures. It does **not** apply to two or more individuals acting together and making a **contribution** or a **non-independent (coordinated) expenditure** with a candidate or committee or agent thereof. Thus, such groups must register as political committees from the start, even if they have not hit the $1,000 threshold.

EXAMPLE C: Two individuals acting together each spend $100 on an independent expenditure to print a communication promoting a candidate. They are not required to register a political committee or file financial disclosure statements because they have only received or spent an aggregate of $200 on the independent expenditure and can therefore avail themselves of the $1,000 safe harbor. If they then spend $900 of their funds on another independent expenditure benefiting the candidate, they would be required to register a political committee because they have exceeded the $1,000 threshold.

EXAMPLE D: Two different individuals acting together each spend $100 on a non-independent expenditure (an expenditure coordinated with a candidate or his committee) to print a communication promoting a candidate. Because the expenditure is coordinated and thus a contribution, the individuals are required to register a political committee and file financial disclosure statements because the candidate's candidate committee may only receive contributions from registered committees and not from groups of people. The group would have to form a traditional political committee since they are making contributions.

[General Statutes § 9-602(a)]

2. Preexisting Groups

Preexisting groups, which, as mentioned above, include organizations, unions, businesses both for profit and not for profit, taxpayer groups, parent-teacher associations, and similar groups, also have the choice to form a political committee

and must do so depending on their goals. A preexisting group is generally required to form a political committee when it answers:

Yes, we will be **raising** money specifically to spend in Connecticut elections or referenda.

Which type of committee it must register depends on how it answers the second and third questions.

a. Independent Expenditure Political Committees

The group may form an **independent expenditure** political committee if it answers:

No, we will not be giving monies or in-kind donations to candidates or committees.
No, we will not be working in coordination with candidates or committees.

And, again, it need only form a political committee if it wishes to **raise** money for the purpose of making the independent expenditures. If it does not want to raise money for this purpose, but rather will be using existing treasury funds not raised for such purposes, then it may make independent expenditures as an incidental spender as discussed in the previous section. A preexisting group may also choose to form a political committee regardless of whether it intends to raise money from other sources.

Independent expenditure political committees may **never** make contributions, including coordinated expenditures (although an independent expenditure political committee is permitted to make contributions to other independent expenditure political committees). The Commission will be issuing a separate guidebook for independent expenditure political committees.

b. Traditional Political Committees

Preexisting groups must register a **traditional** political committee if they answer either or both of the following in the affirmative:

Yes, we will you be giving monies or in-kind donations to candidates or committees.
Yes, we will be working in coordination with candidates or committees.

Candidates and committees (other than independent expenditure political committees) may only accept contributions from committees. They may not accept contributions from preexisting groups. Political committees set up to make contributions to candidates and committees are called "traditional political committees," and have contribution limits as laid out in **Chapter V. Raising Funds for Your Committee**. This type of political committee is the subject of this guide.

III. Responsibilities of the Committee Chairperson

A. Designation and Registration of a Traditional Political Committee

1. When and What to File

The chairperson must register a political committee within **ten days** of the committee's organization unless it organizes within ten days of an election, primary or referendum for which it intends to solicit contributions or make expenditures, in which case the chairperson must **immediately** file the registration with the appropriate filing repository. Registration of a traditional political committee is accomplished by submitted a registration statement, SEEC Form 3, "Political Committee Registration."

In addition to the registration statement, all political committees are required to file a campaign finance disclosure statement itemizing their initial contribution or disbursement. If the initial contribution or disbursement made to the committee precedes the filing of the registration statement, then the committee's treasurer must file the initial statement itemizing this transaction (SEEC Form 20, "Itemized Campaign Finance Disclosure Statement") along with the registration statement. If the initial contribution or disbursement is received after the filing of the registration statement, the treasurer must file an itemized report (SEEC Form 20) within **48 hours** of receiving the initial contribution or disbursement.

[General Statutes §§ 9-602(a), 9-605(a) and (b)]

2. Where to File

The **State Elections Enforcement Commission** is the proper filing repository with respect to the following political committees:

- All traditional political committees formed to promote the success or defeat of candidates for one or more of the following offices: Governor, Lieutenant Governor, Secretary of the State, Treasurer, Comptroller, Attorney General, judge of probate, state senator, and/or state representative.
- All traditional political committees formed to promote the success or defeat of one or more of the aforementioned candidates and also wish to spend on proposed constitutional amendments or referenda.

The **town clerk** is the proper filing repository with respect to the following political committees:

- Traditional political committees formed **solely** to promote the success or defeat of candidates for town, city, or borough office.
- Traditional political committees formed **solely** to promote one or more of the aforementioned candidates and also wish to spend on local referenda.

Important Note: If your committee is formed to promote the success or defeat of municipal candidates **and** statewide office and General Assembly candidates, you should register with the State Elections Enforcement Commission only.

Political committees set up to spend on **constitutional amendments or local referenda** and not candidates would file on the SEEC Form 8 and will be the subject of a different guidebook. If a committee wishes to make contributions to candidates and spend on referenda / constitutional amendments, it would do so by forming a traditional political committee.

[General Statutes § 9-603(a) and (b)]

3. Amendments to Registration

Any **additions or revisions** to the information contained in a registration statement must be made by submitting an amended registration statement (SEEC Form 3) to the appropriate filing repository not later than **ten days** after the addition or change. Unless the amendment involves a change in officer, the treasurer may sign and submit the amendment without the chairperson's signature.

[General Statutes § 9-605(c)]

B. Designation of a Depository Institution

The committee's registration statement (SEEC Form 3) must contain the name and address of a single depository institution located in Connecticut. The committee must deposit all committee funds into a single checking account established within the designated depository and the treasurer may only make expenditures from this one account.

[General Statutes §§ 9-602(a), 9-605(b), 9-607(e); Advisory Opinion 1975-6]

Important Note: In order to create a bank account, many financial institutions require the committee to obtain a Federal Employer Identification Number (FEIN). The committee treasurer should contact the Internal Revenue Service (IRS) regarding an FEIN and the necessity to make filings regarding the committee's taxable income. Any questions about these IRS filing requirements should be directed to the IRS's Tax Exempt and Government Entities Customer Account Services toll free telephone number, 1-877-829-5500. Additionally, information is available at the IRS website: www.irs.gov. Commission staff cannot provide information or advice about these rules or requirements.

C. Designation of a Treasurer and Deputy Treasurer

1. Appointment of a Treasurer and Deputy Treasurer

The committee chairperson must appoint one individual, who is a Connecticut elector (registered voter in Connecticut), as treasurer. The committee chairperson may appoint another such individual as deputy treasurer, who must also be a Connecticut elector. It is recommended that each committee have a deputy treasurer who can

deposit funds and make or authorize expenditures and other committee payments if the treasurer is unavailable.

The committee treasurer and deputy treasurer (if applicable) must co-sign the registration statement (SEEC Form 3) filed by the chairperson, signifying their acceptance of the appointment. Once appointed, the treasurer and deputy treasurer (if applicable) serve indefinitely. The treasurer (or deputy treasurer if the treasurer is unavailable) is solely responsible for receiving, depositing, and expending funds, for filing financial disclosure statements with the proper filing repository, and for keeping internal records of all transactions, as more fully discussed in **Chapter IV. The Role of the Treasurer**.

[General Statutes §§ 9-602(a) and (c), 9-605(a), 9-606(d), 9-607(a) and (d)]

2. Resignation and Replacement of a Treasurer

During the life of the political committee, its treasurer may resign, be replaced, or otherwise become incapacitated. If a treasurer wishes to resign, he must submit a written statement of resignation with the appropriate filing repository in order to be relieved from his or her statutory obligations and liability under the campaign finance laws. If the filing repository is the Commission, the treasurer may either send the resignation letter in the mail or by email to seec@ct.gov. If a chairperson submits an amended registration statement appointing a new treasurer, signed by both the chairperson and the new treasurer, the prior treasurer is also relieved of his duties even if he has not submitted a statement of resignation.

Upon a treasurer's resignation or permanent incapacity, the deputy treasurer, if any, automatically succeeds as "acting" treasurer until a new treasurer is appointed. Where no deputy treasurer has been appointed, the failure to designate a successor treasurer within **ten days** of the resignation or incapacity is a violation of General Statutes § 9-602(c), for which a fine may be imposed against the committee chairperson. Regardless of whether a deputy treasurer has been appointed, it is strongly recommended that the committee chairperson formally designate a successor treasurer by filing an amended registration statement (SEEC Form 3) with the appropriate filing repository within the ten days.

A political committee may **not** receive any contributions, or make or incur any expenditures during a period in which the committee lacks a treasurer or deputy treasurer. The committee chairperson is legally liable for any such violation and subject to a maximum civil penalty of $2,000 per violation.

[General Statutes §§ 9-7b, 9-602(a) and (c), 9-607(a) and (d)]

3. Who May Not Be a Treasurer or Deputy Treasurer

An individual who is not a Connecticut elector may not serve as treasurer or deputy treasurer.

In addition, an individual may not serve as treasurer or deputy treasurer of more than one political committee (except an individual may be treasurer or deputy treasurer for a legislative leadership or legislative caucus committee and another political committee). Serving as a treasurer or deputy treasurer qualifies as controlling a political

committee and Connecticut's campaign finance laws mandate that no individual may establish or control more than one political committee, as is more fully detailed in Section F of this chapter.

Practically speaking, communicator lobbyists, their immediate families, and their agents may not serve as treasurers for political committees established or controlled by candidates for Governor, Lieutenant Governor, Secretary of the State, Treasurer, State Comptroller, Attorney General, state senator or state representative or for legislative leadership or legislative caucus committees as they are prohibited from bundling contributions for such committees. For more information on who is considered a communicator lobbyist, please see **Chapter VI. Restrictions Based on Who Gives and Solicits Funds**.

A person who has not paid civil penalties or forfeitures assessed against him under the campaign finance statutes may not serve as treasurer or deputy treasurer of a political committee. In addition, a person may not serve as treasurer or deputy treasurer 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 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.

[General Statutes §§ 9-601(27), 9-605(e), 9-606(d), 9-610(i)]

D. Registration Statement Requirements

Important Note: For more information on how to complete the registration statement (SEEC Form 3), please see the instructions to the form, available on the Commission's website.

A registration statement must contain the following:

1. The name and address of the committee.
2. The name, address, telephone number, and email address (if applicable) of the committee's chairperson, treasurer, and deputy treasurer (if applicable).
3. The name and address of the depository institution in Connecticut in which a single checking account is established for the committee's funds.
4. The name, address, and title of any other officers (if applicable).
5. Whether the political committee is established by two or more individuals, a business entity, or a labor union or other organization, or by legislative leadership or caucus.
6. A statement indicating the purpose of the political committee, i.e. whether the committee is established for a single primary, election or referendum – a "durational" political committee – or for ongoing political activities – an "ongoing" political committee.
7. For ongoing political committees, whether it is formed to influence state elections (statewide offices, General Assembly, probate judge), municipal elections (mayor, first selectman, alderperson, board of education, etc.), or both.

8. For political committees formed to support or oppose any referendum question or constitutional amendment in addition to candidates, a brief statement identifying the substance of the referendum question.
9. For durational political committees formed to support a single or multiple candidates, the name and party affiliation of each candidate that the committee supports and the office sought by each candidate.
10. For political "slate committees," the names of the candidates who established the committee and whose campaigns the slate committee will fund (the committee must fund at least two candidates).

Important Note: For more information on political slate committees serving as the funding source for a slate of candidates, please refer to the Commission's **A Guide for Municipal Candidates**.

11. If the political committee is established by a business entity, labor union or other organization or association, the name of the entity, union or organization.
12. If the political committee is established by a labor union or other organization, whether it will receive funds from the organization's treasury or from voluntary member contributions.
13. If the entity, union or organization which established the political committee is a component member of a statewide entity, the name and address of the statewide entity.
14. If the committee is established or controlled by a member of the General Assembly, an elected state officer, or a lobbyist registered with the Office of State Ethics or immediate family member, or any principal of a state contractor, prospective state contractor, or investment services firm, or an agent of any of the above, a statement disclosing that relationship and the name of the member of the General Assembly, elected state officer, lobbyist or principal. Note that there are two types of lobbyists in the State of Connecticut – the individual communicator lobbyists who lobby at the Legislature and the client lobbyists that retain them.
15. If the political committee is formed to support candidates from a particular state legislative district, a statement to that effect and the district number.
16. If the political committee files reports with the Federal Election Commission or any out-of-state agency, a statement to that effect, including the name of the agency.
17. The name and address of the individual, business entity or labor organization making the initial contribution or disbursement to the political committee. If the initial contribution or disbursement precedes the filing of the registration statement, the political committee treasurer must file an itemized campaign finance disclosure statement (SEEC Form 20) itemizing this transaction along with the registration statement. If the contribution or disbursement is made after the filing of the registration statement, the treasurer must file an itemized statement (SEEC Form 20) within 48 hours of receiving that initial contribution or disbursement.

18. A designation indicating whether the political committee is authorized to make contributions or expenditures for the benefit of candidates for statewide office and/or General Assembly. **The chairperson may designate only those offices to which the political committee can legally contribute under Connecticut law**.
19. Signed and dated certifications by the chairperson, treasurer, and deputy treasurer (if applicable) of the political committee. (Please note that a special certification applies to political committees which are legislative caucus or leadership committees.)

[General Statutes §§ 9-602(a), 9-605(b)]

E. Biennial Re-Registration

All ongoing political committees registered with the Commission are required to file either a SEEC Form 3 or SEEC Form 3NC with the Commission by November 15 of every even-numbered year. A committee may file a SEEC Form 3NC if there have been no changes, additions, or deletions to the information contained on the committee's most recent SEEC Form 3 on file with the Commission at the time of the biennial filing requirement. It is the treasurer's duty to file the appropriate statement to fulfill the biennial requirement, unless it involves a change in officer, in which case the chairperson must sign the amendment.

The failure to file by the applicable deadline will result in the committee being deemed subject to limitations on making and receiving certain contributions during the legislative session. See **Chapter VI. Restrictions Based on Who Gives and Solicits Funds** for more information about these limitations. This amended registration requirement replaces the B-2 and B-3 forms. Rather than complete additional forms, committees simply have to submit an amended registration every two years. This also helps committees ensure that the information on file with the Commission is current and accurate.

Please keep in mind that the law continues to require political committees to submit an amended registration statement (SEEC Form 3) to the appropriate filing repository within ten days of any additions or revisions to the information contained in their registration statement.

[General Statutes §§ 9-605(c), 9-610(e) and (f)]

F. "One Person One PAC" Rule

No individual may establish or control more than one political committee.

Two key factors, among many, that could demonstrate that an individual has established or exercises control of a political committee include:

1. Serving as chairperson, treasurer or deputy treasurer of the committee; and
2. Making the initial contribution to the committee.

Note that this prohibition does not extend to party committees and candidate committees. Accordingly, an individual may serve as the treasurer of both a political committee and a party committee or candidate committee under the law.

A business entity, labor organization, or other person may only establish or control a single political committee. To ensure compliance with this limitation, the business entity, labor organization or other person establishing or controlling a political committee must disclose this affiliation on the committee's registration statement (SEEC Form 3).

[General Statutes §§ 9-605(e)(1), 9-613(a), 9-614(a)]

Important Note: While an ongoing political committee and party committee may make joint expenditures and may coordinate expenditures with each other, they must be separate committees. A party committee or ongoing political committee may not form any other political committees. See General Statutes § 9-609(a).

G. Legislative Leadership and Legislative Caucus Committees

The members of the same political party for each chamber of the General Assembly – i.e., Senate Democrats, House Democrats, Senate Republicans, and House Republicans – may each establish one legislative caucus committee. The chairman of each legislative caucus committee must complete a specific certification on the committee's registration statement (SEEC Form 3).

The six highest-ranking leaders of the General Assembly (Speaker of the House, Majority Leader of the House, Minority Leader of the House, President Pro Tempore of the Senate, Majority Leader of the Senate, Minority Leader of the Senate) may each establish a legislative leadership committee. The minority leaders of the House and Senate may also each have an additional legislative leadership committee. These committees must be designated by the respective legislative leader on the committee registration statement (SEEC Form 3).

These political committees are exempt from the "One Person One PAC" restriction. Thus, an individual may serve as treasurer of another political committee in addition to serving as treasurer of a legislative leadership or legislative caucus committee.

Legislative leadership and legislative caucus committees may only contribute to and make expenditures benefiting legislative candidates. Candidates participating in the Citizens' Election Program may not accept contributions from one of these legislative political committees, though these committees may still make organization expenditures on behalf of such candidates, as discussed later in **Chapter VII. Spending Committee Funds**.

[General Statutes §§ 9-605(e), 9-618(d), 9-619(d)]

H. Political Committees Formed to Support a Single Candidate

A candidate is prohibited from having more than one candidate committee registered as the funding vehicle for his or her campaign. A candidate who has registered a candidate committee may not establish, authorize or assist in the establishment of any other committee to promote the candidate's campaign.

Consistent with this prohibition, the chairperson of a political committee **formed solely to support a single candidate** must notify the candidate of the formation of the political committee by certified mail not later than seven days after the political committee is established. If the candidate does not disavow the political committee in writing to his or her filing repository (the State Elections Enforcement Commission or the town clerk, as the case may be) within fourteen days after receiving such notification, or if the candidate accepts any funds from the political committee, the political committee is automatically deemed to be the candidate's candidate committee. A violation of this prohibition against having two simultaneously existing committees is considered an extremely serious violation of the election laws.

[General Statutes § 9-604(a), (b), and (c)]

I. Political Committees Registered Under Federal Law or in Other States

A political committee registered with the Federal Election Commission under federal law or with another state other than Connecticut may not make coordinated expenditures or contributions to or for the benefit of a Connecticut state or municipal candidate or a Connecticut traditional political committee or party committee. A separate committee must first be registered in Connecticut (by filing a SEEC Form 3, designating a treasurer and a depository institution situated in Connecticut) and then must solicit funds specifically for use in Connecticut campaigns in accordance with Connecticut's campaign finance laws. There is one exception to this strict rule – a national committee of a political party may use its federal account to make contributions to an ongoing political committee.

Treasurers of traditional political committees receiving such contributions from entities not registered as committees in Connecticut must return the contributions immediately to the donor. Treasurers should check with the town clerk and the State Elections Enforcement Commission to determine whether a committee is properly registered to make contributions in Connecticut.

[General Statutes §§ 9-602(a), 9-618(e); Opinion of Counsel 1986-2]

J. Social and Political Clubs

Sometimes, two or more individuals will form a group or club that raises or spends money on diverse things, including (but not limited to) promoting or opposing candidates or referendum questions and promoting or opposing various social or economic issues not related to candidates or political parties. Such groups or clubs need to distinguish between their campaign finance-related funds, which are regulated by the Commission, and their other expenditures, which fall outside of campaign finance law and thus are not regulated by the Commission.

When such groups or clubs formed by two or more individuals acting together wish to make coordinated expenditures or contributions to or for the benefit of a Connecticut state or municipal candidate or a Connecticut political committee or party committee, they must register a traditional political committee (SEEC Form 3) unless they qualify for the $1,000 "safe harbor" described earlier. The group or club's political committee must

maintain a separate checking account – a "political account" – in a Connecticut financial institution.

If the club or group wishes to engage in social or other activities that do not fall within the lawful purpose of a political committee or are otherwise permitted by Chapter 155, they may **not** do so using the political committee's account. To spend money on such non-campaign finance related activities, the group or club must establish a checking account not associated with the political committee. Funds raised and spent through this non-political account do not need to be disclosed under the campaign finance laws (unless they are being spent on an independent expenditure made directly by the group or club) – however, it is recommended the group keep internal records for receipts and expenses made through the non-political account in the event a complaint is filed that it made an impermissible expenditure.

Important Note: In order to avoid making an impermissible expenditure from the political committee account, or to avoid making an expenditure from the non-political committee account that should have been made from its political committee, it is critical to understand the difference between the two accounts. For example, if a social club decides it would like to spend money to raise awareness about an environmental issue, it may not use political committee funds for this purpose but rather should use its non-political committee account. In contrast, if a social club decides it would like to make a contribution to a candidate, it **must** use its political committee funds, since this type of activity is regulated under the campaign finance laws.

With respect to holding events, a club with a political committee should pay for non-political events from the "social account" and political events from the "political account." The club must also identify which account will receive proceeds of any fundraising event. The non-political account may be used for the deposit of funds received in connection with any fundraising event or drive for a specified non-political purpose. The social or non-political purpose of the event or drive should be made known to all prospective donors to the account. By contrast, the political account may only be used for the deposit of club dues intended for the political committee, contributions for the committee's political activities, and for the payment of the club's general operating or political expenses.

Important Note: The law expressly permits an ongoing political committee to make 501(c)(3) charitable contributions and memorial contributions. Accordingly, such social clubs may make 501(c)(3) charitable contributions or memorial contributions from either their political committee account or their non-political account.

[General Statutes §§ 9-601c, 9-602(a), 9-618(a)]

IV. The Role of the Treasurer

A. Makes and Authorizes Expenditures

Only a committee's designated treasurer (or deputy treasurer, when necessary) may authorize and make contributions or expenditures on the committee's behalf. All committee expenditures **must** be authorized by the treasurer and, generally speaking, must be paid by check or debit card drawn on the committee's checking account or by the committee's credit card. Committee checks must contain the committee's name and address, as well as the name of the committee's treasurer.

If the committee has a credit card, the treasurer and deputy treasurer, if applicable, are generally the only individuals who are authorized cardholders. The treasurer may, however, allow the chairperson or a committee worker to be an authorized cardholder of a credit card issued to the committee, provided that the individual's expenditures are: (1) for goods or services that are pre-authorized by the treasurer; and (2) for a lawful purpose of the committee. The treasurer should be particularly careful in opting to authorize the chairperson or a committee worker as an authorized cardholder as such authorization will mean that all expenditures made by the cardholder on that credit card will be deemed to have been authorized by the treasurer, even if the cardholder failed to obtain actual authorization for the particular expenditure in question.

A chairperson or committee worker may only be an authorized holder of a committee credit card, which is paid on a periodic basis. A debit card, which draws directly from the committee checking account, is treated differently under the law. Committee debit cards may **only** be used by the treasurer (or deputy treasurer, when necessary).

[General Statutes § 9-607(a), (d), (e), (g)(2)(O), (j) and (l)]

B. Deposits All Monetary Receipts

The treasurer must deposit all funds in the committee's single checking account within **twenty days** of receipt.

The treasurer must ensure that any funds received by the committee are lawful and within the aggregate limits permitted under campaign finance law. The treasurer should not deposit any receipt that is either prohibited or otherwise exceeds the permissible limits set forth by law. Instead, the treasurer should return it to the donor within fourteen days of receipt or by the filing deadline for transactions falling within the reporting period, whichever is earlier.

If the treasurer deposits a monetary receipt that is later deemed impermissible, the treasurer must report it on the financial disclosure statement (SEEC Form 20) and refund the contribution without delay by returning the amount to the donor using a check drawn on the committee's checking account. The treasurer should report any such refund as an expenditure in Section P of the SEEC Form 20 using the "REF" purpose of expenditure code. Whenever possible, such refunds should be made in the same reporting period that the funds were deposited. The same rules apply to nonmonetary receipts from improper sources or in excess of the relevant contribution limits.

[General Statutes §§ 9-606(a), 9-607(g)(2)(R), 9-608(c)]

C. Retains All Records and Receipts

The treasurer must retain internal records to substantiate all expenditures made by the committee as permissible. Examples of expenditure records include, but are not limited to:

- bank statements
- cancelled checks
- bills
- travel itineraries
- invoices
- cash register receipts
- credit card and debit card slips and statements
- written receipts supporting any requests for reimbursement
- copies of ad books for fundraising affairs
- copies of fundraiser tickets
- copies of invitations
- solicitor appointments
- copies of printed advertisements (flyers, postcards, etc.)
- compensation agreements
- documents describing expenditures incurred but not yet paid
- loan agreements
- copies of checks

These internal records must be kept for **four years** from the date of the financial disclosure statement in which the transactions were entered.

[General Statutes §§ 9-606(a), 9-607(f), 9-608(c)(1)]

There are two recordkeeping requirements under the law that are worth highlighting.

First, in all instances where the committee agrees to pay someone more than $100 for their work or services, there must be a **written agreement** entered with the individual, as discussed more fully below.

Second, treasurers are required to keep an internal list of all individuals they appoint as **solicitors** for the committee, as discussed more fully below.

For more guidance on the types of information that must be collected and retained, see **Chapter VIII. Reporting Information**.

D. Maintains Service Agreements

In all instances where the committee agrees to pay a professional person more than $100 for his or her committee services, there must be a **written agreement** entered with the individual, signed **before** any such work or service commences, which sets forth (1) the nature and the duration of the fee arrangement; and (2) a description of the scope of the work to be performed or services to be rendered. The treasurer must also maintain contemporaneous records and/or invoices detailing the work performed or services rendered.

Important Note: If an agreement will involve, for example, paying a consultant who will be paying other vendors (i.e. secondary payees), the committee will best be served by including in the written agreement a requirement that the consultant disclose any secondary payees to the committee, and any pertinent information relating thereto, so that the committee treasurer can properly disclose such secondary payments, as required by law. See General Statutes § 9-608(c)(1).

Our sample fee arrangement for work or service, available on our website, provides language regarding this requirement for you to use in your contract with a consultant. We also have a sample reimbursement & secondary payee information sheet for the consultant to provide you when they are seeking reimbursement for an expenditure they made on behalf of the committee.

[Regulations of Conn. State Agencies § 9-607-1]

E. Files Periodic Financial Disclosure Statements

The treasurer is also obligated to file all financial disclosure statements on behalf of the political committee. For more information on how and when to submit financial disclosure statements, see **Chapter VIII. Reporting Information**.

[General Statutes § (9-608a)]

F. Appoints and Oversees Solicitors

The only individuals who may receive monetary and non-monetary contributions and donations on behalf of a political committee are the treasurer, deputy treasurer, and solicitors. Anyone other than the treasurer or deputy treasurer who receives funds must be appointed as a solicitor by the treasurer. The treasurer may appoint as many solicitors as needed. The treasurer must keep an accurate list of the name and address of each individual who is appointed to serve as a solicitor. Although the names of solicitors need not be disclosed in the committee's financial disclosure statements, the law requires the treasurer to keep internal records, outlining each solicitor appointment and the term of appointment, which may be subject to audit. The treasurer is responsible for training solicitors and overseeing their activities to make sure they are complying with the law.

A solicitor may never deposit committee funds; only the treasurer may deposit funds received by the committee. Within **seven days** of receipt of any goods, funds or contributions, the solicitor must deliver the same to the treasurer. The treasurer must deposit funds within **twenty days** of her receipt from the solicitor, or return impermissible contributions to the contributor(s). A solicitor may not expend funds that he receives and must deliver them only to the treasurer in the form he received them (i.e. cash received from contributors must be delivered in same cash form to the committee's treasurer).

No later than one day prior to the treasurer's required filing date, each solicitor must submit to the treasurer a list of the contributor information (names, addresses, and all other legally required information) of all persons from whom or from which the solicitor collected monetary and/or non-monetary receipts on behalf of the committee. The treasurer must oversee committee solicitors, ensuring that they turn over this list, as well

as all contributions received, in a timely manner. The treasurer is also responsible for training and overseeing solicitors to make sure they are complying with the law.

No person may solicit contributions that are prohibited by law.

[General Statutes §§ 9-606(c), 9-622(10)]

G. Limitations on Who May Solicit Contributions

While communicator lobbyists and principals of current and prospective state contractors are no longer completely prohibited from soliciting for certain political committees, some restrictions on their solicitation activities remain:

- Communicator lobbyists, as well as their agents and immediate family members, may not bundle contributions for a political committee established or controlled by a candidate for statewide office or General Assembly, including legislative leadership and legislative caucus committees. "Bundle" is defined as the forwarding of five or more contributions to a single committee by the communicator lobbyist or his immediate family member or agent, or raising contributions for a committee at a fundraising event held by, sponsored by, or hosted by the communicator lobbyist or his immediate family member or agent.
- Communicator lobbyists, as well as their immediate family members and agents, may not solicit on behalf of a political committee established or controlled by a statewide office or General Assembly candidate from any individual who is a member of the board of directors, an employee of or a partner in, or who has ownership interest of five percent or more in any client lobbyist they represent.
- Communicator and client lobbyists are prohibited from soliciting contributions during legislative session, which includes any regular legislative session and any special sessions or vote-override sessions in odd-numbered years, on behalf of a political committee: (1) established for an assembly or senatorial district; (2) established by, in consultation with, or at the request or suggestion of a General Assembly member or statewide officeholder or their agent; or (3) controlled by a General Assembly member or statewide officeholder or their agent to aid or promote the nomination or election of any candidate or candidates to the General Assembly or statewide office.
- No state contractor or prospective state contractor or principals thereof with respect to a contract with the executive branch may knowingly solicit contributions on behalf of a political committee authorized to make contributions or expenditures for the benefit of statewide office candidates from the contractor's employees or one of its subcontractors or the principals of the subcontractor.
- No state contractor or prospective state contractor or principals thereof with respect to a contract with the legislative branch may knowingly solicit contributions on behalf of a political committee authorized to make contributions to or expenditures for the benefit of General Assembly candidates from the contractor's employees or one of its subcontractors or the subcontractor's principals.

Note that a political committee may be subject to one or more of these restrictions depending on how it is organized.

[General Statutes §§ 9-601(26), 9-610(e), (h), and (i), 9-612(f)]

The following individuals are prohibited from soliciting contributions from a principal of an investment services firm on behalf of any political committee: the State Treasurer or any candidate for State Treasurer, any agent of any such candidate, the Deputy State Treasurer, any member of the State Investment Advisory Council, and any unclassified employee in the office of the State Treasurer acting on behalf of the State Treasurer or Deputy State Treasurer.

[General Statutes § 9-612(f)]

For more information on the state contractor, lobbyist, and investment services solicitation provisions, please see **Chapter VI. Restrictions Based on Who Gives and Solicits Funds**.

Elected statewide officeholders and deputies, as well as members of the General Assembly, may generally solicit for political committees. However, statewide officeholders and General Assembly members, any candidates for such offices, and agents of any such officials or candidates may not knowingly, willfully or intentionally solicit contributions on behalf of a political committee from a person who she knows is prohibited from making contributions, including a principal of a state contractor or prospective state contractor with regard to a state contract solicitation with or from a state agency in their respective branch.

[General Statutes § 9-612(f), Advisory Opinion 1983-2]

Municipal employees may not solicit funds for the benefit of a political committee from an individual under their supervision or that individual's spouse or dependent children.

[General Statutes § 9-622(12)]

No member of the Connecticut Retirement Security Authority board of directors, except the State Comptroller or State Treasurer, or any executive director, assistant executive director or authorized officer appointed by said board or the principal of an entity with a contract with the authority to administer the Connecticut Retirement Security Program may knowingly solicit contributions from the board's or the executive director's or assistant executive director's employees on behalf of a political committee authorized to make contributions or expenditures to or for the benefit of statewide office candidates.

[General Statutes § 31-429 (as amended by Public Act 16-29)]

V. Raising Funds for Your Committee

A political committee may raise funds by collecting contributions. While contributions are often monetary in nature, they may take other forms as well. In addition to contributions which may be subject to limits on the amount that may be given, there are other types of funds or things a committee may receive that do not count toward the contributor's contribution limits in the case of traditional political committees. These few categories are narrowly defined. In most instances, these receipts or "donations" remain reportable.

Political committees may raise funds by holding fundraising events, which include political gatherings sponsored by the committee for which it charges an attendance fee, or tag sales or auctions at which the committee sells items to its invited guests. The issues which most commonly arise concerning a fundraising event are whether the funds given or received are treated as contributions or as receipts which are not contributions, and how to disclose these types of receipts, if at all, on the committee's financial disclosure statement.

This section provides information regarding permissible and impermissible contributions, other permissible sources of funds for political committees, and the appropriate means by which funds may be collected. For more information on how to report these contributions and receipts, see **Chapter VIII. Reporting Information**.

A. Contributions

1. Sources and Limits

The following section lays out the contribution limits imposed on traditional political committees based on the type of political committee.

a. Business Entity Political Committees

Permissible Contributions

A traditional political committee established by a business entity may accept contributions subject to the following aggregate limits per contributor per calendar year:

Table 1 - Contribution Limits to Traditional Business Entity Political Committees

CONTRIBUTOR	LIMIT
Individual	$1,000*
Another Political Committee	$2,000**
State Central Committee	$2,500
Town Committee	$1,500
National Committee of a Political Party	Unlimited***

* Individual must be a United States citizen or a foreign national with permanent status in the United States. If the individual is under eighteen years of age, the limit is $30 per calendar year. The communicator lobbyist and state contractor contribution provisions may also apply; see **Chapter VI. Restrictions Based on Who Gives and Solicits Funds** for more information.

** The donor committee must be registered in Connecticut. Also, contributions from legislative leadership and legislative caucus committees are prohibited.

*** Such contributions must come from the committee's federal account, on file with the Federal Election Commission. The federal account may contain only funds subject to the contribution and disclosure limits prescribed in the Federal Election Campaign Act (i.e. no transfers from "soft money" accounts). Such contributions may also be subject to federal restrictions.

[General Statutes §§ 9-611(e), 9-612, 9-617, 9-618, 9-619; 2 U.S.C. § 441e; 52 U.S.C. § 30121]

A business entity political committee may solicit voluntary contributions from the sponsoring entity's employees through **payroll authorization cards**. The treasurer must retain the completed and signed payroll authorization cards and must obtain new authorizations annually. The contributor must have the right to designate the amount to be contributed and the right to refuse to participate at all without consequences.

If the business entity is, for example, a professional association that collects **dues** from its members (as well as from other sources), it may set up a similar process where a portion of the dues goes to the affiliated political committee as contributions as long as it follows these same guidelines outlined above and can ensure that the dues are being paid by a permissible contributor (i.e. an individual member as opposed to a business entity). In other words, if a member has the ability to pay his dues through use of a business credit card, this would not be permissible.

[Advisory Opinion 1980-3]

Impermissible Contributions

A traditional political committee established by a business entity may **not** receive contributions from the following sources:

- A business entity, except with respect to administrative or fundraising costs from the business entity which established the committee, as is more fully discussed below;
- A labor union or any other organization;
- A candidate committee of a candidate for statewide office or General Assembly;
- A judge of probate or municipal candidate committee, except with respect to surplus distributions, as more fully described later in this chapter;
- A committee of a candidate for federal or out-of-state office;
- A referendum committee, except with respect to surplus distributions, as more fully described later in this chapter;

- A legislative caucus or legislative leadership committee; or
- A political committee or party committee not registered under Connecticut law, except for a national committee of a political party as set forth in the preceding section.

[General Statutes §§ 9-608(e), 9-613(a) and (b), 9-614(a), 9-616(a), 9-618(d) and (e), 9-620(a)]

Transfers from Affiliated Business Entity

A business entity cannot make a contribution to any traditional political committee, including a political committee established by the business entity. However, a business entity may make **reasonable and necessary transfers or disbursements** to or for the benefit of its political committee only if they are:

1. Reasonable and necessary; **and**
2. Directly attributable to either (a) the administrative costs of operating the political committee or (b) the solicitation of funds for the political committee. Such disbursements are reported in Section F, "Amount Transferred from Affiliated Business Treasury," of the SEEC Form 20.

As far as the business entity transferring money to the political committee to assist in its solicitation of funds, the Commission has determined that an amount equal to one-third or less of the proceeds raised by the political committee's solicitation of funds is a reasonable amount for the business entity to spend on the solicitation costs. An amount in excess of one-third of proceeds must be reimbursed by the political committee to the business entity in order to avoid a prohibited contribution.

Disbursements made strictly for administrative operating costs are not subject to the one-third rule but must still be both reasonable and necessary. The committee must retain internal records showing that the disbursements were permissible under the law.

[General Statutes § 9-613(b); Opinion of Counsel 1999-3]

b. Organization Political Committees

Manner of Funding

A traditional political committee established by an organization must designate on its initial registration statement whether it will receive funds exclusively either from the organization's **treasury** or from voluntary contributions made by its **members**. It cannot receive funds from both.

If the organization has elected to fund its political committee through member contributions, the political committee may solicit voluntary contributions from the organization's members through **payroll authorization cards**. The treasurer must retain the completed and signed payroll authorization card and must obtain new authorizations annually. The contributor must have the right to designate the amount to be contributed and the right to refuse to participate at all without consequences.

If the organization is set up to collect **dues** from its members and its political committee is funded through member contributions, the organization may set up a similar process where a portion of the dues goes directly to the affiliated political committee as a

contribution as long as it follows these same guidelines outlined above and can ensure that the dues are being paid by a permissible contributor (i.e. an individual member as opposed to a business entity). In other words, if a member has the ability to pay his dues through use of a business credit card, this would not be permissible.

An organization political committee funded by the organization's treasury may alter its manner of funding after its establishment. To do so, it must first notify the appropriate filing repository in writing of its intent to alter its manner of funding. Within fifteen days of that notification, the treasurer must return any remaining funds in the committee's account to the organization's treasury after satisfying all outstanding debts of the committee. Within seven days of that distribution, the treasurer must file a statement with the filing repository itemizing all distributions and expenditures made in this process. Upon such filing, the committee may begin receiving contributions from members. For ease of reporting, the treasurer should coordinate this changeover process, including these transitional transactions, with the close of a reporting period.

[General Statutes § 9-614; Advisory Opinion 1980-3]

Permissible Contributions

A traditional organization political committee may accept contributions subject to the following aggregate limits per contributor per calendar year:

Table 2 - Contribution Limits to Traditional Organization Political Committees

CONTRIBUTOR	LIMIT
Individual	$750*
Another Political Committee	$2,000**

* The political committee may only accept contributions from individuals if the organization has elected to fund the committee through voluntary member contributions. If so, individual contributors must be **members** of the affiliated organization and also meet all other qualifications for contributors under federal and state law. In order to contribute, individual members must be United States citizens or foreign nationals with permanent status in the United States. Individual members under eighteen years of age may contribute a maximum of $30 per calendar year. The communicator lobbyist and state contractor contribution provisions may also apply; see **Chapter VI. Restrictions Based on Who Gives and Solicits Funds** for more information. If the organization has elected to fund its committee through the organization's treasury, then contributions from individuals, including members, are **prohibited**.

** The donor committee must be registered in Connecticut. Also, the committee may not receive contributions from legislative leadership or legislative caucus committees.

[General Statutes §§ 9-611(e), 9-612, 9-614, 9-617, 9-618, 9-619; 2 U.S.C. § 441e; 52 U.S.C. § 30121]

Impermissible Contributions

A traditional political committee established by an organization may not receive contributions from the following sources:

- An individual (if the political committee has elected to be funded exclusively from its organization's treasury funds);
- An individual who is not a member of the organization;
- A labor union or any other organization, except that a political committee that has opted to be funded exclusively from its own organization's treasury may accept funds from the organization that established the committee;
- A business entity;
- A party committee (town or state central);
- A national committee of a political party;
- A candidate committee of a candidate for statewide office or General Assembly;
- A judge of probate or municipal candidate committee, except with respect to surplus distributions, as more fully described later in this chapter;
- A committee of a candidate for federal or out-of-state office;
- A referendum committee;
- A legislative caucus or legislative leadership committee; or
- A political committee not registered under Connecticut law.

[General Statutes §§ 9-608(e), 9-613(a), 9-614(a), 9-616(a), 9-618(d) and (e), 9-620(a)]

Transfers from Affiliated Organization

Monetary and non-monetary receipts may only be accepted from the organization which established the committee if: (1) the committee has elected to be financed exclusively from the organization's treasury funds; and (2) the chairperson of the committee has properly designated such method of funds on its registration statement. Such transfers are reported in Section G, "Amount Transferred from Affiliated Labor Union or Other Organization Treasury," of the SEEC Form 20.

[General Statutes § 9-614]

C. Two or More Individual Political Committees

Permissible Contributions

A traditional political committee established by two or more individuals may accept contributions subject to the following aggregate limits per contributor per calendar year:

Table 3 - Contribution Limits to Traditional Two or More Individual Political Committees

CONTRIBUTOR	LIMIT
Individual	$1,000*
Another Political Committee	$2,000**
State Central Committee	$2,500
Town Committee	$1,500
National Committee of a Political Party	Unlimited***

* Individual must be a United States citizen or a foreign national with permanent status in the United States. If the individual is under eighteen years of age, the limit is $30 per calendar year. The communicator lobbyist and state contractor contribution provisions may also apply; see **Chapter VI. Restrictions Based on Who Gives and Solicits Funds** for more information.

** The donor committee must be registered in Connecticut. Also, contributions from legislative leadership and legislative caucus committees are prohibited.

*** Such contributions must come from the committee's federal account, on file with the Federal Election Commission. The federal account may contain only funds subject to the contribution and disclosure limits prescribed in the Federal Election Campaign Act (i.e. no transfers from "soft money" accounts). Such contributions may also be subject to federal restrictions.

[General Statutes §§ 9-611(e), 9-612, 9-617, 9-618, 9-619; 2 U.S.C. § 441e; 52 U.S.C. § 30121]

Impermissible Contributions

A traditional political committee established by two or more individuals may not receive contributions from the following sources:

- A business entity;
- A labor union or any other organization;
- A candidate committee of a candidate for statewide office or General Assembly;
- A judge of probate or municipal candidate committee, except with respect to surplus distributions, as more fully described later in this chapter;
- A committee of a candidate for federal or out-of-state office;
- A referendum committee, except with respect to surplus distributions, as more fully described later in this chapter;

- A legislative caucus or legislative leadership committee; or
- A political committee or party committee not registered under Connecticut law, except for a national committee of a political party as set forth in the preceding section.

[General Statutes §§ 9-608(e), 9-613(a) and (b), 9-614(a), 9-616(a), 9-618(d) and (e), 9-620(a)]

d. Political Committees Established for a Single Election or Primary (including Political "Slate Committees")

Permissible Contributions

A traditional political committee established for a single election or primary may accept contributions subject to the following aggregate limits per contributor per calendar year:

Table 4 - Contribution Limits to Traditional Single Election or Primary Political Committees

CONTRIBUTOR	LIMIT
Individual	$1,000*
Another Political Committee	$2,000**
State Central Committee	$2,500
Town Committee	$1,500

* Individual must be a United States citizen or a foreign national with permanent status in the United States. If the individual is under eighteen years of age, the limit is $30 per calendar year. The communicator lobbyist and state contractor contribution provisions may also apply; see **Chapter VI. Restrictions Based on Who Gives and Solicits Funds** for more information.

** The donor committee must be registered in Connecticut. Also, contributions from legislative leadership and legislative caucus committees are prohibited.

[General Statutes §§ 9-611(e), 9-612, 9-617, 9-618, 9-619; 2 U.S.C. § 441e; 52 U.S.C. § 30121]

Impermissible Contributions

A traditional political committee established for a single election or primary may not receive contributions from the following sources:

- A business entity or any other type of entity;
- A labor union or any other organization;
- A candidate committee of a candidate for statewide office or General Assembly;

- A municipal or judge of probate candidate committee, except with respect to surplus distributions, as is more fully described later in this chapter;
- A committee of a candidate for federal or out-of-state office;
- A referendum committee, except with respect to surplus distributions, as is more fully described later in this chapter;
- A national committee of a political party;
- A legislative caucus or legislative leadership committee; and
- A political committee or party committee not registered under Connecticut law.

[General Statutes §§ 9-608(e), 9-613(a) and (b), 9-614(a), 9-616(a), 9-618, 9-619, 9-620(a)]

2. Contributor Certification Forms

Treasurers are required to report contributions the committee has received, as discussed more fully in **Chapter VIII. Reporting Information**. Political committees authorized to spend on statewide or General Assembly candidates are required to obtain contributor certification forms from their contributors for contributions in excess of $50 in the aggregate. Even if a political committee is not required by law to obtain a contributor certification form given the type of political committee or the amount of the contribution, a treasurer can best protect him or herself by having each contributor complete and sign a contributor certification form for every contribution regardless of the amount. **The Commission highly recommends that all political committees obtain contributor certification forms for all contributions regardless of amount.**

Treasurers are not required to obtain and keep more than one certification form for each contributor, unless information certified to by the contributor (other than the amount contributed) changes. However, if the information has changed and the treasurer has not obtained a new certification, the old certification will not act to protect the treasurer against liability. Because of this, the Commission strongly recommends that the treasurer obtain a new certification form for every contribution.

Your contributor certification form should contain the following:

- Contributor's full name;
- Contribution amount;
- Method of contribution;
- Residential address of contributor;
- Contributor's phone number and/or email address;
- Contributor's age (individuals under eighteen years old may only contribute up to $30);
- Name of employer (required if individual's aggregate contributions to the committee exceed $50 in the aggregate);
- Principal occupation (required if individual's aggregate contributions to the committee exceed $100 in the aggregate);

- Statement as to whether the individual is a lobbyist, or the immediate family member of a lobbyist (required if individual's aggregate contributions to the committee exceed $50);
- Statement as to whether contributor is a principal of a state contractor or prospective state contractor (which includes spouse and dependent children over eighteen) if the committee is authorized to make contributions or expenditures to or for the benefit of any candidate seeking office in the branch of government with which the contractor or prospective state contractor is doing or seeking to do business and if contributor's aggregate contributions to the committee exceed $50 (best practice is to obtain it at all amounts);
- Certification that the information disclosed by the contributor on the form is true and accurate to the best of his knowledge;
- Certification that the contributor is either a United States citizen or a foreign national with permanent resident status in the United States;
- Certification that the contribution is being made from the contributor's personal funds, is not being reimbursed in any manner, is not being made as a loan, and is not an otherwise prohibited contribution.

Commission staff can provide committees with sample contributor certification forms. Please contact the Compliance Unit at (860) 256-2940 and we can send you a sample form based on your specific registration.

[General Statutes § 9-608(c)(3)]

3. "In-Kind" Contributions

The above-mentioned contribution limits and restrictions apply to all contributions, whether monetary or in-kind. An in-kind contribution is the donation of goods, services or anything of value given free of charge or at a discount, i.e. at less than the usual and normal charge to the recipient committee. An in-kind contribution is valued at the usual and normal charge less any amount paid by the recipient committee and must be disclosed on the committee's financial disclosure statement (in Section M of SEEC Form 20). Treasurers should obtain contributor certification forms for in-kind contributions as well, following the same parameters set forth in the previous section.

Uncompensated services provided by an individual who **volunteers** his or her personal time to a committee are not an in-kind contribution and need not be reported. However, services that are provided by an individual for which that individual receives compensation from another committee, individual, or any other entity, must be reported as an in-kind contribution, and are subject to source and amount restrictions. If an individual provides his services at a discount not available to all others on the same terms, the amount of the discount is a contribution. Moreover, if the volunteer provides things of value to the campaign as part of his volunteer service that are not otherwise exempt from the definition of contribution, he must either be reimbursed for such items or the committee can report the items as an in-kind contribution, if within the appropriate limits.

Example of an In-Kind Contribution: Susan enjoys designing websites and has decided to volunteer her personal time and services to create and maintain a website for XYZ political committee, using her own personal computer. However, the cost of hosting the committee website and purchasing a domain name will total $100. While Susan is permitted to use her own personal computer and provide her personal time and computer skills as part of her volunteer services, either the political committee can reimburse her for the cost of the site hosting and domain name or that cost must be reported as an in-kind contribution from her to the political committee.

4. Loans as Contributions

Loans that are not made in the ordinary course of business by a bank are considered contributions. In the case of a traditional political committee, loans are subject to the overall limit on contributions to the committee. For example, the sum of an individual's contributions and loans to a traditional political committee established by a business entity cannot exceed $1,000 in a calendar year. The amount of the contribution is equivalent to the principal amount of the outstanding loan. An unpaid loan, when added to other contributions from the same contributor, may not exceed the contribution limit applicable to that contributor. Repayments made on the loan reduce the amount of the contribution. Once repaid in full, a loan no longer counts against the contributor's contribution limit.

The committee treasurer and the individual or entity making the loan must execute a **written agreement**, and the treasurer must retain a copy of the agreement for the same period as other internal records. Loans are reported in Section E of the SEEC Form 20.

[General Statutes §§ 9-601a(a)(1) and (b)(1), 9-608(c)(1)(E)]

5. Contributions in False Name

No person may make a payment or contribution to a treasurer in another person's name other than the name of the true donor or payor, nor may any treasurer knowingly receive such a payment or contribution. A treasurer is prohibited from entering the name of someone other than the true donor or payor on the committee's financial disclosure statement.

[General Statutes § 9-622(7)]

B. Other Sources of Funds – Donations & Funds Not Considered Contributions

The most common way by which traditional political committees raise funds is receiving contributions from permissible sources. In addition, traditional political committees may accept certain monetary and non-monetary receipts which are not considered contributions under the law. The following is a list of the most significant types of such receipts. Some of these categories must still be reported and where appropriate, we provide information regarding how to report them. For more information on reporting, see **Chapter VIII. Reporting Information**. Treasurers must be mindful that these exemptions are **narrow** and each receipt constitutes a "contribution" unless it squarely falls within one of the narrowly defined exemptions.

[General Statutes § 9-601a(b)]

1. Reportable Receipts

The following types of receipts are reportable even though they are not considered contributions. Once the limit imposed by a given exemption is exceeded, the entire receipt must be reported as an itemized contribution (if permissible) in Section B, "Itemized Contributions from Individuals" of SEEC Form 20.

a. Certain Items of Personal Property Donated by an Individual for a Committee Fundraiser

An **individual** may donate an item or items of personal property to a committee for a fundraising event, or purchase such an item or items at the event and not have it counted as a contribution, if the aggregate amount of the donation or purchase does not exceed **$100**.

For donations, report in Part II of SEEC Form 20, under Section L4, "In-Kind Donations Not Considered Contributions." For purchases, treasurers are no longer required to report the names of individuals who purchase an item or items at a fundraising event if the cumulative amount purchased by the individual does not exceed $100. Such fundraiser purchases are reported in lump sum in Section L1, "Event Information," for the filing period.

[General Statutes §§ 9-601a(b)(9), 9-608(c)(1)]

Important Note: The full amount of a monetary receipt for an item purchased at a fundraising event is reported and is not reduced by the value of the item (i.e. price paid for a television purchased at a committee sponsored tag sale is not diminished by the fair market value of the television).

EXAMPLE A: Jane Doe donates six commemorative plates to a political committee to be sold at a tag sale, and the value of each plate is $10, for a total of $60. This non-monetary receipt is not a contribution but must be reported in Section L4 as an in-kind donation from Jane.

EXAMPLE B: June Smith buys one of the commemorative plates at the tag sale for $10. This is a donation not considered a contribution because her overall purchase does not exceed $100. The political committee does not have to itemize June's purchase but rather may aggregate the $10 with any other purchases not considered contributions at the event and report that lump sum in subpart 1 of Section L1 without disclosing the individual names of June or any other such purchasers.

EXAMPLE C: John Smith buys the remaining five commemorative plates at the tag sale for $10 each, for a total of $50, as well as a table for $60. He has made a $110 contribution because the purchase price is over $100. This monetary receipt constitutes a $110 contribution from John Smith that is counted against his contribution limit to the committee and must be separately itemized in Section B of SEEC Form 20.

b. Certain Business Entity Donations

Generally speaking, political committees must pay fair market value when purchasing goods or services. Donations and discounts from a business entity would be considered

an in-kind contribution from an impermissible source. There are, however, two narrow exceptions to this prohibition.

A business entity (e.g. a restaurant) may sell to a political committee food or beverage at a discount as long as the charge is not less than the cost to the business entity and the cumulative value of the discount given is not more than **$600** with respect to any calendar year. These discounts are not considered in-kind contributions because of this exception and are reported in Part II of SEEC Form 20 in Section L4, "In-Kind Donations Not Considered Contributions."

[General Statutes § 9-601a(b)(6)]

Second, the donation by a business entity of goods or services for a fundraising event may also be a permissible source of funds if the aggregate value of the goods or services does not exceed **$200**. These items would also be reported in Section L4 as in-kind donations not considered contributions.

Please note that a business entity may **only** donate goods or services that it sells or provides as part of its business. A business entity may not purchase goods for a fundraiser or provide funds to a committee with which to buy goods under this exception. If the value of the goods or services provided **exceeds** $200, then the entire amount is a **prohibited business entity contribution**.

EXAMPLE D: ABC Corporation, a printing company, donates free printing services to a committee for a fundraising picnic worth $150 in value. This non-monetary receipt is not a contribution but must be reported as an "in-kind donation" in Section L4. Note that ABC Corporation would not be able to donate $150 worth of pizza for the picnic because it is in not in the business of selling pizza.

EXAMPLE E: The same corporation donates an **additional** $100 worth of printing to the fundraising affair. It has made a prohibited contribution because the value of the printing – now at $250 for this event – exceeds $200 and therefore this exemption does not apply. The in-kind contribution may not be accepted and must either be returned immediately by the treasurer, or purchased from ABC Corporation.

[General Statutes § 9-601a(b)(12)]

Note that, as described more fully earlier in this chapter, a business entity may also make **reasonable and necessary transfers or disbursements** to or for the benefit of its affiliated business entity political committee for administrative costs or the solicitation of funds subject to certain restrictions.

c. Ad Purchases

Another exception to an impermissible business contribution is a business entity's purchase of advertising space in a program for or on signs at a fundraising affair held by a political committee (other than an exploratory committee) if the purchase price for the space does not exceed **$250** in the calendar year. Other persons can avail themselves of this exception, though they are limited to ad purchases of up to **$50**. "Other persons" for this purpose may be individuals, other committees, labor unions, and other organizations. 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 fundraiser ad book, this amount is above the $250 limit and the entire amount is therefore an impermissible business contribution.

To facilitate this process, the Commission has provided a sample advertising purchase form for political committees, available on its website, www.ct.gov/seec.

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, even if they are permitted to make a contribution to the political committee. Client lobbyists may purchase advertising under the exception up to the normal limits.

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 fundraising event must be a **bona fide** event intended to make a profit exclusive of any receipts from the sale of ads, and there must be an actual program for the fundraising event and/or a sign at the event. These transactions are reported n Section L3, "Purchases of Advertising in a Program Book or on a Sign," of the SEEC Form 20.

EXAMPLE F: XYZ Corporation purchases $200 in advertising space in a program booklet for a fundraising dinner sponsored by a traditional political committee. This monetary receipt from the corporation is not a contribution and may be accepted. As previously stated, the treasurer is required to report all monetary receipts whether or not the funds received constitute a contribution to the committee. The $200 purchase is reported in the name of XYZ Corporation, together with other program booklet advertising receipts, in Section L3. XYZ Corporation may subsequently purchase no more than $50 of advertising space in program books or on fundraiser signs for other fundraising affairs held by the same committee throughout the remainder of the calendar year.

[General Statutes §§ 9-601(10), 9-601a(b)(10); Declaratory Ruling 2014-03]

d. House Parties

There are also special provisions relating to expenses of a fundraising affair or gathering held for a political committee by an individual at his residential premises (or a community room in the individual's residence facility).

If a host pays for such a party to benefit a political committee and the aggregate cost to the host for invitations, food or beverages for the event does not exceed $400 (or $800 for two or more events in any calendar year with each event costing the host no more than $400), then these costs are not considered contributions to the committee. If an event is hosted by two or more individuals on behalf of a political committee, with at least one of the hosting individuals owning or residing at the residential premises, and the aggregate cost for the event does not exceed $800 total (with each host paying no more than $400), then these costs are also not considered to be contributions to the committee.

Such costs are in-kind receipts that are not counted against such individual's

contribution limit, but must be disclosed in Section L5, "In-Kind Donations Not Considered Contributions Associated with a House Party," of the SEEC Form 20. If the cost to the host(s) exceeds $400/$800, the entire value is an in-kind contribution that is counted against the contribution limit of the individual(s) and must be disclosed in Section M as an "in-kind contribution."

In order for the event to qualify for the "house party" exemption, the entire cost of the event (invitations, food, and beverages) should not exceed the $400/$800 amount. Thus, the committee cannot plan to hold a far more costly event and merely pay for any amount that exceeds that limit. In other words, the $400/$800 amount is not an offset for a more costly party. However, a candidate or committee may pay for a portion or all of the costs of the **invitations** for the event. The amount paid by the candidate or committee for invitations 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.

The homeowner or resident may also provide his or her home free of charge and the committee can pay for all costs associated with the event.

Important Note: **Communicator lobbyists** and their agents and immediate family members may not host a house party as a **fundraiser** for a political committee authorized to give to statewide office or General Assembly candidates as this would constitute bundling. Such individuals may host a house party that is not a fundraiser. For political committees subject to the state contractor restrictions, **principals of state contractors** may still host a house party for such committees, whether a fundraiser or not, as long as they do not to invite those individuals from whom they are prohibited from soliciting. In addition, they should take great care not to exceed the house party limits as this would constitute a prohibited contribution.

[General Statutes §§ 9-601(27), 9-601a(b)(5), 9-601b(b)(8), 9-608(c), 9-610(i)]

e. Surplus Distribution of Funds from Terminating Committees

Some terminating committees may distribute their surplus to certain types of political committees. Treasurers of the recipient committees must be mindful of the type of committee seeking to distribute its surplus in order to ensure compliance.

Terminating **judge of probate and municipal candidate committees and political slate committees** may distribute their surplus to ongoing political committees without limit after a primary day which results in the defeat of the candidate(s) or after the election, provided that the receiving committee has not been established to finance future political campaigns of the candidate(s). The Commission has concluded that a political committee is deemed to have been established to finance future political campaigns of a candidate where 26% or more of the committee's expenditures go to the candidate's future campaigns.

A political committee may **never** accept surplus distributions from a **candidate committee for statewide office or General Assembly**.

Distributions from terminating **political slate committees** and **exploratory committees** (where the candidate withdraws before forming a candidate committee) may be

made to political committees, with the exception of political committees established by organizations which may not receive such distributions.

[General Statutes §§ 9-608(e) and (f), 9-614(a), 9-620(a); Final Decision 2006-194]

2. Non-Reportable Receipts

The following types of receipts are also not considered contributions and do not require special reporting.

a. Donation of Food or Beverages for a Non-Fundraising Event

An individual may donate food or beverages for consumption at a political committee meeting, event or activity that is **not** a fundraising affair and such donation would not be considered a contribution to the extent that the cumulative value of the food or beverages donated by the individual for a single meeting or event does not exceed **$50**. Such food or beverage donations are no longer reported on the SEEC Form 20 but the treasurer should keep internal records of the donations (a list of the individuals and what they brought, any receipts provided) in order to substantiate that they did not exceed the $50 limit. If the value of the food or beverages exceeds $50 for the event, then the entire value should be reported as an in-kind contribution to the committee in Section M of the SEEC Form 20.

Note that this exemption may be applied in conjunction with a house party that is **not** a fundraiser. For example, if an individual hosts a house party meet-and-greet for a political committee, that individual may spend up to $400 on the cost of invitations, food, and beverages which is not considered a contribution, and a guest may then bring food or beverage to the event, which also would not be considered a contribution if the value of the food or beverages does not exceed $50.

This exemption applies per individual, which means that each attendee may bring food or beverages valued at up to $50 to a non-fundraising event and none would be considered contributions.

[General Statutes §§ 9-601a(b)(17), 9-608(c)(1)]

b. Communications to the Restricted Class

A corporation, organization, or association may pay the costs of directly communicating with certain groups on political topics, including expressly advocating the election or defeat of a specific candidate, without making a contribution to that candidate. For business entities, the restricted class includes owners, shareholders, executive and administrative personnel and their families – but not all employees of the business generally. For organizations, the restricted class includes its members and their families.

[General Statutes § 9-601a(b)(2)]

EXAMPLE G: XYZ Corporation invites the chairperson of XYZ Corporation Political Committee to a shareholders' meeting to discuss the political committee's upcoming activities. This is a communication limited to members of the business' restricted class and therefore any associated costs are not contributions.

EXAMPLE H: The same corporation pays the associated costs to mail the political committee's campaign materials out to all of the corporation's clients. XYZ Corporation is in violation of the law because it has paid for a communication distributed outside of the restricted class.

c. Use of Facility Space

Generally, a political committee must pay fair market value for use of facility space. A business entity or organization may, however, provide use of its facility space to a traditional political committee at a discount or for free, provided the business entity or organization:

1. customarily makes the space available to clubs, civic or community organizations or other groups at a discount or for free;
2. makes the space available on the same terms given to other groups using the space; and
3. makes the space available to any other candidate or committee upon request.

If a business entity or organization does not meet each of these three criteria, then it may not provide use of its facility space to a political committee for free or at a discount as it would constitute an impermissible business entity or organization contribution. (Note that if the committee must still pay something for use of the space, then this of course would be reported as a traditional expense in Section P of the SEEC Form 20.)

[Advisory Opinion 2010-02]

d. De Minimis Campaign Activity

The value associated with de minimis campaign activity done on behalf of a political committee is not considered a contribution. This includes the creation of electronic or written communications on a voluntary basis without compensation, including, but not limited to, the creation and ongoing content development and delivery of social media on the Internet or telephone, the sending or receiving of electronic mail or messages, and the creation of digital photos or videos as part of an electronic file. Social media refers to any electronic media where users create and view user-generated content, such as uploaded or downloaded videos or still photographs, blogs, video blogs, podcasts, or instant messages.

The de minimis exception would also extend to the use of personal property or a service that is customarily attendant to the occupancy of a residential dwelling or the donation of an item or items of personal property that are customarily used for campaign purposes by an individual provided the cumulative fair market value of such personal property or service does not exceed $100 in the aggregate per calendar year.

Important Note: Although not considered contributions, the costs associated with such communications that fall under this provision remain expenditures requiring **attributions** if otherwise needed. For example, if a committee sends out a fundraising invitation by email, the committee's attribution should be included in the email. For more information on the proper attribution, please see **Chapter VII. Spending Committee Funds**.

[General Statutes § 9-601a(b)(18)]

e. Display of a Lawn Sign

The display of a lawn sign "by a human being or on real property" is not considered a contribution. Thus, while business entities may not make contributions to traditional political committees and therefore may not purchase lawn signs in coordination with a committee, they are permitted to display lawn signs in support of them on their real property. The Commission has defined the term "lawn sign" to mean a sign of a temporary nature measuring not more than 32 square feet.

[General Statutes § 9-601a(b)(7); Advisory Opinion 2010-02]

C. Methods of Payment

1. Cash or Check Contributions

Monetary receipts from **individuals** may only be accepted by a political committee in certain forms:

- The first $100 contributed in the aggregate in a calendar year may be made by cash, personal check, bank instrument or credit card.
- Once the individual has contributed $100 in the aggregate in a calendar year, any remaining monetary contributions made in that year may only be made by personal check or credit card.

EXAMPLE: Charles gave a $100 check to a political committee in January. The following month, Charles buys a $10 ticket for a fundraising event for the same committee. This $10 is also considered a contribution to the political committee and is counted toward Charles' contribution limit for the year. Since Charles has already given $100 to the political committee, however, he must pay the $10 by either check or credit card – he may not use cash.

[General Statutes §§ 9-611(d), 9-622(9)]

Monetary receipts from any other **committee** or entity that may contribute to the political committee must be made via a check drawn on that committee's designated depository institution or by debit card or credit card.

[General Statutes § 9-607(e)]

Political committees may not accept an anonymous contribution in **any** amount. Anonymous contributions include funds for which the contributor cannot be determined by any means. The committee treasurer must immediately forward any anonymous cash receipts in full to the State Elections Enforcement Commission for deposit in the General Fund of the State of Connecticut.

[General Statutes § 9-606(b)]

2. Credit Card / Online Contributions

Individuals may make contributions to a political committee by credit card (including their personal debit card) either in person, by mail, by telephone or over the Internet. Because the treasurer must retain documentation to verify each contribution reported

in the candidate committee's disclosure statements, **contributions via credit card or debit card must be documented by a receipt of the credit card or debit card transaction**.

a. What Information is Required

When collecting contributions online, the committee must select a merchant account provider that is able to supply the committee with **all** of the below information as completed by the contributor on the online contribution form. A treasurer **must** ensure that the system they choose receives and adequately records for the treasurer's records the following information from the individual contributor:

1. Full name of the individual making the contribution;
2. Residence home address, zip code and telephone number of contributor;
3. Billing address on record with card issuer (if different than residence address) or the last four digits of the credit card;
4. Individual's email address;
5. Amount of contribution;
6. Certification as to whether a contributor is a communicator lobbyist, or member of the immediate family of a communicator lobbyist, for contributions that separately, or in the aggregate, exceed $50 (best practice is to obtain it at all amounts);
7. Certification that contributor is not a principal of a state contractor or prospective state contractor (which includes spouse and dependent children over eighteen) if the recipient political committee is authorized to make contributions or expenditures to or for the benefit of any candidate seeking office in the branch of government with which the contractor or prospective state contractor is doing or seeking to do business and if contributor's aggregate contributions to the committee exceed $50 (best practice is to obtain it at all amounts);
8. Principal occupation, to the extent known, if individual's aggregate contributions to the committee exceed $100 (best practice is to obtain it at all amounts);
9. Name of employer, if individual's aggregate contributions to the committee exceed $50 (best practice is to obtain it at all amounts);
10. Donor must affirm the statement: "I am 18 years of age or older";
11. Contributor must affirm the statement: "I certify that this contribution is made on my personal credit card for which I have a legal obligation to pay and intend to pay from my own personal funds, is not being reimbursed in any manner, is not being made as a loan, is not an otherwise prohibited contribution, and that payment on this card is not made from the funds of a corporation, labor organization or any other entity"; and
12. Contributor must affirm the statement: "I am either a United States citizen or a foreign national with permanent resident status in the United States."

Important Note: Political committees authorized to make contributions or expenditures to or for the benefit of statewide office and/or General Assembly candidates and collecting contributions online must provide contributors with a link to the **definitions** pertaining to the state contractor provisions.

In addition to providing the documentation of the required information, a merchant account provider must deposit contributions into a separate, unique (not shared or pooled with other clients) merchant account.

Each committee must also promptly send confirmation of each credit card contribution received through the Internet to the contributor by electronic mail to the individual's email address.

b. What to Report

Expenses and fees charged by merchant account processors in connection with the processing of online contributions are expenses of fundraising. If the individual contributor is required to pay the additional fee charged by the merchant account processor, then payment of that fee is also considered part of the contribution.

The committee will report the entire (gross) amount of the contribution (contribution plus the fee to go to the provider) on its financial disclosure statement. The spreadsheet export from the merchant account processor can be assimilated to the upload template on eCRIS so treasurers can batch input these contributions. Call the eCRIS Helpdesk at (860) 256-2930 for guidance if you have trouble finding the upload template or issues uploading your information.

The fees charged (typically per transaction) by the merchant should be reported in Section P, "Expenses Paid by Committee." Use the purpose of expenditure code, "BNK," as these are money processing related charges. The charges may be reported as a lump sum on a quarterly or monthly basis.

Contributions made by credit card are deemed received by the committee on the date that the contributor completes the transaction, unless a no charge decision is made within twenty days of the transaction or by the filing deadline for transactions falling within the reporting period, whichever is earlier. A no charge decision within such time relieves the committee treasurer of any responsibility for reporting the transaction.

c. What Documentation to Keep

For online contributions, the committee is required to keep and maintain for four years the details of each transaction provided by the merchant account provider or payment gateway and to ensure that the Commission is able to review all such records in the event a complaint is filed or an audit must otherwise be conducted. To that end, the Commission recommends that the committee maintain:

- The website interface used (e.g. screen shots of the interface), including multiple versions in the evenst any changes were made to it;
- Transaction receipts for each contribution received, including the affirmation provided in the contribution certification form that a personal credit card was

used and any other certifications required as completed by the contributor on the online contribution form; and

- A settlement report/spreadsheet, which is typically an excel spreadsheet generated by the vendor/merchant account processor containing all of the information inputted by the contributor.

If you would like to have your online contribution website reviewed by Commission staff, please call (860) 256-2940.

[General Statutes §§ 9-606(a), 9-607(f), 9-608, 9-611(d)]

VI. Restrictions Based on Who Gives and Solicits Funds

There are certain restrictions that exist in the law governing contributions and solicitations by lobbyists, principals of state contractors, and principals of investment services firms. Whether and how much your committee may accept in contributions from such individuals depends on who is deemed to have **established** or **controlled** your committee and/or who your committee is authorized to contribute to or spend on. In addition, if such individuals play a role in your committee, they may impact to whom your committee may contribute as well. The three provisions will now be discussed in turn.

A. Lobbyist Contribution and Solicitation Provisions

Certain lobbyists, as well as their immediate family members, agents, and political committees established or controlled by them, are prohibited by law from soliciting contributions from certain individuals on behalf of some committees and are restricted in the amount of money they may contribute themselves to certain committees.

A client lobbyist is a lobbyist on behalf of whom lobbying takes place and who makes expenditures for lobbying and in furtherance of lobbying. A communicator lobbyist is a lobbyist who communicates directly or solicits others to communicate with an official or his staff in the legislative or executive branch of government or in a quasi-public agency for the purpose of influencing legislative or administrative action. A lobbyist, in turn, is generally defined as a person who in lobbying and in furtherance of lobbying makes or agrees to make expenditures, or receives or agrees to receive compensation, reimbursement, or both, and such compensation, reimbursement or expenditures are $3,000 or more in any calendar year or the combined amount thereof is $3,000 or more in any such calendar year.

If a political committee has questions as to whether a person is a client lobbyist or a communicator lobbyist, it should contact the Office of State Ethics at 860-263-2400 or visit their website.

Important Note (2015 Law Change): Effective January 1, 2016, the monetary thresholds for this provision were raised from $2,000 to $3,000. See **Public Act 15-15**.

[General Statutes §§ 1-91 (12), (21) and (22) (as amended by Public Act 15-15), 9-601(16)]

1. Lobbyist Sessional Ban

While the General Assembly is in session, client lobbyists and communicator lobbyists and political committees established by or on behalf of them may not make or offer to make a contribution to or solicit a contribution on behalf of: (1) a candidate committee or exploratory committee established by a candidate for General Assembly or statewide office; or (2) a political committee (a) established for an Assembly or Senatorial district; (b) established by a member of the General Assembly or a statewide officer or such member or officer's agent, or in consultation with, or at the request or suggest of, any such member, officer or agent; or (c) controlled by such member,

officer or agent to aid or promote the nomination or election of any candidate or candidates to the General Assembly or statewide office. This includes legislative leadership and legislative caucus committees.

The ban is applicable during any regular session of the General Assembly, during any special session of the General Assembly held between the adjournment of the regular session in an odd-numbered year and the convening of the regular session in the following even-numbered year and during any reconvened session of the General Assembly held in an odd-numbered year to reconsider vetoed bills. The ban begins when the session convenes and ends when the session adjourns.

The sessional lobbyist contribution ban does not apply to (1) a candidate committee in a special election for the office of State Senate or State Representative from the date the candidate files his or her committee to the date of the special election; or (2) an exploratory committee established by a member of the General Assembly to promote his candidacy for an office other than the General Assembly.

The sessional ban applies to any monetary or non-monetary receipt from the lobbyist or political committee established or controlled by the lobbyist, whether or not it is a "contribution," as defined by law. This means, among other things, that the ban supersedes the exception that a business entity, labor union or other organization may communicate (or solicit) with their restricted class and their families on any subject.

All political committees established or controlled by a communicator or client lobbyist must file a certification notifying the Commission of that relationship. **This is accomplished by the biennial reregistration process whereby political committees must file an amended SEEC Form 3 or SEEC Form 3NC with the Commission by November 15 of even numbered years which, in part, provides information about whether the committee is established or controlled by a lobbyist.** The Commission maintains a list of political committees that are prohibited from receiving contributions from lobbyists during the legislative session, as well as a list of traditional political committees prohibited from contributing to the covered committees enumerated above during the legislative session because they are established by, on behalf of, or controlled by a lobbyist. The Commission must periodically provide the lists to statewide officers and General Assembly leaders, and the lists are also posted on the Commission's website. If a committee fails to file a biennial re-registration statement, it will be automatically added to these lists.

Note that if a business entity or organization is a client lobbyist registered with the Office of State Ethics, then any political committee that business entity or organization established is considered established by a client lobbyist for purposes of the sessional ban.

[General Statutes §§ 1-91 (12), (21) and (22), 9-610 (e) and (f)]

2. Communicator Lobbyist $100 Contribution Limit

Communicator lobbyists, as well as their agents and immediate family members, and political committees established or controlled by communicator lobbyists or a member of the immediate family of a communicator lobbyist may only contribute up to **$100** to: (1) an exploratory committee or candidate committee established by a candidate for statewide office or General Assembly; (2) a political committee established or controlled by any such candidate or officeholder; (3) a legislative leadership or

legislative caucus committee; or (4) a party committee.

Communicator lobbyists, their agents and immediate family members, as well as traditional political committees established or controlled by them, may give up to the normal contribution limits to candidates running or exploring for offices other than statewide office or General Assembly (such as municipal office) and to political committees not established or controlled by statewide office or General Assembly candidates. For more information on what the normal limits are for individuals and political committees contributing to such committees, please see **Chapter V. Raising Funds for Your Committee**.

[General Statutes § 9-610(g)]

3. Communicator Lobbyist Solicitation Provisions

Communicator lobbyists, their immediate family members (spouse and dependent children) and agents, and political committees established or controlled by communicator lobbyists or their immediate family or agents may not knowingly solicit contributions from any individual who is a member of the board of directors of, an employee of or a partner in, or who has an ownership interest of five percent or more in, any client lobbyist on behalf of whom the client lobbyist lobbies for the benefit of a candidate committee or exploratory committee established by a candidate for statewide office or General Assembly, a political committee established or controlled by any such candidate or officeholder, a legislative leadership or legislative caucus committee, or a party committee.

Additionally, communicator lobbyists, their agents and immediate family members are prohibited from bundling contributions for an exploratory or candidate committee established by a candidate for statewide office or General Assembly, a political committee established or controlled by any such candidate or officeholder, a legislative leadership or legislative caucus committee, or a party committee. "Bundle" is defined as the forwarding of five or more contributions to a single committee by a communicator lobbyist, an agent of such lobbyist, or a member of the immediate family of such lobbyist, or raising contributions for a committee at a fundraising affair held by, sponsored by, or hosted by a communicator lobbyist or an agent of such lobbyist, or a member of the immediate family of such lobbyist.

[General Statutes §§ 1-91(12) and (22), 9-601(24) and (27), 9-610(h) and (i)]

4. Political Committees Considered to be "Established or Controlled By" a Communicator Lobbyist or Member of the Communicator Lobbyist's Immediate Family

A political committee is **established** by a communicator lobbyist or immediate family member of a communicator lobbyist if:

- A communicator lobbyist or member of his immediate family appeared as an officer on the political committee's original registration statement; or
- The business entity or organization that established the committee was a registered communicator lobbyist; or
- For a business entity or organization that is a communicator lobbyist and formed

a political committee on or after December 31, 2006, the initial disbursement or contribution to the committee was made by an officer, director, owner, limited or general partner, or at least 5% shareholder of the entity forming the political committee.

If the political committee meets one of the three preceding criteria, then it will be deemed to be "established by" a communicator lobbyist only if the communicator lobbyist **remained** a registered communicator lobbyist as of December 31, 2006 or thereafter.

The Commission considers three factors when determining whether a political committee is **controlled by** a communicator lobbyist or the immediate family member of a communicator lobbyist. To assess this control, the Commission evaluates whether the communicator lobbyist or family member:

- Has substantial involvement or influence in the decision-making concerning how the committee solicits or makes contributions or expenditures, or in the day-to-day activities of the political committee;
- Directs or participates in the appointment or selection of the committee's officers; and/or
- Serves as committee chairperson, treasurer, deputy treasurer or other officer.

[Declaratory Ruling 2006-2]

Important Note: Political committees should be mindful when they decide to involve a communicator lobbyist or immediate family member or agent of a communicator lobbyist in their committee. If such an individual plays one of the previously enumerated roles in the political committee, then that person can transform the political committee into one controlled by a communicator lobbyist. This means that the political committee will be limited in how much it can contribute to covered committees and may face certain solicitation restrictions, as discussed earlier. Political committees must be sure to keep their registration statement updated and amend if any circumstances change.

5. Political Committees Considered to be "Established or Controlled By" a Statewide Office or General Assembly Candidate or Officeholder

Each political committee must identify whether it has been established or controlled by a r statewide office or General Assembly candidate or officeholder on its registration statement (SEEC Form 3) which determines whether they are limited to receiving $100 contributions from communicator lobbyists and their immediate family members and prohibited from having such individuals solicit or bundle on the committee's behalf, as outlined above.

The Commission will consider several factors to determine whether a political committee is **established by** a statewide office or General Assembly candidate or officeholder, including whether:

- One of the individuals serving as an officer of the committee at the time of its

formation was a statewide office or General Assembly candidate or officeholder;

- A statewide office or General Assembly candidate or officeholder made the initial disbursement or contribution to the committee; and/or
- A statewide office or General Assembly candidate or officeholder had an active or significant role in the formation of the committee.

The committee will be deemed to have been established by a covered candidate or officeholder only if the candidate who established it is presently a candidate or incumbent officeholder.

As for whether the committee is **controlled by** a statewide office or General Assembly candidate or officeholder, the Commission considers whether the candidate or officeholder:

- Has substantial involvement or influence in the decision-making concerning how the committee solicits or makes contributions or expenditures, or in the day-to-day activities of the political committee;
- Directs or participates in the appointment or selection of the committee's officers; and/or
- Serves as committee chairperson, treasurer, deputy treasurer or other officer.

[General Statutes § 9-610; Declaratory Ruling 2006-2]

6. Exemption for Communicator Lobbyists who are Candidates

The above-mentioned restrictions on communicator lobbyists contributing to, bundling for, or soliciting certain individuals on behalf of certain candidate, exploratory, political and party committees do not apply to the campaign of a communicator lobbyist, immediate family member of a communicator lobbyist or agent of a communicator lobbyist who is a candidate for public office or to an immediate family member of a communicator lobbyist who is an elected public official.

[General Statutes § 9-610(j)]

B. State Contractor Contribution and Solicitation Provisions

State contractors, prospective state contractors, and their principals, with regard to a state contract or state contract solicitation with the **executive** branch, as well as principals of a holder of a valid prequalification certificate issued by the Commissioner of Administrative Services, are prohibited from making contributions to and from knowingly soliciting contributions from their employees and from their subcontractors and principals of their subcontractors on behalf of:

- An exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Secretary of the State, Treasurer, Comptroller, and/or Attorney General;
- Any political committee authorized to make contributions or expenditures to or for the benefit of statewide office candidates; and

- Any party committee.

State contractors, prospective state contractors, and their principals, with regard to a state contract or state contract solicitation with the **legislative** branch, as well as principals of a holder of a valid prequalification certificate issued by the Commissioner of Administrative Services, are prohibited from making contributions and from knowingly soliciting contributions from their employees and from their subcontractors and principals of their subcontractors on behalf of:

- An exploratory committee or candidate committee established by a candidate for nomination or election to the office of state senator and/or state representative;
- Any political committee authorized to make contributions or expenditures to or for the benefit of General Assembly candidates; and
- Any party committee.

[General Statutes § 9-612(f)]

Important Note: Traditional political committees can be affected by the state contractor provisions in one of two ways – either as the recipient committee of a contribution from a principal of a state contractor or as a principal in its own right which cannot contribute to covered committees.

1. Definition of a State Contractor

a. "State Contract" Defined

"State contract" is defined as any single agreement or contract with the state or any state agency in the Executive or Legislative branch of state government or any quasi-public agency having a value of $50,000 or more, or a combination or series of such agreements or contracts having a value of $100,000 or more in a calendar year, for (i) the rendition of services; (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind; (iii) the construction, alteration or repair of any public building or public work; (iv) the acquisition, sale or lease of any land or building; or (v) a grant, loan or loan guarantee.

Important Note: The quasi-public agencies in Connecticut are: Connecticut Innovations, the Connecticut Health and Educational Facilities Authority, the Connecticut Higher Education Supplemental Loan Authority, the Connecticut Student Loan Foundation, the Connecticut Housing Finance Authority, the Connecticut Housing Authority, the Materials Innovation and Recycling Authority, the Capital Region Development Authority, the Connecticut Lottery Corporation, the Connecticut Airport Authority, the Connecticut Health Insurance Exchange, the Connecticut Green Bank, the Connecticut Retirement Security Authority, the Connecticut Port Authority and the State Education Resource Center. See General Statutes § 1-120(1) (as amended by Public Act 16-29).

The types of state contracts that are covered by these provisions are broad. For instance, if a business or nonprofit organization receives a fee or remuneration from a third party as a result of the business entity's or nonprofit's agreement with the state, the

agreement would constitute a state contract provided the financial threshold is satisfied, even if the state does not directly pay the fee or remuneration.

Contracts with the judicial branch are not included for purposes of the state contractor contribution and solicitation restrictions. The other limited exceptions to the definition of state contract are those contracts or agreements that are exclusively federally funded, educational loans, or loans to an individual for other than commercial purposes (e.g. a loan for the purchase of residential property) and contracts with the United States Department of the Navy or the United States Department of Defense.

[General Statutes § 9-612(f)]

b. "State Contract Solicitation" Defined

State contract solicitation means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposal, request for information or request for quotes, inviting bids, quotes, or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

[General Statutes § 9-612(f)]

c. "State Contractor," "Prospective State Contractor," and "Subcontractor" Defined

State contractor refers to a person, business entity, or nonprofit that enters into a state contract. Such person, business entity, or nonprofit is deemed a state contractor until December 31 of the year in which such contract terminates.

Prospective state contractor refers to a person, business entity, or nonprofit that (1) submits a response to a state contract solicitation by the state, a state agency, or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency, or a quasi-public agency, until the contract has been entered into, or (2) holds a valid prequalification certificate issued by the Commissioner of Administrative Services.

Subcontractor refers to a person, business entity or nonprofit that contracts to perform part or all of the obligations of a state contractor's state contract. Such person, business entity or nonprofit organization is deemed a subcontractor until December 31 of the year in which the subcontract terminates.

The law further clarifies that state contractors and prospective state contractors do not include a municipality or other political subdivision of the state, entity, or association created by a municipality or political subdivision, or an employee in the Executive or Legislative branches or a quasi-public agency, whether in the classified or unclassified service or full or part-time (in such person's capacity as a state or quasi-public agency employee).

[General Statutes § 9-612(f)]

d. "Principal" Defined

The principals of state contractors and prospective state contractors for purposes of the contribution and solicitation provisions are as follows:

For **Business Entities** (all types of businesses, regardless of its form of organization):

- Members of the board of directors;
- Owners of at least 5% of the business;
- President, treasurer, and executive vice president;
- Employees with managerial or discretionary responsibility with respect to the state contract, meaning those employees who have direct, extensive, and substantive responsibilities with respect to the negotiation of the state contract rather than peripheral, clerical, or ministerial responsibilities;
- The spouse and dependent children (children who are eighteen years of age or older, residing in the individual's household, and who may be legally claimed as a dependent on the individual's federal income tax return) of any of the above; and
- Any **political committee** established or controlled by the business entity or by any of the above individuals.

For **Nonprofits** (all types, regardless of tax-exempt status):

- Chief executive officer or, if none, officer with comparable powers and duties;
- Employees with managerial or discretionary responsibility with respect to the state contract, meaning those employees who have direct, extensive, and substantive responsibilities with respect to the negotiation of the state contract rather than peripheral, clerical, or ministerial responsibilities;
- The spouse and dependent children (children who are eighteen years of age or older, residing in the individual's household, and who may be legally claimed as a dependent on the individual's federal income tax return) of any of the above; and
- Any **political committee** established or controlled by the nonprofit organization or by any of the above individuals.

The members of the Board of Directors of a nonprofit are not considered principals for purposes of these provisions.

Note that the law applies the same definition of principal for purposes of the subcontractor solicitation ban (discussed below).

[General Statutes § 9-612(f)]

Important Note: Traditional political committees should be mindful when they decide to involve a principal of a state contractor in their committee. If such an individual established or controls the political committee, then that individual can transform the political committee into one established or controlled by a principal of a state contractor. This means that the political committee would be considered a principal of a state contractor in its own right and therefore the state contractor solicitation and contribution provisions apply to it, further limiting the types of contributions it may make. For more information on what constitutes being "established or controlled by" a principal of a state contractor, please see the discussion in the previous section on the Lobbyist Contribution and Solicitation Provisions.

e. Exemption from Prohibitions for Principals of State Contractors and Prospective State Contractors who are Candidates or Elected Public Officials

A principal of a state contractor or prospective state contractor may run for office and may establish his or her own candidate or exploratory committee, and solicit contributions for such committee from the state contractor's employees, as well as its subcontractors and employees of its subcontractors (unless such individuals are prohibited from contributing to his campaign), without violating the state contractor solicitation provisions.

Moreover, a principal of a state contractor or prospective state contractor who is an elected public official is not covered by the state contractor provisions and may therefore make and solicit contributions that would otherwise be deemed prohibited under these provisions.

EXAMPLE: Representative Smith's husband is a principal of a state contractor with regard to a contract with the Legislative branch. Mr. Smith cannot make a contribution to a political committee authorized to make contributions to or expenditures on behalf of General Assembly candidates. Representative Smith is also deemed a principal of a state contractor, by virtue of her husband's status. She, however, can make a contribution to the political committee because she is also an elected public official and is therefore exempt.

[General Statutes § 9-612(f)]

2. Determining Whether a Contributor is a Principal of a Current or Prospective State Contractor

Generally, a contributor will know whether he or she meets the definition of a principal of a current or prospective state contractor. State agencies are also required to provide a notice to their state contractors and prospective state contractors, advising them of the contribution and solicitation restrictions, directing them to provide notice of the law to their principals, and informing them of the possible consequences of violations of the law by using the SEEC Form 10 or SEEC Form 12 or by incorporating the contents of the notice into its contracts. The chief executive officer of the state contractor or prospective state contractor, or an authorized signatory to the contract, must submit a written acknowledgement to the contracting agency that the contractor received this notice. State contractors and prospective state contractors

are then required to inform their principals of the restrictions and potential penalties for any violation of these restrictions.

The Commission also maintains three lists of state contractors and prospective state contractors on its website, www.ct.gov/seec. Please note that these lists are based on information from the State Comptroller's office and reporting by the state agencies and are **not** exhaustive. Accordingly, the fact that a contributor's employer is not listed on one of the state contractor lists does not foreclose the possibility that the employer is a state contractor or prospective state contractor.

A treasurer can best protect him or herself by having each contributor complete and sign a **contributor certification form** for every contribution regardless of the amount, which certifies to the contributor's status as a principal of a current or prospective state contractor. A treasurer is entitled to rely on such certifications and it will provide the treasurer with a good faith reliance defense should the contributor later be deemed to be a principal of a state contractor or prospective state contractor.

Treasurers are not required to obtain and keep more than one certification form for each contributor, unless information certified to by the contributor (other than the amount contributed) changes. However, if the information has changed and the treasurer has not obtained a new certification, the old certification will not act to protect the treasurer against liability. Because of this, the Commission strongly recommends that the treasurer obtain a new certification form for every contribution.

If you would like assistance in creating a certification form for your committee or in having it reviewed, please contact the Compliance Unit at (860) 256-2940.

[General Statutes § 9-612(f)]

3. Receipt of a Prohibited State Contractor Contribution

a. "Right to Cure" Improper Contribution

There is a statutory "Right to Cure" which provides that improper contributions may be returned to avoid the legal consequences of the state contractor provisions. If a principal of a state contractor or prospective state contractor inadvertently violates the campaign contribution prohibition, no legal consequences arise if, and only if, the improper contribution is returned by the recipient committee treasurer to the principal within thirty days of receipt of the contribution or by the campaign report filing date corresponding with the reporting period in which the contribution was made, whichever is later.

For example, if a spouse of a state contractor with an executive branch agency makes a contribution to a political committee authorized to contribute to statewide candidates in February, and the treasurer of the recipient candidate returns the contribution by April 10, which is the applicable filing date for the period requiring reporting of such contributions, no violation occurs, and no penalties can be assessed. It is suggested that if such an improper contribution is made, the principal making such contribution request the refund in writing, and as soon as the problem is discovered.

If the improper contribution is not discovered within this timeframe, the committee should contact the Commission's Compliance Unit for further assistance.

[General Statutes § 9-612(f)]

b. Civil and Criminal Penalties for Violation of State Contractor Provisions

A treasurer of a committee that is prohibited from receiving contributions from a principal of a state contractor or prospective state contractor and who does so is subject to potential civil and/or criminal penalties.

The Commission may also impose civil penalties against the principal of up to $2,000 per offense, or twice the amount of the contribution, whichever is greater. The Commission may also seek criminal prosecution against the violator if there is evidence that the violation was committed knowingly and willfully. The crime is considered a Class D felony, which is punishable by up to five years imprisonment or a $5,000 fine, or both. The Commission could also impose civil penalties on the state contractor or prospective state contractor if it is determined that it did not make reasonable efforts to comply, such as by informing its principals of the applicable prohibitions and consequences.

[General Statutes §§ 9-7b, 9-623]

C. Investment Services Contribution and Solicitation Ban (State Treasurer)

Any political committee formed by a firm which provides investment services to the State Treasurer and any political committee formed by any principal of such firm is barred from soliciting on behalf of or making a contribution to any candidate or exploratory committee for nomination or election to the office of State Treasurer during the term of the State Treasurer who does business with such firm.

The ban applies to the incumbent State Treasurer and all challengers, and to an exploratory committee of any candidate who is considering a campaign for nomination or election as State Treasurer.

In addition, the following individuals are prohibited from soliciting contributions from a principal of an investment services firm on behalf of a political committee: the State Treasurer or any candidate for State Treasurer, any agent of any such candidate, the Deputy State Treasurer, any member of the State Investment Advisory Council, and any unclassified employee in the office of the State Treasurer acting at the direction of the State Treasurer or Deputy State Treasurer.

[General Statutes §§ 9-612(e), 9-613(f)]

1. "Investment Services" Defined

"Investment Services" means investment legal services, investment banking services, investment advisory services, underwriting services, financial advisory services or brokerage firm services.

[General Statutes §§ 9-612(e), 9-613(f)]

2. "Principal" Defined

A principal of an investment services firm means:

- Directors;
- Owners of at least 5% of the firm;
- President, treasurer, and executive vice president;
- Employees with managerial or discretionary responsibility with respect to any investment services provided to the State Treasurer;
- The spouse and dependent children who are eighteen years of age or older of any of the above; and
- Any **political committee** established or controlled by the business entity or by any of the above individuals.

[General Statutes § 9-612(e)]

3. Consequences Arising from Violation of Ban

Violation of this restriction may prohibit the State Treasurer whose candidate or exploratory committee benefited from such contributions or solicitations from paying compensation, expenses or fees to the firm if they have an existing contract with the State Treasurer or may prohibit the State Treasurer from issuing a future contract to any such firm during the entire term of office of the State Treasurer, including, for an incumbent Treasurer seeking reelection, any remainder of the current term of office. Any questions concerning this prohibition on doing business should be addressed to the Office of State Ethics.

[General Statutes § 1-84(n)]

D. Restrictions on Contributions by Certain State Governmental Officials and Unclassified Employees in the Executive and Legislative Branches

There is a contribution limit of **$100** per calendar year by specified state government officials and employees to certain types of political committees:

- By any head of an executive branch state agency or quasi-public agency appointed by the Governor, deputy of any such agency, full-time official or unclassified employee of any such agency or the spouse or dependent children of any such head, deputy, official or employee to a political committee established by a candidate for Governor or Lieutenant Governor;
- By any official or unclassified employee of the Office of the Secretary of the State, Treasurer, Comptroller, or Attorney General, or the spouse or dependent children of any such official or employee to a political committee established by a candidate for the office in which such official or employee serves; and
- By any member of a legislative caucus staff in the State Senate or House of Representatives, or the spouse or dependent children of any such staff to a political committee established by any candidate for the General Assembly, including any legislative caucus or legislative leadership committee.

These limitations apply separately to the official or employee and to each member of the immediate family of such official or employee.

[General Statutes § 9-612(i)]

VII. Spending Committee Funds

Spending by political committees must be for the committee's lawful purpose, as discussed more fully below. There are additional guidelines for spending, such as limitations on the amount that a political committee may contribute to other committees and the manner in which a political committee may use cash for expenditures. Finally, there are some prohibitions on spending, such as personal use and buying votes. The permissible uses of political committee funds and guidelines for use are discussed below.

A. Permissible Expenditures

All expenditures by the committee must be made to promote the "lawful purpose" of the committee. For a political committee, this means expenditures for administering the committee (overhead and operating expenses), promoting the success or defeat of candidates for nomination and election to office in Connecticut or the success or defeat of referenda, as well as the promoting of a political party, including party building activities. "Party building activity" is defined 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 made to solicit contributions for the political committee or to conduct fundraising events are also lawful.

In addition, the lawful purpose of legislative caucus and legislative leadership committees includes spending funds to defray costs for conducting legislative or constituency-related business which are not reimbursed or paid by the State. They are also the only type of political committee that may make **organization expenditures**, as more fully discussed in Subsection 2 of this section.

Permissible expenditures for traditional political committees include but are not limited to the rental of real and personal property, the purchase of computer and other electronic equipment, professional services, office supplies, polling, utilities, and other costs associated with a committee headquarters, printing, postage, photocopying, compensation of committee staff, and campaign advertising.

A political committee may make such expenditures jointly with another committee if both committees are benefiting from the permissible expenditure and each pays its proportional share of the associated cost.

Important Note: Where two committees are making **joint expenditures**, the treasurers of both committees must approve the expenditures beforehand and must each maintain documentation of the underlying expenditures. It is best to have a written agreement in place beforehand outlining how the underlying expenditures will be paid, which should be based on each committee's proportional share of the associated costs.

Finally, traditional political committees may make contributions to and coordinated expenditures on behalf of a candidate committee and other types of committees, within certain limits, as more fully discussed in the next subsection.

[General Statutes §§ 9-601a(b)(16), 9-607(g), 9-610(b)]

1. Permissible Contributions by Traditional Political Committees

Traditional political committee may make contributions to other committees subject to the following aggregate limits, which apply separately to primaries and elections unless indicated otherwise:

Table 5 - Political Committee Contribution Limits to Other Committees

OFFICE SOUGHT / COMMITTEE TYPE	LIMIT
Governor	$5,000[1,2,3,4]
Lieutenant Governor, Secretary of the State, Treasurer, Comptroller, and Attorney General	$3,000[1,2,3,4,5]
State Senator	$1,500[1,2,3,6]
State Representative	$750[1,2,3,7]
Probate Judge	$1,500[2,4]
Chief Executive Officer of the Municipality (e.g. Mayor, First Selectman)	$1,500[2,4]
Other Municipal Offices	$375[2,4]
Town Committee Member	UNLIMITED[2,4]
Exploratory Committee	$375[3,4,5]
Political Slate Committee (Municipal Offices)	$2,000/year[4]
Political Slate Committee (Town Committee Primary)	UNLIMITED[4]
State Central Committee	$7,500/year[3,6]
Town Committee	$1,500/year[3,4]
Other Political Committee (Business Entity, Organization, or Two or More Individuals, Single Election or Primary)	$2,000/year[3,4]
Legislative Leadership Committee or Legislative Caucus Committee	$2,000/year[3,4]
Referendum Committee	$2,000/year[4]
National Committee of a Political Party	UNLIMITED[4,8]
Federal or Out-of-State Candidate Committee	UNLIMITED[4,8]

[1] **Candidates participating in the CEP may not receive contributions from political committees**. In limited circumstances, legislative leadership and caucus committees may make organization expenditures on behalf of General Assembly candidates which are not considered contributions. See **Organization Expenditures** in Subsection 2 of this section.

[2] A political committee established or controlled by a candidate may not make contributions to that candidate's campaign.

[3] Additional restrictions may apply if the political committee is established or controlled by a principal of a current or prospective state contractor and/or a communicator lobbyist. See Chapter VI for more information.

[4] Legislative leadership and legislative caucus committees may not make such contributions.

[5] Any political committee formed by a firm which provides investment services to the State Treasurer and any political committee formed by any principal of such firm is barred from making a contribution to any candidate or exploratory committee for nomination or election to the office of State Treasurer during the term of the State Treasurer who does business with such firm. See Chapter VI for more information.

[6] In the case of legislative leadership and legislative caucus committees, the limit is $10,000 per year.

[7] In the case of legislative leadership and legislative caucus committees, the limit is $5,000 per year.

[8] Political committees established for a single primary or election may not make contributions to such committees. Also, committee treasurers must refer to federal law or the laws of the applicable jurisdiction to determine what limitations, if any, exist.

[General Statutes §§ 9-600, 9-604, 9-613, 9-615, 9-618, 9-619]

Important Note: A political committee is required to indicate on its registration form whether it is authorized to make contributions or expenditures to or for the benefit of statewide office and General Assembly candidates or municipal candidates or both. The chairperson may only designate those offices to which the committee may legally make contributions and expenditures and the committee may not make contributions or expenditures to or for the benefit of candidates running for such offices unless its registration statement has so indicated.

A political committee organized for ongoing political activities may also make unlimited contributions to a charitable organization which is tax exempt under **§ 501(c)(3)** of the Internal Revenue Code and may make **memorial contributions**. In addition, all political committees may make unlimited contributions to the **Citizens' Election Fund**.

[General Statutes §§ 9-618(a), 9-619(a), 9-751]

A traditional political committee established by a business entity may contribute up to an aggregate of **$100,000** to all candidates in the same election and primary campaign cycle. A traditional political committee established by an organization may contribute up to an aggregate of **$50,000** to all candidates in the same election and

primary campaign cycle. There is no comparable limit on traditional political committees established by two or more individuals.

[General Statutes §§ 9-613(d), 9-615(c)]

2. Non-Independent (Coordinated) Expenditures

As noted at the beginning of this guidebook, contributions are not only monetary donations to a campaign or committee. They may be donations of goods, which are known as "in-kind" contributions. They may also be non-independent expenditures, also called coordinated expenditures, such as when a political committee, after having discussed media strategy with a candidate's campaign manager, purchases a newspaper ad promoting the candidate. Whether a contribution is a monetary donation, an in-kind, or a coordinated expenditure, the aggregate contribution limits in the previous section apply.

Non-independent expenditures, or coordinated expenditures are defined broadly. Recently, the General Assembly amended the definition of independent expenditures. These changes expanded the "rebuttable presumptions" that expenditures made in certain ways or by certain persons or groups, including committees, are coordinated with the candidate.

The statute points out several instances where the Commission will presume that a coordinated expenditure was made, including but not limited to where:

- The person making the expenditure and the candidate or committee benefiting from the expenditure share the same leadership, consultants, or providers of creative services, including but not limited to advertising campaigns, polling, mail design, mail strategy, political strategy, general campaign advice or telephone banking;
- The person makes an expenditure in cooperation with a candidate or committee or based on information received from the candidate or someone acting on behalf of the candidate about the candidate's plans or needs;
- The person pays for political advertising or communications that uses material prepared by the benefiting committee or a consultant hired by the benefiting committee;
- The person pays for fundraising affairs on behalf of a committee; and
- The person pays for communications or advertising that clearly identify the candidate and the candidate or a representative of the candidate has been informed about the manner, contents, and target audience, among others, of the communication.

Political committees wishing to avoid making coordinated expenditures on behalf of a candidate are best served by knowing how to avoid scenarios that could trigger these rebuttable presumptions and ensuring that they are acting **totally and wholly independent** of any candidates they intend to promote.

Important Reminder: As noted throughout this Guidebook, the term "person" is defined broadly to mean "[a]n individual, committee, firm, partnership, organization, association, syndicate, company trust, corporation, limited liability company or any other legal entity of any kind but does not mean the state or any political or administrative subdivision of the state."

When the Commission is evaluating whether an expenditure is independent or coordinated, it will consider as an effective rebuttal to the rebuttable presumptions that the person making the expenditure has established a firewall policy designed and actually implemented to prohibit the flow of information between (1) employees, consultants, or other individuals providing services to the person paying for the expenditure; and (2) the candidate and the candidate's agents.

If an expenditure is coordinated by a political committee with a candidate and payment or reimbursement is not made by the candidate committee within a reasonable time, the coordinated expenditure constitutes an in-kind contribution to that candidate's campaign, which must be within the contribution limits and is impermissible for a CEP candidate to receive. Moreover, if an expenditure is coordinated by a business entity, labor union, or any other type of entity that is not making the expenditure through a political committee established under Connecticut law, it is an impermissible contribution, regardless of whether the candidate is participating in the Citizens' Election Program or not.

[General Statutes § 9-601c; Declaratory Ruling 2014-01; Declaratory Ruling 2018-01]

3. Organization Expenditures (Legislative Leadership and Legislative Caucus Committees Only)

An organization expenditure by a legislative leadership committee or legislative caucus committee is specifically exempted from the definitions of contribution and expenditure for purposes of the campaign finance laws, but remains a reportable transaction for purposes of public disclosure. This means that an organization expenditure does not count against the donor committee's contribution limit because it is exempted from the definition of contribution. **Legislative leadership and legislative caucus committees are the only types of political committees that may make organization expenditures and they may only make them on behalf of General Assembly candidates.**

Organization expenditures may be made **only** for the following purposes:

- The preparation, display, mailing, or distribution of a party candidate listing. A "party candidate listing" is a communication that (1) lists the name or names of candidates, (2) is distributed through public advertising, direct mail, telephone, electronic mail, Internet, or personal delivery, and (3) promotes the success or defeat of any candidate or slate of candidates, or 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;
- Printed or electronic documents including party platforms, an electronic page providing merchant account services to be used by a candidate for the collection of online contributions, issue papers, information on Connecticut election law, voter registration lists, and voter identification information that a

party, legislative caucus, or legislative leadership committee creates or maintains for party or caucus building and gives to candidates who are members of the same party;

- Campaign events at which a candidate or candidates are present; and
- Advisors on campaign organization, financing, accounting, strategy, law, or media.

The scope of what constitutes an organization expenditure is narrowly construed. Any committee authorized to make such an expenditure should seek guidance from Commission staff about whether the planned use of funds constitutes a permissible organization expenditure. For the complete definition of organization expenditure, see General Statutes § 9-601(25).

Important Note: Legislative leadership committees and legislative caucus committees may only make organization expenditures on behalf of General Assembly candidates.

There are additional restrictions on organization expenditures made on behalf of **General Assembly candidates participating in the CEP**. Legislative leadership and caucus committees may not make any organization expenditures on party candidate listings benefiting participating General Assembly candidates for a primary campaign. In addition, such committees may make only up to $11,420 in organization expenditures on behalf of a participating candidate running for state senate for the general election and only up to $3,997 for a participating candidate running for state representative for the general election. These limits are adjusted biennially in accordance with any change in the consumer price index and will next be adjusted in January 2020. For nonparticipating General Assembly candidate committees, there are no limitations on the amount of organization expenditures that legislative leadership and caucus committees may make on their behalf.

For more information on how and when to report organization expenditures, please see **Chapter VIII. Reporting Information**.

[General Statutes §§ 9-601(25), 9-601a(16), 9-601b(8), 9-608(c)(5), 9-718; Declaratory Ruling 2011-01]

4. Independent Expenditures

"Independent expenditures" occur when a political committee (or other person) makes an expenditure to promote the success or defeat of a candidate without the consent, knowing participation, or consultation of, a candidate or agent of the candidate committee. **The expenditure must be totally and wholly independent**.

An independent expenditure does not count as a contribution to the candidate who received the benefit of the independent expenditure. However, such expenditure may impact the political committee making it and the candidates that it supports or opposes. Independent expenditures are not "coordinated expenditures."

It is important to understand the distinction between independent and non-independent activities, i.e., those coordinated with a candidate. Because the rules regarding each type of expenditure have very differing consequences, committees should take extra care to ensure that their activities are truly independent when making

such expenditures. For a list of the rebuttable presumptions of coordination, please see the prior section on "Non-Independent (Coordinated) Expenditures."

The deadline to submit an independent expenditure report is dependent on the amount and date on which the expenditure was made in relation to the primary/election, and can be as soon as within 24 hours of making or obligating to make the independent expenditure. For more information on when to file, please see **Chapter VIII. Reporting Information** or the instructions to the SEEC Form 20.

[General Statutes § 9-601c]

5. Joint Fundraising Events to Benefit Two or More Committees

Two or more political committees may form a separate political committee for the purpose of holding one or more fundraising affairs to benefit the committees. A political committee may also form a separate political committee with a party committee for the purpose of holding one or more fundraising affairs, but may not do so with a candidate committee.

Alternatively, a political committee may throw a joint fundraiser with another political committee (or a party committee or candidate committee) without forming a separate political committee as long as contributors write separate checks out to each involved committee. Each committee taking part should pay its proportional share of the cost of the event and include its attribution on any communications concerning the event. The committees should agree to and document the terms of the joint event and all related expenditures before making or committing to make any expenditures for the event.

[General Statutes § 9-609(a)]

6. Committee Worker and Consultant Reimbursements

The committee may reimburse a committee worker or consultant if:

1. The worker or consultant has paid the expense from his or her own personal funds or personal credit card or as part of a consulting arrangement;
2. The treasurer authorized the expenditure;
3. The worker or consultant provides the treasurer with a written receipt from the vendor proving payment by the worker or consultant;
4. The expenditure is for a lawful purpose of the committee; and
5. The expenditure is not a contribution to any other committee.

When a committee worker or consultant uses personal funds to make authorized expenditures on behalf of the committee and seeks reimbursement, the payment made by the worker will be deemed a contribution to the committee unless the committee reimburses the worker within a reasonable time. Previously, the Commission has determined that 45 days from the date an expenditure was made or incurred would satisfy this reasonableness test. Imposing this time limit on reimbursement prevents a committee worker or consultant from inadvertently making an excessive contribution to the political committee by, in effect, loaning the committee money and also ensures accurate reporting of receipts by the political committee.

Important Note: If your committee has hired a consultant or advisor, please keep in mind you may have to disclose **secondary payee** information, as more fully described in **Chapter VIII. Reporting Information**.

[General Statutes § 9-607(g)(2)(O)]

7. Petty Cash Funds

The treasurer of a political committee is permitted to establish a single petty cash fund by drawing a check on the committee's account in an amount which may not exceed $100. The treasurer reports the check as being made out to "cash" in Section "Expenses Paid by Committee," of SEEC Form 20. The treasurer may replenish the petty cash fund from time to time, provided that the total balance of the fund may never exceed $100, and provided further that the fund is not replenished more than twice in any seven day period.

Expenditures made from a petty cash fund are limited to $25 per transaction (e.g., purchase of supplies for the committee). The treasurer must maintain a written account of all petty cash expenditure disbursements and internal records documenting how the money was spent (e.g., copies of receipts).

The committee treasurer reports any petty cash returned in Section K, "Miscellaneous Monetary Receipts not Considered Contributions," of the SEEC Form 20.

[General Statutes § 9-607(e); Regulations of Conn. State Agencies § 9-333i-1]

8. Computers and Other Electronic Equipment

There are several ways a committee may access computers and other electronic equipment:

1. A committee may purchase a computer or other type of electronic equipment at fair market value. Electronics purchased with committee funds should be used exclusively for the committee; no personal, business or non-committee use is permitted by law.
2. A committee may choose to lease or rent electronic equipment from any source at fair market value. A **written** memorandum of the terms of the rental agreement must be made, signed and dated, and kept as an internal record of the committee. The committee's payments under the lease must be reported as expenditures (in Section P of SEEC Form 20). Leasing electronic equipment to the committee at less than the fair rental value is an in-kind contribution and must be reported accordingly.
3. A committee may accept the contribution of electronic equipment, or use of electronic equipment, as an in-kind contribution from any source that is able to contribute to the committee, and within the applicable contribution limits. Such contributors may only make an in-kind contribution of a computer or other electronic equipment up to the applicable contribution limit; a discounted lease arrangement valued at more than this limit would constitute an excessive contribution. Sources that may not properly make contributions to the committee, such as business entities, can only lease electronic equipment to the committee at fair rental value.

4. An individual may perform committee work on a personal computer or with another type of electronic equipment owned by such individual and use of the equipment will not be considered an in-kind contribution. The individual may be the committee chairperson, the committee treasurer or any other committee worker. Use of one's own computer or other type of electronic equipment while working for a committee is not a contribution and does not need to be reimbursed or reported by the committee. However, as noted in the above paragraph, loaning electronics to the committee without charge is considered an in-kind contribution and is permissible only if it comes from a source that may make contributions. The loan of the electronic equipment is also subject to the aggregate contribution limits applicable to such donor.

[General Statutes §§ 9-601a(b)(4) and (18), 9-607(g)(2), (3), and (4)]

9. Attribution Requirements

When a political committee makes expenditures for communications, certain attributions are required, whether the communication supports or opposes a candidate, party, or referendum question, or solicits funds. Which rules apply depend upon whether the expenditure is made independently of a candidate or committee or, conversely, is made in coordination with a candidate, a committee or an agent of a candidate or committee. Thus, in order to determine which attribution is required, a political committee must first determine whether the expenditure is coordinated or independent. Please see the sections above on independent expenditures and non-independent (coordinated) expenditures for help in making this determination.

Please note that the Commission has determined that a political committee may abbreviate its name in the attribution if it has indicated the abbreviation as its "acronym" on the committee's registration statement.

a. Contributions and Coordinated Expenditures

For expenditures that are not made wholly independently of candidates and committees, and are thus coordinated, a political committee which finances such communications must include within the communication "Paid for by," together with the full name of the sponsoring committee and the name of its treasurer.

If the coordinated communication supports or opposes a candidate (as opposed to promoting or supporting a political party or soliciting funds to benefit any party or political committee) the communication's attribution must also include on its face the text "Approved by [candidate's name]." If a political committee's communication as described above features five or more candidates, the Commission will not otherwise take any action against a committee whose attribution includes "Approved by," followed by a broad reference to the candidates (e.g., "Approved by the Above Listed Candidates"), rather than listing all of the candidates' names, provided they are all otherwise clearly identified in the communication.

A coordinated communication constitutes an in-kind contribution to that candidate or candidate committee that it benefits. Accordingly, the political committee must both report the communication on its financial disclosure statement as an expenditure that was coordinated without reimbursement sought and also notify the other committee's treasurer of the expenditure, who in turn should report it as an in-kind contribution.

Because such coordinated expenditures are in-kind contributions from the political committee to the candidate or committee, the committees can choose to put the other committee's attribution rather than the political committee's attribution (i.e., "Paid for by" followed by the name of the candidate committee and the name of its treasurer, along with "Approved by" together with the name of the candidate). The political committee's attribution is also sufficient.

Where a legislative leadership or legislative caucus committee sponsors a party candidate listing, although it is not considered a contribution, it too must include the "Approved by" language, followed by the name(s) of the candidate(s) featured, in addition to the "Paid for by" language. It would also be permitted to make a broad reference to the candidates (e.g. "Approved by the Above Listed Candidates") rather than list them separately if there are five or more candidates and they are all clearly identified in the communication.

The aforementioned attributions must be included when a political committee expends funds on any of the following communications:

- Written, typed or other printed communications;
- Web-based written communications, including emails and social media posts;
- Television or Internet video advertising;
- Radio or internet radio advertising; and
- Automated telephone calls ("robo" calls).

[General Statutes § 9-621(a) and (b); Declaratory Ruling 2011-01]

b. Independent Expenditures

For expenditures made wholly independently of candidates and committees, the following attribution requirements apply:

- For independent expenditures for any **written, typed or other printed communication**, including on a billboard, or any **web-based, written communication**, the attribution must contain:
    - The words "Paid for by" followed by the name of the political committee;
    - The following statement: "This message was made independent of any candidate or political party;" and
    - The following statement: "Additional information about [the name of the political committee] may be found on the SEEC website."
- If the communication is **video broadcast** by television, satellite, or Internet, the attribution must contain:
    - The words "Paid for by" followed by the name of the political committee;
    - The following statement, as both an audio message and a written statement at the end of the advertising for a period of not less than

four seconds: "This message was made independent of any candidate or political party;" and

  - The following statement: "Additional information about [the name of the political committee] may be found on the SEEC website."

- For **audio communications** broadcast by radio, satellite or Internet, the attribution must contain, in audio:
  - The words "Paid for by" followed by the name of the political committee;
  - A personal audio statement by an agent of the political committee at the end of the message (1) identifying the political committee paying for the expenditure, and (2) indicating that the message was made independent of any candidate or political party, using the following form: "I am [name and title of the committee's agent], of [the political committee name]. This message was made independent of any candidate or political party;" and
  - The following statement: "Additional information about [the name of the political committee] may be found on the SEEC website."
- If the independent expenditure is made or incurred for a **telephone call** (including automated and live telephone calls), the call must include:
  - The words "Paid for by" followed by the name of the political committee;
  - The following statement: "This message was made independent of any candidate or political party;"
  - The narrative of the telephone call must identify the committee making the independent expenditure; and
  - The following statement: "Additional information about [the name of the political committee] may be found on the SEEC website."

[General Statutes § 9-621(h) and (l)]

c. Attribution Requirements for Communications that Support the Success or Defeat of a Referendum, Promote a Party, or Solicit Funds for the Political Committee

If a political committee makes an expenditure for any written, typed or other printed communication which promotes the success or defeat of a referendum question or a political party or solicits funds for the committee, the communication must contain, on its face, the words "Paid for by" followed by the name of the political committee and the name of its treasurer.

[General Statutes § 9-621(c)]

d. Font Requirements for Certain Communications

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

[General Statutes § 9-621(k)]

e. Exempt Communications

Attributions are **not** required for "political paraphernalia" such as pins, badges, hats, rulers, and bumper stickers. Campaign signs which have a surface area of 32 square feet or less (such as lawn signs) and banners are also exempt from the attribution requirements.

[General Statutes § 9-621(d)]

10. Testimonial Affairs

A testimonial affair is an event held in honor of a candidate or in honor of an individual who holds elective office during the term of office. Political committees must be mindful when expending funds for a testimonial affair. A political committee may not hold a testimonial affair unless its purpose is to raise funds for that individual's **candidate committee**. There are two exceptions to this rule:

- A retirement party may be held for an individual who has announced his intent to retire from public office, unless he has a deficit outstanding from any one of his prior campaigns, in which case the proceeds must be used to eliminate the deficit; or
- A testimonial may be held by an entity duly organized for charitable purposes, provided that all proceeds go to the charity.

Anyone who organizes an improper testimonial or fundraiser is subject to civil and potentially criminal liability.

If a political committee conducts a testimonial affair to benefit a candidate or elected official, all funds raised or received must be given to the individual's candidate committee and are subject to the aggregate limits applicable to the candidate committee. For example, individuals purchasing tickets to the testimonial are considered to have made a contribution to the candidate committee for the full amount of the purchase price and must be reported by the candidate committee. In addition, the expenses paid by the sponsoring committee must be reported as an in-kind contribution made by that committee and received by the candidate committee. The sponsoring committee's treasurer must provide the written valuation notice required for in-kind contributions.

Important Note: Where a political committee wants to have an officeholder or candidate present at its fundraising event but does not wish the event to be a testimonial for that individual (i.e. it does not intend to give funds raised to the candidate's campaign but wants to keep all funds raised for itself), the political committee should be careful in how it references the officeholder or candidate in any invitation to the event, if at all, so that the invitation does not suggest the event is essentially a testimonial with funds improperly being kept by the political committee.

[General Statutes § 9-609(b)]

11. Campaign Training Events Provided by a Legislative Caucus Committee

A legislative caucus committee may provide campaign training events, as well as associated materials, to multiple individuals and, provided the cost of such events and materials does **not** exceed $6,000 in the aggregate during a calendar year, such costs would not be considered contributions or candidates to the participating individuals. Practically speaking, this means that where a legislative caucus committee holds such an event, it would not need to allocate the costs among the attending candidates as an organization expenditure or contribution.

Note that legislative caucus committees are the only type of committee that may utilize this exception.

[General Statutes §§ 9-601a(a)(24) and (b)(7)]

12. Use of Offices and Equipment Provided by a Legislative Caucus or Legislative Leadership Committee

A legislative caucus or legislative leadership committee may provide offices (such as its headquarters), telephones, computers, and similar equipment that it uses to a candidate as a permissible donation not considered a contribution or expenditure. The related costs are reported as expenses of the legislative caucus or leadership committee. Recipient candidates have no reporting obligations if a legislative leadership or caucus committee is sharing use of its office space and equipment under this exemption.

[General Statutes §§ 9-601a(b)(19), 9-601b(b)(14)]

B. Impermissible Expenditures

1. Contributions to a Candidate who Established or Controls the Committee

A political committee which is established or controlled by an elected official or candidate for elective office, or his/her agent, may not make contributions to or expenditures that benefit that official/candidate's candidate committee.

[General Statutes § 9-604(c)]

2. Prohibition on Gifts, Compensation and Honoraria to Elected Officials

No political committee may make a gift to, compensate or provide an honorarium to any elected public official for any speaking engagement or other services rendered on the committee's behalf except through such public official's candidate committee, if applicable. However, a public official may be reimbursed for actual travel and food and beverage expenses incurred by the official or member of the official's immediate family in connection with the engagement. In addition, the political committee may make a contribution to the official's candidate committee in connection with the engagement provided that it is reported on the committee's campaign finance

disclosure statement and the candidate neither established nor controls the committee. Candidates participating in the CEP cannot receive such contributions.

[General Statutes § 9-607(h)]

3. Personal Use

No goods, services, funds or contributions received by any political committee may be made available for the personal use of any candidate or individual. Expenditures for "personal use" include expenditures to defray normal living expenses for a candidate, the immediate family of a candidate, or any other individual (such as committee chairperson or treasurer). Expenditures for personal use are those that have no direct connection with, or effect upon, the lawful purpose of the committee. Examples of such expenditures include rent or mortgage payments for residential or business purposes, clothing, shoes, groceries, and personal subscriptions. This prohibition is not applicable to reimbursements to candidates or committee workers for goods and services purchased by them for committee purposes.

[General Statutes § 9-607(g)(2)(L) and (4)]

4. Vote Buying and Selling

No person may knowingly give, lend or promise to give or lend any money or other valuable consideration to any other person to influence the other person to vote, or refrain from voting for or against any candidate. Any person who votes for or against any candidate in consideration of any gift or other valuable consideration received shall be guilty of illegal practices.

[General Statutes § 9-622(1)]

VIII. Reporting Information

A. Who Reports?

The treasurer or, in the treasurer's absence or inability, the deputy treasurer, is required to file all financial disclosure statements.

[General Statutes §§ 9-601(13), 9-608(a)]

B. How and Where to Report?

Traditional political committees must file the SEEC Form 20, "Itemized Campaign Finance Disclosure Statement," or, if applicable, may file the SEEC Form 21, "Short Form Finance Disclosure Statement," with the filing repository with which the committee is registered (i.e. the State Elections Enforcement Commission or the town clerk). For more information on the appropriate repository, see **Chapter III. Responsibilities of the Committee Chairperson**.

All ongoing political committees are required to file an itemized campaign finance disclosure statement, also called the long form (SEEC Form 20), for their filings due January 10th and on the 7th day preceding an election. With the exception of these filings, an ongoing political committee may use a short form (SEEC Form 21) when it has **not** received contributions or other funds or made or incurred expenditures in excess of $1,000 from January 1 of the calendar year through the close of the reporting period covered by the statement. Once the committee exceeds that amount, it is required to file the long form (SEEC Form 20). Moreover, once a committee files a long form (SEEC Form 20), the committee treasurer must continue to use the long form (SEEC Form 20) for all of the committee's remaining required financial disclosure statements for that calendar year.

Committees should also keep in mind that if they opt to file using the short form (SEEC Form 21), they will still be required to report **all** activity since the beginning of the year when they file their first SEEC Form 20. Accordingly, the committee treasurer **must** keep track of all information from the beginning of the year, regardless of the amount received or spent.

In the case of political committees registered with the Commission that use eCRIS (more fully explained below) and file a long form after having filed one or more short forms, the committee will be required to: (1) amend the SEEC Form 21 covering the period in which the first financial activity occurred by amending the SEEC Form 21 to change it to a long form (SEEC Form 20) and reporting that financial activity; (2) amend all subsequent short forms (SEEC Form 21's) submitted after that initial SEEC Form 21 to change them to long forms and report any activity in those periods and to also correct the summary totals, regardless of whether activity occurred in that particular period; and (3) after this "look back" reporting has been completed in eCRIS, submit the itemized statement (SEEC Form 20), covering the period laid out in the filing calendar. If the committee is not filing by eCRIS, then its first filed itemized statement (SEEC Form 20) must cover a period that begins with January 1 as the start date.

A political committee formed for a single primary or election need not file an itemized statement (SEEC Form 20) unless and until it receives or expends in excess of $1,000 for purposes of the primary or election for which such committee was formed. If it never reaches this threshold, it may continue to file a short form (SEEC Form 21) throughout its duration. If it exceeds the $1,000 threshold, it is required to file the long form (SEEC Form 20) and must continue to use the long form (SEEC Form 20) for all of the committee's remaining required financial disclosure statements. The first itemized statement (SEEC Form 20) must include **all** of the reportable financial transactions which have occurred since inception.

EXAMPLE: A traditional ongoing political committee does not raise or spend more than $1,000 from January 1 to March 31 of this year. The treasurer opts to file a SEEC Form 21 for the April 10th filing. By June 30, the committee exceeds the $1,000 threshold, requiring the treasurer to file the SEEC Form 20 for the July 10th filing, covering **all** financial activity between January 1 and June 30. The committee must file all subsequent reports using the SEEC Form 20 for the rest of the calendar year.

[General Statutes §§ 9-603(a), 9-608(b)]

C. Electronic Filing

The Commission's Electronic Campaign Reporting Information System ("eCRIS") enables treasurers filing with the Commission to electronically submit required committee registration information and campaign finance statements detailing the receipts and expenditures of the committee. In addition, eCRIS provides its users with prompts and alerts treasurers to potential compliance issues. This tool is available to political committees filing with the Commission and is fully supported by our eCRIS helpdesk (860-256-2930).

eCRIS users may also benefit from the following:

- Treasurers can upload campaign finance data into eCRIS from Excel and other campaign management software applications using eCRIS's online interface;
- Treasurers may assign the data entry function to another individual and review the report for errors before filing;
- Treasurers can make amendments to previously filed registration or disclosure statements quickly; and
- Calculations required by law are system-generated, including aggregates for contributions and expenditures, thereby reducing potential errors.

Effective July 1, 2017, all political committees registered with the Commission that raise or spend $1,000 or more during the current calendar year or in the preceding regular election cycle are required to file by eCRIS. If a treasurer is able to demonstrate good cause for not being able to file electronically, the Commission may waive the requirement.

If you are currently serving as a treasurer, deputy treasurer, or data entry operator of a political committee, go to the Commission's website to set up an eCRIS user ID and to learn more about eCRIS. You may also contact the eCRIS Helpdesk at (860) 256-2930 for

questions or to set up a one-on-one training. eCRIS training videos are also available on the eCRIS training website.

[General Statutes § 9-675 (as amended by Public Act 16-203)]

D. When to File

Important Note – Paper Filers Who File With SEEC: In Advisory Opinion 2014-02, the Commission articulated that in order to be deemed a filing, a disclosure statement must, at a minimum:

1. Be **signed and dated** under penalty of false statement by the **legally authorized person**;
2. Cover the **applicable time period** required by the applicable section or subsection of General Statutes §§ 9-608, 9-601d or 9-712; and
3. Be on the **proper form** required for that person for that filing.

While submissions that do not meet these requirements will be date-stamped and made publicly available, **they will not be deemed filings and will result in penalties for late/non-filing** if they are not timely fixed. Committees may **not** attach printed spreadsheets or other information in lieu of completing any section of the SEEC Form 20.

The treasurer of a **political committee** must file a financial disclosure statement with the appropriate filing repository by the following deadline dates:

- For a newly formed committee, with its registration statement if it received its first contribution or disbursement at or before the time of registration, or, if it has not, within 48 hours of such initial receipt
- The 10th day of January, April, July and October
- The 7th day prior to a regular November state election (even years) (all political committees must file this statement, regardless of whether they have raised or spent funds in connection with the election)
- The 7th day prior to each municipal election (odd years), whether in May or November, if the committee has received or expended funds in connection with the election
- The 7th day prior to any primary if the committee has received or expended funds in connection with the primary
- The 7th day prior to any referendum if the committee has received or expended funds in connection with the referendum
- The 7th day prior to any special election if the committee has received or expended funds in connection with the special election
- The 7th day of April in the case of a durational political committee formed for the November general election date, which will be its termination filing
- The 45th day after any election not held in November in the case of a political committee formed for a single primary or election not held in November

- The 97th day after any election not held in November in the case of a political committee formed for a single primary or election not held in November, which will be its termination filing
- Within 24 hours of an independent expenditure or independent expenditures exceeding $1,000 in the aggregate which promotes the success or defeat of a statewide office or General Assembly candidate and which the political committee has made or has obligated to be made during a primary campaign or general election campaign (see the subsection on Independent Expenditures in the Reporting Expenditures section below for more information)

If such **deadline date** falls on a Saturday, Sunday or legal holiday, the financial disclosure statement shall be filed on the next business day, **with the exception of a 24 hour independent expenditure report concerning a statewide office or General Assembly candidate, which must still be filed within 24 hours of the expenditure, even if the deadline falls on a weekend or holiday**. Filings must be submitted at some time during the filing period, which begins the day after the conclusion of the reporting period and ends on the filing deadline date. They may not be received prior to the start of the filing period. More specific calendars, with the actual filing dates and reporting periods, are available on the Commission's website.

The **reporting period** for each disclosure statement filed by a political committee on the 10th day of January, April, July and October must include the financial activity of the committee beginning the first day not included on the last filed financial disclosure statement and ending on the last day of the month preceding the month in which the statement is required to be filed. Each disclosure statement filed on the 7th day preceding an election, primary, or referendum, however, must include the financial activity of the committee beginning the first day not included on the last filed financial disclosure statement and ending as of **two** days immediately preceding the required filing deadline day.

If the committee's filing repository is the **State Elections Enforcement Commission**, then statements are considered **timely** filed if they are filed electronically via eCRIS before 11:59 p.m. on or before the filing deadline date or, in the case of those still qualified to file by paper, if they are **received by** the Commission's offices after the filing period has begun and by 5:00 p.m. on the filing deadline date if delivered by the United States Postal Service, courier service, parcel service, or hand delivery. Paper statements postmarked on the deadline date are not considered timely – they must actually be received by the Commission's offices by 5:00 p.m. on the deadline date. The Commission also cannot receive a statement before the filing period has begun. Committees seeking confirmation of receipt should check their committee's filing status on eCRIS search. As mentioned in the previous section, **the majority of political committees are now required to file by eCRIS**.

Important Note: Pursuant to Public Act 2016-203, the Commission may now consider, in assessing a late fee in the event a filing is late, a committee's **receipt** from the post office or a commercial delivery service confirming that their statement was received or should have been received by the Commission's offices by the deadline date. Committees still filing by mail are therefore encouraged to obtain a receipt from the post office or delivery service indicating that the statement will be received on or before the filing deadline date.

If the committee's filing repository is the **town clerk**, then statements are considered **timely** filed if they are either postmarked by the United States Postal Service before midnight on or before the required filing deadline date or delivered by hand to the town clerk by 4:30 p.m. on or before the required filing deadline date. Please note that town clerks are not equipped to accept electronically filed statements.

Important Note: Some town clerk's offices may not have office hours or may have shortened office hours on a filing deadline day. This does not relieve the treasurer of filing by the deadline, so be sure to confirm the office hours of the town clerk if delivery by hand is anticipated.

[General Statutes §§ 1-2a, 9-601d, 9-605(b), 9-608(a), (d), and (e) (as amended by Public Act 16-203)]

E. Late Filing Fees

Failure to file a sufficient financial disclosure statement by the applicable deadline date subjects the treasurer to an **automatic and non-discretionary $100 late filing fee**, which is the personal responsibility of the treasurer and is **not** a legitimate expenditure of the committee. Late filing fees are payable to the Treasurer, State of Connecticut, and mailed to the State Elections Enforcement Commission, Campaign Disclosure Unit, if the Commission is the committee's filing repository. If the committee is registered at the municipal level, the town clerk is the proper filing repository and late filing fees are payable to the town clerk. This fee is **mandatory** regardless of the reason for the late filing.

In addition, a treasurer's failure to submit these filings within seven days after receiving a failure to file notice from the town clerk by certified mail, return receipt requested, and/or within 21 days after notice from the State Elections Enforcement Commission, will constitute a violation of General Statutes § 9-608 and will subject the treasurer to an additional civil penalty between $200 and $2,000. These additional fines and penalties are enforced by the State Elections Enforcement Commission, and the town clerk is required to refer such failures to the Commission in a timely fashion after the seven day late period expires.

[General Statutes § 9-623]

If a political committee fails to file a required report for an **independent expenditure** made or obligated to be made more than 90 days before the day of a primary or election, the treasurer shall be subject to a civil penalty of up to $10,000. If a treasurer fails to file a required report for an independent expenditure made or obligated to be made 90 or less days before the day of a primary or election, the treasurer shall be

subject to a civil penalty of up to $20,000. If any such failure to file is knowing and willful, the treasurer shall be liable for fines up to $50,000.

[General Statutes §§ 9-601d]

F. What Information Must Be Reported?

All monetary receipts, whether or not such receipts constitute contributions, must be reported in the period received, as well as all non-monetary receipts that constitute contributions (i.e. in-kind contributions). Certain non-monetary receipts received in connection with a fundraising affair, whether or not they constitute contributions, as well as expenditures made or incurred by the committee must also be reported on the financial disclosure statement.

[General Statutes § 9-608(c)]

1. Reporting Receipts

a. Contributions from Individuals

Monetary contributions received from an individual that are $50 or less in the aggregate during the calendar year (or since inception in the case of a political committee established for a single primary, election, or referendum) do not need to be itemized and can be entered in Section A entitled "Total Contributions from Small Contributors – Received this Period Only" of the SEEC Form 20. However, the treasurer must still keep an **internal record** of the contributor's name and address so that the contribution can be aggregated with any other contributions that the individual has made or will make in that calendar year (or since inception in the case of a political committee established for a single primary, election, or referendum). To assist with recordkeeping and compliance with the required aggregation, the treasurer may also choose to itemize contributions that are $50 or less in Section B of the SEEC Form 20.

All monetary contributions in excess of $50 must be itemized in Section B of the SEEC Form 20. Moreover, when monetary contributions exceed $50 for the calendar year (or since inception in the case of a political committee established for a single primary, election, or referendum) from an individual who was previously reported as a small contributor in Section A, the contributor **must** be itemized in Section B on the next scheduled statement.

All non-monetary contributions are to be itemized as in-kind contributions in Section M of SEEC Form 20, regardless of amount.

[General Statutes § 9-608(c)(1) and (4)]

Monetary contributions received from an individual that are over $50 in the aggregate for the calendar year (or since inception in the case of a political committee established for a single primary, election, or referendum) and all non-monetary contributions require disclosure of the contributor's name, address, amount received during the relevant reporting period, method of contribution, date of the contribution, the aggregate amount given, and whether the contributor is a lobbyist or the spouse or dependent child of a lobbyist. Moreover, if the political committee is authorized to make contributions or expenditures to or for the benefit of statewide office or General

Assembly candidates, the individual must also provide with the contribution the name of her employer and a certification that she is not a principal of a state contractor or prospective state contractor. For individuals who contribute to the committee in excess of $100 in the aggregate for the calendar year (or since inception in the case of a political committee established for a single primary, election, or referendum), the treasurer must also report their principal occupation to the extent known.

[General Statutes § 9-608(c)(1) and (3)]

If a treasurer of a political committee authorized to make contributions or expenditures to or for the benefit of statewide office and/or General Assembly candidates receives a contribution over $50 that does not include a state contractor certification, the treasurer shall:

1. Not later than three days after receiving the contribution, send the contributor a request for the certification by certified mail, return receipt requested;
2. Not deposit the contribution until the certification is received; **and**
3. Return the contribution to the contributor if the contributor does not submit the certification within fourteen days after the treasurer's written request or at the end of the reporting period in which the contribution was received, whichever is later.

[General Statutes § 9-608(c)(3)]

Monetary receipts in the form of personal checks written on **joint accounts** should generally be attributed to the individual who signs the check. If both individuals on a joint checking account sign the check, then the contribution should be allocated equally between them. One or both of the account holders may also submit a signed statement (e.g. a certification card) indicating how the check should be allocated differently (i.e. non-equally) between them or to one of them only, and the contribution should be allocated in accordance with that statement.

EXAMPLE: John and Jane Doe have a joint bank account. Jane signs a $1,000 contribution check to a traditional political committee. On a contributor certification form signed by John and Jane, they indicate they would like $250 of the contribution to be from her and $750 to be from John. The committee should report a $250 contribution from Jane and a $750 contribution from John in Section B of the SEEC Form 20.

[General Statutes § 9-606(b)]

A monetary receipt in the form of a money order is considered to be "cash" and should be reported as such. There is a limit of $100 of aggregated contributions made by cash or money order per individual per calendar year.

[General Statutes § 9-611(d)]

b. Loans

All loans are reported in Section D, "Loans Received this Period," of SEEC Form 20. The treasurer must report the name and address of any bank or other lender which has made a loan to the committee, the principal amount of the loan received in the

reporting period, along with the name and address of any person who is a guarantor or cosigner of the loan. Outstanding loan balances must be continuously reported as a debt, on the "Summary Page Totals" of SEEC Form 20.

[General Statutes § 9-608(c)(1)(E)]

c. Receipts from Other Committees

Traditional political committees must report any monetary receipt from another committee as either a contribution, and disclosed in Section C1, "Contributions from Other Committees," or as a reimbursement, payment, or surplus distribution from the committee that is not a contribution in Section C2, "Reimbursements, Payments, or Surplus Distributions from Other Committees" (see applicable limitations in **Chapter V. Raising Funds for Your Committee**). Traditional political committees report any non-monetary contribution received from another committee in Section M, "In-Kind Contributions."

d. Monetary Receipts not Considered Contributions

All other monetary receipts that are not contributions must be disclosed (although certain receipts need not be itemized, as discussed previously). Examples include interest posted or received from deposits in authorized investment accounts (reported as "Interest from Deposits in Authorized Accounts," Section J); bank credits or refunds (reported as "Miscellaneous Monetary Receipts not Considered Contributions," Section K); and certain other monetary receipts from fundraisers in Section L1 of SEEC Form 20.

e. Transfer of Funds from Affiliated Business Entity

For a political committee established by a business entity, the amount and date of funds transferred from the business entity treasury to pay for certain expenses (see **Chapter V. Raising Funds for Your Committee** for more information), must be reported in Section F, "Amount Transferred from Affiliated Business Treasury" of the SEEC Form 20.

f. Transfer of Funds from Affiliated Organization

For a political committee which has elected to be funded exclusively from the treasury of its affiliated organization (see **Chapter V. Raising Funds for Your Committee** for more information), the amount and date of funds transferred from the organization's treasury must be reported in Section G, "Amount Transferred from Affiliated Labor Union or Other Organization Treasury" of the SEEC Form 20.

2. Reporting Fundraising Events

The treasurer is required to disclose all receipts of a fundraiser whether or not such receipt constitutes a contribution to the committee. Each fundraising event, including the date, location, and a description, is required to be reported in Section L1, "Event Information," of SEEC Form 20. All monetary receipts received at the given event which are contributions may be recorded as an aggregate amount in Section A of Part I of SEEC Form 20 if the contributor has contributed $50 or less in the aggregate during the calendar year (or since inception in the case of a political committee established for a single primary or election). If the contributor's total contributions given to the committee exceed $50 for the calendar year (or since inception, in the case of a political committee established for a single primary or election), the contributor must be

itemized in Section B of Part I. The treasurer must identify the corresponding fundraising event at which the given contribution was received in Section B as well. The purchase of fundraising tickets are considered contributions and therefore must be reported in the appropriate section, dependent upon the amount purchased by the contributor and the aggregate amount of other contributions by the same contributor.

Each non-monetary receipt received at the event which is a contribution must be itemized as an in-kind contribution (Section M of SEEC Form 20). Again, the treasurer must identify the fundraising event, as reported in L1 of SEEC Form 20, at which the given in-kind contribution was received.

Donations received in connection with a fundraising affair that do not constitute contributions must be disclosed in Section L4, "In-Kind Donations Not Considered Contributions," of SEEC Form 20. Such itemizations must include the name and address of each such donor and the corresponding amount.

The treasurer must also separately itemize each expenditure made by the committee in connection with the fundraising affair in the same manner as any other committee expenditure.

[General Statutes § 9-608(c)(1) and (4)]

3. Reporting Expenditures

Expenditures are reported in Section P, "Expenses Paid by Committee," of SEEC Form 20. Each expenditure, regardless of the amount, must be separately itemized with the following information:

- Payee's full name and address;
- Amount, date, description, and method of payment;
- Expenditure Code identifying the purpose of the expenditure (Expenditure Codes are listed in the instructions to the SEEC Form 20); and
- Type of expenditure indicating whether or not the expenditure supported or opposed a candidate, and if so, whether it was made independently of the candidate or as a coordinated or organization expenditure, and whether reimbursement is claimed from the political committee.

Important Note (2015 Form Change): The "Type of Expenditure" field in the expense sections of the SEEC Form 20 has been modified to add a "none of the below" box so that treasurers and the public have a clearer understanding of the type of expenditure being reported. Please see this fact sheet for help with completing this field.

a. In-Kind Contributions to Other Committees

Each treasurer of a political committee which makes an in-kind contribution of goods or items to another committee is required to send written notice to the recipient committee's treasurer before the close of the recipient committee's next financial disclosure statement covering the period in which the in-kind contribution was received. The treasurer of the political committee is required to sign the valuation notice, which must include the full name of the committee, the date on which the

in-kind contribution of goods was made, along with a complete description of the item and its value. While a written valuation notice is not similarly required for donated "services" (e.g., paid campaign staff which is loaned to the other committee), the recipient committee's treasurer is nevertheless required to make due inquiry of the donor committee as to the value of the in-kind services loaned and report the same in its next financial disclosure statement, covering the period of loaned services, as an in-kind contribution.

[General Statutes § 9-606(a)]

Important Note: Candidate committees participating in the CEP may **not** accept political committee contributions, whether monetary or in-kind.

b. Organization Expenditures (Legislative Leadership and Legislative Caucus Committees Only)

Each statement filed by the treasurer of a legislative leadership or legislative caucus committee shall include an itemized accounting of each organization expenditure made by the committee for the benefit of a General Assembly candidate. Organization expenditures must be reported in Section P, "Expenses Paid by Committee," of SEEC Form 20, checking off the appropriate type of organization expenditure and providing an itemized accounting for each benefiting candidate in the Addendum to Section P.

The legislative leadership or caucus committee treasurer must also, at the time of reporting the organization expenditure on its statement, provide notice of the organization expenditure to the candidate committee of such candidate.

The Commission will post on its website a list of all organization expenditures reported by legislative leadership or legislative caucus committees, including the name of the candidate and committee receiving the benefit of the expenditure and the date and purpose of the expenditure.

[General Statutes §§ 9-601(25), 9-608(c)(5) and (6)]

c. Expenses Incurred but Not Paid

The obligation to report expenses incurred arises when the committee enters into a written contract, promise or agreement to make an expenditure. For example, if a political committee purchases mailers that it distributes in June but is not billed for them until August, the committee would report the mailers as an expense incurred but not paid on its July 10th filing.

Each expense incurred but not yet paid must be separately itemized in the same manner as expenditures paid, including the disclosure of any secondary payees. Expenses incurred but not paid are reported in Section S, "Expenses Incurred by Committee but Not Paid During this Period," of SEEC Form 20.

If a committee incurs an expense but will not know the actual cost until it receives an invoice at a later date, it should still report the expenditure incurred in Section S in the period in which it was incurred and provide a good faith **estimate** of the amount.

The treasurer must then report the expense incurred on the summary totals page (Line 28, Column A, of the Summary Page Totals of the SEEC Form 20). On eCRIS, the expense will automatically appear on the Summary Totals page once inputted. Once the expense is paid off, the treasurer, whether filing by eCRIS or by paper, must manually subtract the corresponding amount from the total reported on Line 28A.

[General Statutes §§ 9-601b(c), 9-606(a), 9-608(c)(1)]

d. Loan Repayments

Loan repayments are reported in Section P, "Expenses Paid by Committee." The name and address of each bank or other lender, the amount and date of the repayment or partial repayment (principal plus interest) on the loan during the applicable reporting period must be reported. When reporting a loan repayment, use "LOAN" as the Purpose of Expenditure Code.

[General Statutes § 9-608(c)(1)]

e. Expenditures Coordinated with Other Committees

Traditional political committees must report expenditures made in coordination with other committees in Section P, "Expenses Paid by Committee," checking off the appropriate type of coordinated expenditure and indicating the name or names of the candidates supported in the case of a candidate committee. Where the political committee does not seek reimbursement, it will indicate so in the entry, checking off "Coordinated without reimbursement sought (in-kind contribution)" as the "Type of Expenditure," and the recipient committee will report the expenditure as an in-kind contribution on its financial disclosure statement.

The political committee may choose to seek reimbursement for any expenditure it has made for the benefit of another committee (unless the committee is that of a candidate participating in the CEP that has received a public grant). In order to accomplish this, the committee must provide notice of a description of the expenditure and the amount of reimbursement being sought to the other committee's treasurer by the close of that committee's reporting period in which the political committee's expenditure was made. In completing Section P, the political committee will select "Coordinated with reimbursement sought (joint expenditure)" as the "Type of Expenditure." The political committee will then report the payment from that committee as a reimbursement from another committee in Section C2, "Reimbursements, Payments, or Surplus Distributions from other Committees," of SEEC Form 20, referencing the expenditure number as assigned in Section P of the expenditure that was reimbursed. The other committee will not report this as an in-kind contribution; it will report its reimbursement as an expenditure to the political committee, checking "None of the Below" as the "Type of Expenditure."

[General Statutes § 9-601c]

f. Independent Expenditures

Any political committee which makes or obligates to make an independent expenditure intended to promote the success or defeat of a candidate must report the same at the first dollar on its campaign finance disclosure statement. Such expenditures are reported in Section P, "Expenses Paid by Committee," checking off

"Independent" as the appropriate type of expenditure and indicating the name or names of the candidate(s) supported or opposed in a Section P addendum, including their office sought and how much of the expenditure is allocated to them.

For an independent expenditure intended to promote the success or defeat of a municipal or judge of probate candidate, the political committee reports the expenditure on its next scheduled filing (e.g., the filing which covers the period in which the independent expenditure was made or obligated to be made).

For an independent expenditure intended to promote the success or defeat of a statewide office or General Assembly candidate that is either (1) $1,000 or less in the aggregate; or (2) exceeds $1,000 in the aggregate but is not made during a primary or general election campaign (as more fully explained below), the political committee may report the expenditure on its next scheduled filing as well (e.g., the filing which covers the period in which the independent expenditure was made or obligated to be made).

If, however, the political committee makes or obligates to make an independent expenditure in excess of $1,000 in the aggregate which intends to promote the success or defeat of a statewide office or General Assembly candidate and is made or incurred during a primary or general election campaign, as defined in General Statutes § 9-700 (and more fully explained below), the treasurer must file an independent expenditure report (using the SEEC Form 20 and selecting "24 Hour Independent Expenditure" as the "Type of Report") and disclose the expenditure not later than **24 hours** after the expenditure is made or obligated.

The "**primary campaign**" begins on the day following the close of (A) a convention held for the purpose of endorsing a candidate for nomination to statewide office or the district office of state senator or state representative, or (B) a caucus, convention or town committee meeting held for the purpose of endorsing a candidate for the municipal office of state senator or state representative, whichever is applicable, and ending on the day of a primary held for the purpose of nominating a candidate for such office. The "**general election campaign**" is defined as the period either beginning on the day following the primary and ending on the date the committee terminates or in the case of a candidate nominated without a primary, the period beginning on the day following the day on which the candidate is nominated and ending on the date the committee terminates.

If a political committee fails to file a required report for an independent expenditure made or obligated to be made more than 90 days before the day of a primary or election, the treasurer shall be subject to a civil penalty of up to $10,000. If a treasurer fails to file a required report for an independent expenditure made or obligated to be made 90 or less days before the day of a primary or election, the treasurer shall be subject to a civil penalty of up to $20,000. If any such failure to file is knowing and willful, the treasurer shall be liable for fines up to $50,000.

[General Statutes §§ 9-601d, 9-700]

g. Reimbursements to Committee Workers

Each expenditure that is a reimbursement to a committee worker must be treated as any other expenditure but must also include an itemization of any payments to

secondary payees (e.g. the vendors who transacted with the committee worker). Such reimbursements are reported in Section P, "Expenses Paid by Committee," using "RMB" as the Purpose of Expenditure Code. In a separate section of SEEC Form 20, Section T, "Itemization of Reimbursements and Secondary Payees and Secondary Payees" the treasurer must itemize the expenditure for which the worker was reimbursed. This section will not affect the balance on hand and need not be carried forward to the "Summary Page Totals."

[General Statutes §§ 9-607(j), 9-608(c)(1)]

h. Payments to Consultants and the Reporting of Secondary Payees

If a committee hires a professional person to provide campaign services, such as a consultant, and the consultant has made any payments to a vendor (such as for media advertising) as part of the contract with the committee, the consultant should provide details of the payments to the treasurer as such vendor(s) (secondary payees) are required to be disclosed in Section T, "Itemization of Reimbursements and Secondary Payees." Secondary payees are those vendors, persons, or entities who received a payment from the consultant for goods or services purchased by the consultant for which the committee has paid the consultant.

Example: ABC Political Committee contracted with Campaign in a Box, LLC for consulting services, paying the company $2,000 to provide general campaign strategy and to put together a direct mailer and a radio advertisement. Campaign in a Box, LLC prepared the content of the mailer and radio ad and then paid $1,000 to Political Advertising Warehouse for the mailer and $500 to WXYZ Radio for the radio ad. ABC Political Committee must report the $2,000 payment to Campaign in a Box, LLC in Section P of SEEC Form 20 and the secondary payments to Political Advertising Warehouse and WXYZ as separate entries in Section T of SEEC Form 20.

This disclosure is not optional. We strongly recommend that treasurers use the language provided in our sample fee arrangement form, which includes language putting anyone you hire on notice that they are required to provide you with secondary payee information. If you make them agree to provide this as part of your contract/agreement, and make sure that they are in fact providing you with the required underlying information, this will help your committee be in compliance. The treasurer is ultimately liable if campaign funds are not spent to directly further the candidate's campaign, and the candidate's reputation is at stake if something goes awry.

Important Note: Since the treasurer is ultimately responsible for making permissible expenditures under the law, treasurers should take care not to delegate their authority to a consultant or campaign worker, and should carefully review all invoices and documents provided by any consultant, in a timely manner, to minimize the chance of any continuing issues.

[General Statutes §§ 9-607(j), 9-608(c); Regs., Conn. State Agencies § 9-607-1]

G. Copies of Disclosure Statements

The treasurer must provide the committee chairperson with a duplicate copy of the financial disclosure statement at the time of filing.

[General Statutes § 9-608(d)]

The registration and financial disclosure statements filed on behalf of political committees are available for public inspection at the applicable filing repository. These statements are required to be kept by the filing repository for five years from the date of filing. They may also be reviewed on the Commission's website, through eCRIS search.

[General Statutes § 9-608(c)(7)]

IX. Terminating a Political Committee

A. Political Committees Established for a Single Primary or Election

A political committee established for a single primary or election must distribute its surplus within ninety days of the primary or election for which it was established if not held in November or by March 31 of the following year if the election for which it was established was held in November.

The committee must distribute its surplus to one or more of the following:

- A party committee;
- An ongoing political committee;
- All contributors to the committee on a prorated basis of contribution;
- The Citizens' Election Fund; or
- A tax-exempt, tax-deductible organization under Section 501(c)(3) of the Internal Revenue Code.

If the political committee was established by an organization which received its funds from the organization's treasury, then it must return its entire surplus to the organization.

The committee must terminate (by opening up a termination report in eCRIS or, in the case of a paper filer, checking off "Termination" as the type of report on the cover page) within **seven days** of distributing its surplus. In the case of a committee established for a November election, the termination must occur by April 7 of the following year.

In the event of a **deficit**, the committee treasurer must file a supplemental statement (opening a deficit report in eCRIS or, in the case of a paper filer, checking off "Deficit" as the type of report on the cover page) ninety days after the election or primary for which it was established if not held in November or on the seventh day of February (or the next business day if such day is a Saturday, Sunday, or legal holiday) if the election for which it was established was held in November. Thereafter, the treasurer must file on the seventh day of each month following if on the last day of the previous month there was an increase or decrease in the deficit of more than $500 from that reported on the last statement filed. Such supplemental statements must continue to be filed until the deficit is eliminated. A political committee established for a single primary or election may raise funds after the primary or election only to eliminate a deficit.

[General Statutes § 9-608(e)]

B. Ongoing Political Committees

An ongoing political committee may terminate after it has spent down its committee funds. This can be accomplished by making permissible expenditures or contributions, as outlined in **Chapter VII. Spending Committee Funds**, with the remaining balance. An ongoing political committee may not terminate if it has a deficit. Once the balance has reached zero, the committee may file a termination report (in the case of a paper

filer, this is accomplished by filing a SEEC Form 20, checking off "Termination" as the type of report on the cover page) and reporting both a zero balance and the final expenditures made the committee.

Important Note: An ongoing political committee cannot distribute its balance in the same manner as a political committee established for a single primary or election can distribute its surplus. Rather, an ongoing political committee must spend down its balance by making permissible expenditures.

[General Statutes §§ 9-607(g), 9-608(e)]

X. Complaints

A. Who May Bring a Complaint

Any individual may bring a complaint to the State Elections Enforcement Commission requesting that an investigation be made into any alleged violation of the state election or campaign finance laws. The State Elections Enforcement Commission may, on its own initiative, also decide to conduct an investigation on any possible violation of the state election or campaign finance laws.

[General Statutes § 9-7b(1)]

B. Form of Complaint

All complaints filed with the Commission must be in writing and sworn to under oath by the complainant. A complaint form is available at the Commission's offices and on its website (www.ct.gov/seec) and may be used to file complaints. A complaint may also be filed in letter form provided that it is sworn to under oath. Complaints must be submitted with an original signature of the complainant. No copies or facsimiles will be accepted.

Complaints should include the following:

- The legal name, address and telephone number of the person filing the complaint.
- A clear and concise statement of the facts including:

  The date of the alleged violation(s);

  The identity of the person(s) alleged to have committed the violation(s);

  The identity of any person(s) who may have knowledge of the facts asserted in the complaint; and
- Any other document, written material or other information known to the complainant and having a bearing on the violation(s) alleged in the complaint.

Complaints should be mailed to:

State Elections Enforcement Commission
Attn: Enforcement Unit
20 Trinity Street – 1st Floor
Hartford, CT 06106

Please note that complaints received on or after January 1, 2018 must be dismissed if the Commission does not issue a decision on the complaint within one year of receiving it. This one-year time limit may be extended due to the following: (1) the Commission or its staff granting any extension or continuance to a respondent prior to the issuance of a decision; (2) any subpoena being issued in connection with the complaint; (3) any litigation in state or federal court related to the complaint; or (4) any investigation by or consultation of the Commission or its staff with the Chief State's Attorney, the Attorney

General, the United States Department of Justice, or the United States Attorney for Connecticut related to such complaint.

[General Statutes § 9-7a(g)(1) (as amended by Public Act 17-2 (June Special Session))]

C. General Criminal and Civil Penalties

Any person who violates any provision of Connecticut's campaign finance laws is subject to a civil penalty not to exceed $2,000 or twice the amount of the improper contribution or payment, whichever is greater. In addition, any person who knowingly and willingly violates the campaign finance laws shall be guilty of a Class D felony.

[General Statutes §§ 9-7b(a)(2), 9-623(a)]

XI. Conclusion

This Guide is intended to clarify and summarize the most important provisions relating to Connecticut's campaign financing requirements relevant to political committees.

Contact Us

Inquiries regarding campaign financing requirements, legal interpretations of the State Elections Enforcement Commission, and requests for formal advice may be addressed to:

State Elections Enforcement Commission
Attn: Compliance Unit
20 Trinity Street
Hartford, CT 06106-1628

Main Telephone:	860-256-2940
Toll Free (outside Hartford area):	866-SEEC-INFO
Main Fax:	860-256-2981
Website:	www.ct.gov/seec
Email:	seec@ct.gov

Requests for copies of the published calendar of specific filing dates and committee registration and disclosure statements may be obtained from the Commission's website and also by contacting the Commission by phone, email, or mail.

XII. Glossary

Agent: A person authorized to act for or in place of another. See General Statutes § 9-601(18) (defining "agent").

Anonymous Contribution: A contribution for which the treasurer has no information about the identity of the contributor. Treasurers may not deposit anonymous contributions, of any amount, but must immediately forward them in full to the State Elections Enforcement Commission for deposit in the General Fund of the State of Connecticut. See General Statutes § 9-606(b).

Bundle: The forwarding of five or more contributions to a single committee by a communicator lobbyist, an agent of such lobbyist, or a member of the immediate family of such lobbyist, or raising contributions for a committee at a fundraising affair held by, sponsored by, or hosted by a communicator lobbyist or an agent or immediate family member of such lobbyist. See General Statutes § 9-601(27) (defining "bundle").

Business Entity: Any stock corporation, bank, insurance company, limited liability company, business association, bankers association, insurance association, trade or professional association receiving funds from membership dues and other sources, partnership, joint venture, private foundation, trust or estate, cooperative or other association, and any similar organization or entity which is engaged in the operation of a business or profit-making activity. A non-profit entity would **not** satisfy the definition of "business entity." A solely owned professional service corporation (P.C.) or a sole proprietorship is considered an individual and not a business entity. See General Statutes §§ 9-601(8) (defining "business entity"), 9-601(9) (defining "individual").

Candidate: An individual seeking nomination or election to public office, who has solicited or expended funds to bring about that election or nomination, other than for a party committee, who can appear on the ballot having received the endorsement or nomination of a political party, or who has satisfied the requirements to appear on the ballot (e.g. "petitioning candidate"). See General Statutes §§ 9-601(11) (defining "candidate"), 9-400 (designating means for filling state or district candidacies), 9-406 (establishing process for circulating nominating petitions). Persons who have formed exploratory committees are considered candidates.

Candidate Committee: A committee established by a single candidate to promote only that candidate's nomination or election to a specific office. See General Statutes § 9-601(4) (defining "candidate committee"). A candidate may establish only one candidate committee for a particular office to be sought.

Citizens' Election Program: The clean elections campaign financing program created in Connecticut, which provides campaign grants to qualifying major party, minor party, and petitioning candidates seeking election to statewide office or General Assembly. See General Statutes § 9-702(a).

Client Lobbyist: A lobbyist on behalf of whom lobbying takes place and who makes expenditures for lobbying and in furtherance of lobbying. See General Statutes §§ 1-91(21) (defining "client lobbyist"), 9-601(16) (drawing on § 1-91 to define "client lobbyist" for purposes of campaign finance laws). Client lobbyists are to be distinguished from "communicator lobbyists" who are the ones who are paid to do the communicating on the client lobbyist's behalf. See also **Communicator Lobbyist** and **Lobbyist.** For more information on who is a client lobbyist or who is a communicator lobbyist, please contact the Office of State Ethics at 860-263-2400 or visit their website.

Committee Chairperson: The individual who has signed the committee's registration statement as the designated chairperson. The chairperson is responsible for appointing and designating the treasurer and deputy treasurer(s) of the committee on the committee's registration statement, along with the other required information. See General Statutes § 9-602(a).

Committee Treasurer: See **Treasurer**.

Communicator Lobbyist: A lobbyist who communicates directly or solicits others to communicate with an official or his staff in the legislative or executive branch of government or in a quasi-public agency for the purpose of influencing legislative or administrative action. See General Statutes §§ 1-91(22) (defining "communicator lobbyist"), 9-601(16) (drawing on § 1-91 to define "communicator lobbyist" for purposes of campaign finance laws). Communicator lobbyists are to be distinguished from "client lobbyists" who are the clients that hire the communicator lobbyists. See also **Client Lobbyist** and **Lobbyist**. For more information on who is a client lobbyist or who is a communicator lobbyist, please contact the Office of State Ethics at 860-263-2400 or visit their website.

Contribution: Any gift, subscription, loan, advance, payment or deposit of money or anything of value, made to promote the success or defeat of any candidate seeking the nomination for election, or election or for the purpose of aiding or promoting the success or defeat of any referendum question or the success or defeat of any political party. This includes coordinated expenditures that promote, attack, support, or oppose a candidate or clearly identify a candidate in certain types of communications within ninety days before the election. The treasurer must report all contributions, both monetary and non-monetary (or "in-kind"), that the committee has received. See General Statutes § 9-601a (offering broad definition for "contribution" as well as specific exceptions).

Depository Institution: Under Connecticut's campaign finance laws, a political committee must establish a single checking account at a financial institution located in Connecticut from which it will make all expenditures and deposit all monetary receipts. See General Statutes §§ 9-602(a) (directing treasurer of committee to designate single depository institution for committee's funds), 9-607(e) (directing that majority of

payments must be made by check, debit card, or credit card); Advisory Opinion 1975-6 (directing that all expenditures must emanate from checking account).

Deputy Treasurer: A "back-up" treasurer who steps in as treasurer if the treasurer is unable to perform his or her duties for any reason. See General Statutes § 9-601(13) (defining "deputy treasurer").

Entity: An organization, corporation, whether for-profit or not-for-profit, cooperative association, limited partnership, professional association, limited liability company, or limited liability partnership, whether organized in Connecticut or any other state. "Entity" includes any tax-exempt organization under Section 501(c) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, and any tax-exempt political organization organized under Section 527 of said code. See General Statutes § 9-601(19) (defining "entity").

Expenditure: Any outlay or disbursement of funds or anything of value when made to promote the success or defeat of any candidate seeking election or nomination of any person, to promote the success or defeat of a referendum question, or to promote the success or defeat of a political party. This includes expenditures that promote, attack, support, or oppose candidates as well as those that clearly identify them in certain types of communications within ninety days of the election. Note that coordinated expenditures are also contributions. See General Statutes § 9-601b (establishing meaning of "expenditure" for campaign finance purposes, and exceptions to that definition).

Exploratory Committee: A political committee that a candidate establishes to raise funds and gauge support for his or her candidacy while deciding whether to seek a particular public office. See General Statutes § 9-601(5) (defining "exploratory committee").

Incidental Spenders: Individuals or preexisting groups who are not raising money specifically for use in Connecticut elections or referenda but rather are spending out of their existing treasury to make expenditures that are wholly and totally independent of candidates, candidate committees, party committees, and traditional political committees.

Independent Expenditures: Expenditures made by a "person"(individual, entity or committee) without the consent, coordination, or consultation of, a candidate or agent of the candidate, candidate committee, political committee or party committee. In order to be independent, the expenditures must be totally, wholly, and truly independent and made without the candidate's approval (or wink or nod). General Statutes § 9-601c; Declaratory Ruling 2014-01; Declaratory Ruling 2018-01.

Independent Expenditure Political Committee: A political committee that solicits and receives contributions for expenditures with respect to Connecticut elections but

does not make contributions directly to such candidates or committees, including expenditures coordinated with candidates and committees. See Advisory Opinion 2014-02.

Individual: A human being, a sole proprietorship, or a professional service corporation organized under Chapter 594a of the Connecticut General Statutes and owned by a single human being. See General Statutes § 9-601(9) (defining "individual" for purposes of Connecticut's campaign finance laws).

In-Kind Contributions: Donation of goods, services, or anything of value (other than cash, checks, or other negotiable instruments), including coordinated expenditures, that the recipient committee or candidate receives free of charge or at less than the usual charge.

Investment Services Firm: A firm conducting investment legal services, investment banking services, investment advisory services, underwriting services, financial advisory services or brokerage firm services. See General Statutes § 9-612(e).

Lobbyist: Generally defined as a person who, in lobbying and in furtherance of lobbying, makes or agrees to make expenditures, or receives or agrees to receive compensation, reimbursement, or both, and such compensation, reimbursement or expenditures are $3,000 or more in any calendar year or the combined amount thereof is $3,000 or more in any such calendar year. See General Statutes §§ 1-91(12) (as amended by Public Act 15-15) (defining "lobbyist"), 9-601(16) (drawing on § 1-91 to define "lobbyist" for purposes of campaign finance laws). The term lobbyist includes both communicator lobbyists and client lobbyists. See also **Client Lobbyist** and **Communicator Lobbyist.** For more information on who is a client lobbyist or who is a communicator lobbyist, please contact the Office of State Ethics at 860-263-2400 or visit their website.

Organization: All labor organizations, employee organizations, bargaining representative organizations for teachers, local, state or national organizations to which any labor organization pays fees or membership dues, as well as any trade or professional association receiving its funds exclusively from membership dues. See General Statutes § 9-601(7) (defining "organization").

Organization Expenditure: Certain expenses made by legislative leadership committees, legislative caucus committees, or party committees that benefit candidates but are exempted from the definition of "contribution" and "expenditure." These expenses can only be made for specific publications, advertisements, events, and services outlined in General Statutes § 9-601(25) (defining "organization expenditures") and depending on the office, whether the candidate is participating in the Citizens' Election Program and the timing may have certain restrictions.

Party Committee: A committee established by a political party, including a local town committee or state central committee, excluding party-affiliated district, ward, or

borough committees, which are considered "political committees." See General Statutes § 9-601(2) (defining "party committee").

Person: An individual, committee, firm, partnership, organization, association, syndicate, company trust, corporation, limited liability company or any other legal entity of any kind but does not mean the state or any political or administrative subdivision of the state. See General Statutes § 9-601(10) (defining "person").

Political Committee: A committee established by a business, organization, group of individuals, an exploratory candidate, or a slate of municipal candidates to promote the election or nomination of candidates for public office or to advocate for or against a referendum issue. Political committees may also be established by legislative leadership or legislative caucuses. See General Statutes § 9-601(3) (defining "political committee"). See **Independent Expenditure Political Committee** and **Traditional Political Committee**.

Political Slate Committee: A political committee formed by two or more candidates for nomination or election to any municipal office in the same town, city or borough, or in a primary for the office of justice of the peace or the position of town committee member, whenever such political committee will serve as the sole funding vehicle for the candidates' campaigns. See General Statutes § 9-601(28) (defining "slate committee").

Principal of an Investment Services Firm: For purposes of the contribution and solicitation ban by such principals to or for an exploratory committee or candidate committee for nomination or election to the office of State Treasurer, such individuals are identified as follows: (1) directors; (2) owners of at least 5% of the shares of the firm; (3) president, treasurer, and executive vice president; (4) any individual who is an employee of an investment services firm who has managerial or discretionary responsibilities with respect to investment services provided to the State Treasurer; (5) the spouse and dependent children eighteen years or older of all of the above individuals; and (6) any political committee established or controlled by the investment services firm or by any of the above individuals. See General Statutes § 9-612(e).

Principal of a State Contractor, Prospective State Contractor: For purposes of the contribution and solicitation provisions, such individuals are identified as follows:

For business entities (including all types of businesses, regardless of its form of organization): (1) directors; (2) owners of at least 5% of business; (3) president, treasurer, executive vice president; (4) managerial or discretionary employees (those employees having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract); (5) the spouse and dependent children eighteen years or older of all of the above individuals; (6) any political committee established or controlled by the business entity or by any of the above individuals.

For non-profit organizations (all types of non-profits, regardless of tax exempt status): (1) chief executive officer or, if none, officer with comparable duties; (2) managerial or discretionary employees (those employees having direct, extensive and substantive

responsibilities with respect to the negotiation of the state contract); (3) the spouse and dependent children eighteen years or older of all of the above individuals; (4) any political committee established or controlled by the nonprofit organization or by any of the above individuals.

Note that the same definitions of the term principal apply to subcontractors for purposes of the subcontractor solicitation ban.

See General Statutes § 9-612(f).

Prospective State Contractor: For purposes of the contribution and solicitation provisions, prospective state contractors include any person, business entity, or nonprofit organization that submits a bid or proposal on a state contract or request or that holds a prequalification certificate issued by the Commissioner of Administrative Services. See General Statutes § 9-612(f).

Referendum Question: A question to be voted upon at any election or referendum, including a proposed amendment to the Connecticut Constitution. See General Statutes § 9-601(15) (defining "referendum question").

Solicitor: An individual, including a candidate, appointed by a treasurer to receive funds on behalf of a committee organized under the auspices of Chapter 155. See General Statutes § 9-601(14) (defining "solicitor"). Treasurers should keep track of contributions received by each solicitor.

State Contract: An agreement or contract with the state, any state agency or quasi-public agency, obtained through a procurement process or otherwise valued at $50,000 or more for a single contract, or $100,000 or more for a series of contracts in a calendar year. The contract must be for (1) the rendition of services; (2) the furnishing of any goods, material, supplies, equipment or any item of any kind; (3) the construction, alteration, or repair of any public building or public work; (4) the acquisition, sale or lease of any land or building; (5) a licensing arrangement; or (6) a grant, loan, or loan guarantee. "State contract" does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan, a loan to an individual for other than commercial purposes or any agreement or contract between the state or any state agency and the United States Department of the Navy or the United States Department of Defense. See General Statutes § 9-612(f).

State Contractors: State contractors include any person, business entity, or nonprofit organization that enters into a state contract. "State contractor" does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in

such person's capacity as a state or quasi-public agency employee. See General Statutes § 9-612(f).

Slate Committee: See **Political Slate Committee**.

Statewide Office: Statewide office includes the offices of Governor, Lieutenant Governor, Secretary of the State, State Treasurer, State Comptroller, and Attorney General.

Subcontractor: Any person, business entity or nonprofit organization that contracts to perform part or all of the obligations of a state contractor's state contract. Such person, business entity or nonprofit organization is deemed to be a subcontractor until December 31 of the year in which the subcontract terminates. "Subcontractor" does not include (1) a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or (2) an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee. See General Statutes § 9-612(f).

Town Committee: A type of party committee affiliated at the municipal level.

Traditional Political Committee: A political committee registered in Connecticut that solicits and receives contributions for Connecticut elections and can make contributions directly to candidates and committees, as well as expenditures coordinated with candidates and committees. See Advisory Opinion 2014-02.

Treasurer: A Connecticut elector (registered voter) appointed to serve as treasurer for a candidate committee; for a political committee, including exploratory, political slate, and referendum committees; or for a party committee. Only the committee's properly designated treasurer may approve expenditures and deposit funds into, or expend funds from, the committee's depository account. See General Statutes §§ 9-601(12) (defining "treasurer"), 9-606(d) (requiring treasurers to be Connecticut electors), 9-608 (outlining requirements for statements that treasurers file on behalf of candidate, party, or political committees). In order to effectively resign, a written statement must be filed with the proper filing repository.

XIII. Appendix

Permissible Contributions by Political Committees

Aggregate Dollar Limits	Type of Political Committee Making Contribution				
Type of Committee Receiving Contribution	**Traditional Political Committee 2 or more Individuals**	**Traditional Political Committee Business Entity**	**Traditional Political Committee Labor Organization**	**Traditional Political Committee Established for Single Election**	**Legislative Leadership or Caucus Committee**
Candidate (Governor)[1]	5,000	5,000	5,000	5,000	PROHIBITED
Candidate (Lt. Gov., Secretary of the State, Treas., Comp., A.G.) [1]	3,000	3,000	3,000	3,000	PROHIBITED
Candidate (State Senator)[1]	1,500	1,500	1,500	1,500	10,000
Candidate (Probate Judge)[1]	1,500	1,500	1,500	1,500	PROHIBITED
Candidate (State Representative)[1]	750	750	750	750	5,000
Candidate (Chief Executive Officer of Town)[1]	1,500	1,500	1,500	1,500	PROHIBITED
Candidate (All other municipal offices)[1]	375	375	375	375	PROHIBITED
Candidate (Town Committee Primary)[2]	UNLIMITED	UNLIMITED	UNLIMITED	UNLIMITED	PROHIBITED
Exploratory Committee (Statewide Office / General Assembly)	375	375	375	375	PROHIBITED
Exploratory Committee (municipal office only)	375	375	375	375	PROHIBITED
Political Slate Committee (municipal offices only)	2,000/yr	2,000/yr	2,000/yr	2,000	PROHIBITED
Political Slate Committee (Town Committee Primary)[2]	UNLIMITED	UNLIMITED	UNLIMITED	UNLIMITED	PROHIBITED
Party Committee (Town)	1,500/yr	1,500/yr	1,500/yr	1,500/yr	PROHIBITED
Party Committee (State Central)	7,500/yr	7,500/yr	7,500/yr	7,500/yr	10,000/yr
Legislative Caucus or Leadership Committee	2,000/yr	2,000/yr	2,000/yr	2,000	PROHIBITED
Traditional Political Committee (2 or more individuals)	2,000/yr	2,000/yr	2,000/yr	2,000	PROHIBITED
Traditional Political Committee (Business Entity)	2,000/yr	2,000/yr	2,000/yr	2,000	PROHIBITED
Traditional Political Committee (Labor Organization)	2,000/yr	2,000/yr	2,000/yr	2,000	PROHIBITED
Independent Expenditure Political Committee	UNLIMITED	UNLIMITED	UNLIMITED	UNLIMITED[4]	PROHIBITED
Referendum Committee	2,000/yr	2,000/yr	UNLIMITED	2,000	PROHIBITED
National Committee of a Political Party[3]	UNLIMITED	UNLIMITED	UNLIMITED	PROHIBITED	PROHIBITED
Federal or Out of State Candidate Committee[3]	UNLIMITED	UNLIMITED	UNLIMITED	PROHIBITED	PROHIBITED

(Revised August 2019)

Permissible Contributions by Political Committees
Special Donor Restrictions

	Type of Political Committee Making Contribution	
Type of Committee Receiving Contribution	**Political Committee Controlled by a Communicator Lobbyist**	**Political Committee Controlled by a Principal of State or Prospective State Contractor**
Candidate (Governor)[1]	100[5]	PROHIBITED[8]
Candidate (Lt. Governor)[1]	100[5]	PROHIBITED[8]
Candidate (Secretary of the State, Treasurer, Comptroller, A.G.)[1]	100[5]	PROHIBITED[8]
Candidate (State Senator)[1]	100[5]	PROHIBITED[9]
Candidate (Probate Judge)[1]	1,500	1,500
Candidate (State Representative)[1]	100[5]	PROHIBITED[9]
Candidate (Chief Executive Officer of Town)[1]	1,500	1,500
Candidate (All other municipal offices)[1]	375	375
Candidate (Town Committee Primary)[2]	UNLIMITED	UNLIMITED
Exploratory Committee (Statewide Office and/or General Assembly – not including state rep.)	100[5, 6]	PROHIBITED[8, 9]
Exploratory Committee (Statewide Office and/or General Assembly – including state rep.)	100[5, 6]	PROHIBITED[8, 9]
Exploratory Committee (municipal office only)	375	375
Political Slate Committee (municipal offices only)	2,000	2,000
Political Slate Committee (Town Committee Primary)[2]	2,000	2,000
Party Committee (Town)	100	PROHIBITED
Party Committee (State Central)	100	PROHIBITED
Legislative Caucus or Leadership Committee	100[5]	PROHIBITED[9]
Traditional Political Committee (2 or more individuals)	100[5, 7]	PROHIBITED[8, 9]
Traditional Political Committee (Business Entity)	2000/yr[5]	PROHIBITED[8, 9]
Traditional Political Committee (Organization)	2000/yr[5]	PROHIBITED[8, 9]
Independent Expenditure Political Committee	100[5, 7]	PROHIBITED[8, 9]
Referendum Committee	UNLIMITED	UNLIMITED
***No candidate participating in the Citizens' Election Program may accept a contribution from any political committee.**		

(Revised August 2019)

[1] Contribution limits to candidate committees apply separately to primaries and elections. Contributions received on or before day of primary are counted toward primary; contributions received after primary are counted toward election. Candidate must compete in primary for separate primary limit to apply and in election for separate election limit to apply.

[2] Candidates in a primary for town committee member are not subject to contribution limits or restrictions set forth in Sections 9-611 to 9-620 of the Connecticut General Statutes, unless they have designated a town committee as their sole funding source (in which case, the contribution limits to a town committee apply).

[3] Limitations are subject to federal law.

[4] Political slate committees and exploratory committees may not make such contributions.

[5] During legislative session, political committees established by or behalf of a lobbyist are prohibited from making contributions in any amounts to a candidate or exploratory committee established by a General Assembly or statewide office candidate and to a political committee (a) established for an Assembly or Senatorial district; (b) established by a member of the General Assembly or a statewide officer or such member or officer's agent, or in consultation with, or at the request or suggest of, any such member, officer or agent; or (c) controlled by such member, officer or agent to aid or promote the nomination or election of any candidate or candidates to the General Assembly or statewide office.

[6] Reduced limit applies to any exploratory committee of a candidate who is considering the offices of Governor, Lt. Governor, Secretary of the State, Comptroller, Treasurer, Attorney General, State Senator and/or State Representative. For other offices, $375 limitation applies.

[7] Reduced limit applies to political committees established or controlled by any candidates for Governor, Lt. Governor, Secretary of the State, Treasurer, Comptroller, Attorney General, State Senator or Representative; during legislative session, such contribution is prohibited. For political committees not established or controlled by such candidates, the limit is $2,000/year.

[8] Prohibition applies if contract, bid or proposal is with executive branch agency and meets financial threshold and the recipient political committee is authorized to spend on executive branch candidates. If contract, bid or proposal is with legislative branch, then principal (political committee) may contribute to candidate or exploratory committee of a candidate for executive branch office, or political committee authorized to spend for the benefit of such candidates subject to the same limits as any other political committee ($375 for exploratory committee; $2,000 for political committee).

[9] Prohibition applies if contract, bid or proposal is with legislative branch agency and meets financial threshold and the recipient political committee is authorized to spend on General Assembly candidates. If contract, bid or proposal is with executive branch agency or quasi-public agency, then principal (political committee) may contribute to candidate or exploratory committee of a candidate for the General Assembly or political committee authorized to spend for the benefit of such candidates, subject to the same limits as any other political committee ($375 for exploratory committee; $2,000 for political committee).