



STATE OF CONNECTICUT OFFICE OF POLICY AND MANAGEMENT

To: Heads of Executive Branch Agencies
From: Robert L. Genuario, Secretary
Date: March 23, 2007
Subject: Updated Contracting Requirements Pursuant to Public Act 07-1

On February 8, 2007, Governor Rell signed into law Public Act 07-1, AN ACT CONCERNING THE STATE CONTRACTOR CONTRIBUTION BAN AND GIFTS TO STATE AND QUASI-PUBLIC AGENCIES. The new law makes important revisions to existing state statutes that prohibit state contractors, prospective contractors, and their principals from soliciting or making contributions to state political campaigns. While the underlying contractor ban remains in force, the specifics with respect to how the ban will be implemented have changed. The purpose of this memo is to explain the requirements of the new law, as related to executive branch agencies.

The law has two requirements that directly affect agencies: (1) agencies must provide a notice to their state contractors and prospective state contractors about the ban; and (2) agencies must report to the State Elections and Enforcement Commission (SEEC) about their state contractors and prospective state contractors. A summary of these requirements is provided on the next page. ***Both requirements are effective immediately.***

More information about P.A. 07-1 is available on SEEC's website at www.ct.gov/seec under the [STATE CONTRACTOR CONTRIBUTION BAN](#) hyperlink. If you have questions about the ban, please contact SEEC @ 860-566-1776.

Please note that SEEC Form SC3 ["State Contractor or Prospective State Contractor Affidavit"] and SEEC Form SC3A ["List of Principals"] were rescinded on February 8, 2007. Agencies are instructed to cease sending these forms to their state contractors and prospective state contractors.

Where applicable, the requirements of the new law will be incorporated into OPM's standards for personal service agreements (PSA). If you have any questions about the PSA standards, please contact Wanda Dupuy at OPM, 860-418-6261 or wanda.dupuy@po.state.ct.us.

IMPORTANT NOTE TO POS AGENCIES: OPM will be updating Part II of the purchase of service (POS) contract to include standardized language concerning the ban. If you have any questions about Part II, please contact Mary Polci at OPM, 860-418-6368 or mary.polci@po.state.ct.us.

cc: Michael Cicchetti, Deputy Secretary
Gareth Bye, Director of Legal Affairs
Gale Mattison, Executive Financial Officer
Agency Chief Fiscal Officers

Attachments:

- Public Act 07-1
- SEEC Form 10 ["Notice"]
- SEEC Form 11 ["Notice"]

**UPDATED CONTRACTING REQUIREMENTS
Pursuant to Public Act 07-1**

(1) Agency Notice to State Contractors and Prospective State Contractors

REQUIREMENT:

All agencies must notify their state contractors and prospective state contractors about the campaign solicitation and contribution ban. Further, all agencies must obtain written acknowledgement from such contractors that they have received the notice and have informed their principals about the ban. SEEC has provided the agencies with a notice (form) for this purpose. Note: See notice for definitions of terms.

APPLICABILITY: Current Contracts; Pending Solicitations; Prequalifications; Future & Amended Contracts

PROCEDURE FOR CURRENT CONTRACTS; PENDING SOLICITATIONS; PREQUALIFICATIONS:

OPM directs each agency to send a hard copy of **SEEC Form 10** to each of their current, prospective, and prequalified contractors. Each such contractor must return the completed form to the agency. See attached SEEC Form 10.

PROCEDURE FOR FUTURE SOLICITATIONS; FUTURE & AMENDED CONTRACTS:

Going forward, OPM strongly recommends that each agency include language concerning the ban in the agency's boilerplate for solicitations and for contracts. Doing so will make the agency's obligation to give notice, and the contractor's obligation to acknowledge receipt of such notice, an integral part of the agency's standard solicitation and contracting processes. By signing the solicitation or contract, the authorized signatory expressly acknowledges receipt of the notice and, thus, avoids having the contractor separately complete and return SEEC Form 10 to the agency.

Note: Agencies that do not implement OPM's recommendation must follow the Procedure for Current Contracts; Pending Solicitations; Prequalifications (above) to satisfy the notice requirement.

OPM has developed the following standardized language for agencies to include in their boilerplate for solicitations and for contracts. This language, which the Office of Attorney General (OAG) has approved for agency use, is as follows:

*Standardized language for inclusion in agency's **solicitation** boilerplate:*

"With regard to a State contract as defined in P.A. 07-1 having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this submission in response to the State's solicitation expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising prospective state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See Attachment ___ [SEEC Form 11]."

*Standardized language for inclusion in agency's **contract** boilerplate:*

"For all State contracts as defined in P.A. 07-1 having a value in a calendar year of \$50,000 or more or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this Agreement expressly acknowledges receipt of the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the contents of the notice. See Attachment ___ [SEEC Form 11]."

Per the standardized language, agencies must attach a copy of **SEEC Form 11** to all future solicitations, future contracts, and amended contracts. Unlike SEEC Form 10, SEEC Form 11 does not have the fillable fields at the bottom of the page. See attached SEEC Form 11.

(2) Agency Reports to SEEC

The new law requires that each agency submit an initial list with the names of their state contractors and prospective contractors to SEEC. Each month thereafter, each agency must report to SEEC any changes, additions, or deletions to its list of contractors. OPM, the Office of the State Comptroller (OSC), and SEEC are developing the procedures that agencies will follow to satisfy their reporting requirements under the law. More information will be forthcoming shortly.

NOTICE TO EXECUTIVE BRANCH STATE CONTRACTORS AND PROSPECTIVE STATE CONTRACTORS OF CAMPAIGN CONTRIBUTION AND SOLICITATION BAN

This notice is provided under the authority of Connecticut General Statutes 9-612(g)(2), as amended by P.A. 07-1, and is for the purpose of informing state contractors and prospective state contractors of the following law (italicized words are defined on page 2):

Campaign Contribution and Solicitation Ban

No *state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor*, with regard to a *state contract or state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to, or *solicit* contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee;

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

Duty to Inform

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

Penalties for Violations

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

Civil penalties--\$2000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of \$2000 or twice the amount of the prohibited contributions made by their principals.

Criminal penalties— Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or \$5000 in fines, or both.

Contract Consequences

Contributions made or solicited in violation of the above prohibitions may result, in the case of a state contractor, in the contract being voided.

Contributions made or solicited in violation of the above prohibitions, in the case of a prospective state contractor, shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The state will not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Receipt acknowledged: _____ (signature) _____ (date)

Print name: _____ Title: _____

Company Name: _____

Definitions:

"State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "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.

"Prospective state contractor" means a person, business entity or nonprofit organization that (i) 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 (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100.

"Prospective 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.

"Principal of a state contractor or prospective state contractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has managerial or discretionary responsibilities with respect to a state contract, (v) the spouse or a dependent child who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

"State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars 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, (v) a licensing arrangement, or (vi) 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 or a loan to an individual for other than commercial purposes.

"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 proposals, 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.

"Managerial or discretionary responsibilities with respect to a state contract" means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

"Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax of such individual.

"Solicit" means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (IV) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.

NOTICE TO EXECUTIVE BRANCH STATE CONTRACTORS AND PROSPECTIVE STATE CONTRACTORS OF CAMPAIGN CONTRIBUTION AND SOLICITATION BAN

This notice is provided under the authority of Connecticut General Statutes 9-612(g)(2), as amended by P.A. 07-1, and is for the purpose of informing state contractors and prospective state contractors of the following law (italicized words are defined below):

Campaign Contribution and Solicitation Ban

No state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor, with regard to a state contract or state contract solicitation with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee;

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

Duty to Inform

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

Penalties for Violations

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

Civil penalties--\$2000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of \$2000 or twice the amount of the prohibited contributions made by their principals.

Criminal penalties—Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or \$5000 in fines, or both.

Contract Consequences

Contributions made or solicited in violation of the above prohibitions may result, in the case of a state contractor, in the contract being voided.

Contributions made or solicited in violation of the above prohibitions, in the case of a prospective state contractor, shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The State will not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Additional information and the entire text of P.A 07-1 may be found on the website of the State Elections Enforcement Commission, www.ct.gov/seec. Click on the link to "State Contractor Contribution Ban."

Definitions:

"State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. "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.

"Prospective state contractor" means a person, business entity or nonprofit organization that (i) 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 (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. "Prospective 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.

"Principal of a state contractor or prospective state contractor" means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has *managerial or discretionary responsibilities with respect to a state contract*, (v) the spouse or a *dependent child* who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

"State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars 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, (v) a licensing arrangement, or (vi) 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 or a loan to an individual for other than commercial purposes.

"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 proposals, 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.

"Managerial or discretionary responsibilities with respect to a state contract" means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

"Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax of such individual.

"Solicit" means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (iv) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.



Senate Bill No. 1112

Public Act No. 07-1

AN ACT CONCERNING THE STATE CONTRACTOR CONTRIBUTION BAN AND GIFTS TO STATE AND QUASI-PUBLIC AGENCIES.

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

Section 1. Section 9-612 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) No individual shall make a contribution or contributions in any one calendar year in excess of five thousand dollars to the state central committee of any party, or for the benefit of such committee pursuant to its authorization or request; or one thousand dollars to a town committee of any political party, or for the benefit of such committee pursuant to its authorization or request; or one thousand dollars to a legislative caucus committee or legislative leadership committee, or seven hundred fifty dollars to any other political committee other than (1) a political committee formed solely to aid or promote the success or defeat of a referendum question, (2) an exploratory committee, (3) a political committee established by an organization, or for the benefit of such committee pursuant to its authorization or request, or (4) a political committee formed by a slate of candidates in a primary for the office of justice of the peace of the same town.

(b) No individual shall make a contribution to a political committee established by an organization which receives its funds from the organization's treasury. With respect to a political committee established by an organization which has complied with the provisions of subsection (b) or (c) of section 9-614, and has elected to receive contributions, no individual other than a member of the organization may make contributions to the committee, in which case the individual may contribute not more than seven hundred fifty dollars in any one calendar year to such committee or for the benefit of such committee pursuant to its authorization or request.

(c) In no event may any individual make contributions to a candidate committee and a political committee formed solely to support one candidate other than an exploratory committee or for the benefit of a candidate committee and a political committee formed solely to support one candidate pursuant to the authorization or request of any such committee, in an amount which in the aggregate is in excess of the maximum amount which may be contributed to the candidate.

(d) Any individual may make unlimited contributions or expenditures to aid or promote the success or defeat of any referendum question, provided any individual who makes an expenditure or expenditures in excess of one thousand dollars to promote the success or defeat of any referendum question shall file statements according to the same schedule and in the same manner as is required of a campaign treasurer of a political committee under section 9-608.

(e) (1) Any individual acting alone may, independent of any candidate, agent of the candidate, or committee, make unlimited expenditures to promote the success or defeat of any candidate's campaign for election, or nomination at a primary, to any office or position. Except as provided in subdivision (2) of this subsection, any individual who makes an independent expenditure or expenditures in excess of one thousand dollars to promote the success or defeat of any candidate's campaign for election, or nomination at a primary, to any such office or position shall file statements according to the same schedule and in the same manner as is required of a campaign treasurer of a candidate committee under section 9-608.

(2) Any person who makes or obligates to make an independent expenditure or expenditures, as defined in section 9-601, [as amended by this act](#), intended to promote the success or defeat of a candidate for the office of Governor, Lieutenant Governor, Secretary of the State, State Treasurer, State Comptroller, Attorney General, state senator or state representative, which exceeds one thousand dollars, in the aggregate, during a primary campaign or a general election campaign, as defined in section 9-700, on or after January 1, 2008, shall file a report of such independent expenditure to the State Elections Enforcement Commission. The report shall be in the same form as statements filed under section 9-608. If the person makes or obligates to make such independent expenditure or expenditures more than twenty days before the day of a primary or election, the person shall file such report not later than forty-eight hours after such payment or obligation. If the person makes or obligates to make such independent expenditure or expenditures twenty days or less before the day of a primary or election, the person shall file such report not later than twenty-four hours after such payment or obligation. The report shall be filed under penalty of false statement.

(3) The independent expenditure report in subdivision (2) of this subsection shall include a statement (A) identifying the candidate for whom the independent expenditure or expenditures is intended to promote the success or defeat, and (B) affirming that the expenditure is not a coordinated expenditure.

(4) Any person may file a complaint with the commission upon the belief that (A) any such independent expenditure report or statement is false, or (B) any person who is required to file an independent expenditure report under subdivision (2) of this subsection has failed to do so. The commission shall make a prompt determination on such a complaint.

(5) (A) If a person fails to file a report required under subdivision (2) of this subsection for an independent expenditure or expenditures made or obligated to be made more than twenty days before the day of a primary or election, the person shall be subject to a civil penalty, imposed by the State Elections Enforcement Commission, of not more than five thousand dollars. If a person fails to file a report required under subdivision (2) of this subsection for an independent expenditure or expenditures made or obligated to be made twenty days or less before the day of a primary or election, the person shall be subject to a civil penalty, imposed by the State Elections Enforcement Commission, of not more than ten thousand dollars. (B) If any such failure is knowing and wilful, the person responsible for the failure shall also be fined not more than five thousand dollars or imprisoned not more than five years, or both.

(f) (1) As used in this subsection and subsection (f) of section 9-608, (A) "investment services" means investment legal services, investment banking services, investment advisory services, underwriting services, financial advisory services or brokerage firm services, and (B) "principal of an investment services firm" means (i) an individual who is a director of or has an ownership interest in an investment services firm to which the State Treasurer pays compensation, expenses or fees or issues a contract, except for an individual who owns less than five per cent of the shares of an investment services firm, **[which is a publicly traded corporation,]** (ii) an individual who is employed by such an investment services firm as president, treasurer, or executive **[or senior]** vice president, (iii) an employee of such an investment services firm who has managerial or discretionary responsibilities with respect to any investment services provided to the State Treasurer, (iv) the spouse or a dependent child **who is eighteen years of age or older** of an individual described in this subparagraph, or (v) a political committee established **or controlled** by **[or on behalf of]** an individual described in this subparagraph.

(2) No principal of an investment services firm shall make a contribution to, or solicit contributions on behalf of, an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State Treasurer during the term of office of the State Treasurer who pays compensation, expenses or fees or issues a contract to such firm. The provisions of this subdivision shall apply only to contributions and the solicitation of contributions that are not prohibited under subdivision (2) of subsection (g) of this section.

(3) Neither the State Treasurer, the Deputy State Treasurer, any unclassified employee of the office of the State Treasurer acting on behalf of the State Treasurer or Deputy State Treasurer, any candidate for the office of State Treasurer, any member of the Investment Advisory Council established under section 3-13b nor any agent of any such candidate may **knowingly,**

wilfully or intentionally solicit contributions on behalf of an exploratory committee or candidate committee established by a candidate for nomination or election to any public office, a political committee or a party committee, from a principal of an investment services firm. The provisions of this subdivision shall apply only to contributions and the solicitation of contributions that are not prohibited under subdivision (3) of subsection (g) of this section.

(4) No member of the Investment Advisory Council appointed under section 3-13b shall make a contribution to, or solicit contributions on behalf of, an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State Treasurer.

(5) The provisions of this subsection shall not restrict an individual from establishing an exploratory or candidate committee or from soliciting for and making contributions to a town committee or political committee that the candidate has designated in accordance with subsection (b) of section 9-604, for the financing of the individual's own campaign or from soliciting contributions for such committees from persons not prohibited from making contributions under this subsection.

(g) (1) As used in this subsection and subsections (h) and (i) of this section:

(A) "Quasi-public agency" has the same meaning as provided in section 1-120.

(B) "State agency" means any office, department, board, council, commission, institution or other agency in the executive [,] or legislative [or judicial] branch of state government.

(C) "State contract" means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a [fiscal] calendar year, for (i) the rendition of [personal] services, (ii) the furnishing of any goods, material, supplies, [or] 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, (v) a licensing arrangement, or (vi) 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 or a loan to an individual for other than commercial purposes.

(D) "State contractor" means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until [the termination of said contract] December thirty-first of the year in which such contract terminates. "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 [or judicial] 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.

(E) "Prospective state contractor" means a person, business entity or nonprofit organization that (i) submits a [bid in] response to a [bid] 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 (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. "Prospective 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 [or judicial] 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.

(F) "Principal of a state contractor or prospective state contractor" means (i) [an] any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who [(I) owns less than five per cent of the shares of any such state contractor or prospective state contractor that is a publicly traded corporation, or (II)] is a member of the board of directors of a nonprofit organization, [qualified under Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended,] (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive [or senior] vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has managerial or discretionary responsibilities with respect to a state contract, (v) the spouse or a dependent child who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by [or on behalf of] an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.

(G) "Dependent child" means a child residing in an individual's household who may legally be claimed as a dependent on the federal income tax return of such individual.

(H) "Managerial or discretionary responsibilities with respect to a state contract" means having

direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

(I) "Rendition of services" means the provision of any service to a state agency or quasi-public agency in exchange for a fee, remuneration or compensation of any kind from the state or through an arrangement with the state.

(J) "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 proposals, 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.

(2) On and after December 31, 2006:

(A) No state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor, with regard to a state contract [**bid solicitation or request for proposals**] solicitation with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee;

(B) No state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor, with regard to a state contract [**bid solicitation or request for proposals**] solicitation with or from the General Assembly or a holder, or principal of a holder, of a valid prequalification certificate, shall make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of state senator or state representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee;

(C) If a state contractor or principal of a state contractor makes or solicits a contribution prohibited under subparagraph (A) or (B) of this subdivision, as determined by the State Elections Enforcement Commission, the contracting state agency or quasi-public agency may, in the case of a state contract executed on or after [**December 7, 2005,**] the effective date of this section void the existing contract with said contractor, and no state agency or quasi-public agency shall award the state contractor a state contract or an extension or an amendment to a state contract for one year after the election for which such contribution is made or solicited unless the commission determines that mitigating circumstances exist concerning such

violation. No violation of the prohibitions contained in subparagraph (A) or (B) of this subdivision shall be deemed to have occurred if, and only if, the improper contribution is returned to the principal by the later of thirty days after receipt of such contribution by the recipient committee treasurer or the filing date that corresponds with the reporting period in which such contribution was made; [Each state contract shall include the provisions of subparagraph (A) or (B) of this subdivision, whichever is applicable, and this subparagraph as conditions of the contract;] and

(D) If a prospective state contractor or principal of a prospective state contractor makes or solicits a contribution prohibited under subparagraph (A) or (B) of this subdivision, as determined by the State Elections Enforcement Commission, no state agency or quasi-public agency shall award the prospective state contractor the contract described in the [bid] state contract solicitation [or request for proposals,] or any other state contract for one year after the election for which such contribution is made or solicited unless the commission determines that mitigating circumstances exist concerning such violation. [Each state agency and quasi-public agency shall include the provisions of subparagraph (A) or (B) of this subdivision, whichever is applicable, and this subparagraph in each bid solicitation and request for proposals issued by the agency, and the Commissioner of Administrative Services shall include such provisions in each prequalification issued by said commissioner. The chief executive officer of each prospective state contractor shall: (i) Inform each individual described in subparagraph (F) of subdivision (1) of this subsection with regard to said prospective state contractor concerning the provisions of subparagraph (A) or (B) of this subdivision, whichever is applicable, and this subparagraph, (ii) certify in a sworn statement that no such individual will make or solicit a contribution in violation of the provisions of subparagraph (A) or (B) of this subdivision, whichever is applicable, and this subparagraph, and (iii) acknowledge in writing that if any such contribution is made or solicited, the prospective state contractor shall be disqualified from being awarded the contract described in the bid solicitation or request for proposals or being awarded any other state contract for one year after the election for which such contribution is made or solicited.]

(E) The State Elections Enforcement Commission shall make available to each state agency and quasi-public agency a written notice advising state contractors and prospective state contractors of the contribution and solicitation prohibitions contained in subparagraphs (A) and (B) of this subdivision. Such notice shall: (i) Direct each state contractor and prospective state contractor to inform each individual described in subparagraph (F) of subdivision (1) of this subsection, with regard to said state contractor or prospective state contractor, about the provisions of subparagraph (A) or (B) of this subdivision, whichever is applicable, and this subparagraph; (ii) inform each state contractor and prospective state contractor of the civil and criminal penalties that could be imposed for violations of such prohibitions if any such contribution is made or solicited; (iii) inform each state contractor and prospective state contractor that, in the case of a state contractor, if any such contribution is made or solicited, the contract may be voided; (iv) inform each state contractor and prospective state contractor that, in the case of a prospective state contractor, if any such contribution is made or solicited,

the contract described in the state contract solicitation shall not be awarded, unless the commission determines that mitigating circumstances exist concerning such violation; and (v) inform each state contractor and prospective state contractor that the state will not award any other state contract to anyone found in violation of such prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the commission determines that mitigating circumstances exist concerning such violation. Each state agency and quasi-public agency shall distribute such notice to the chief executive officer of its contractors and prospective state contractors, or an authorized signatory to a state contract, and shall obtain a written acknowledgement of the receipt of such notice.

(3) (A) On and after December 31, 2006, neither the Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, any candidate for any such office nor any agent of any such official or candidate **[may]** shall knowingly, wilfully or intentionally solicit contributions on behalf of an exploratory committee or candidate committee established by a candidate for nomination or election to any public office, a political committee or a party committee, from a person who he or she knows is prohibited from making contributions, including a principal of a state contractor or prospective state contractor with regard to a state contract **[, bid solicitation or request for proposals]** solicitation with or from a state agency in the executive branch or a quasi-public agency or a holder of a valid prequalification certificate.

(B) On and after December 31, 2006, neither a member of the General Assembly, any candidate for any such office nor any agent of any such official or candidate **[may]** shall knowingly, wilfully or intentionally solicit contributions on behalf of an exploratory committee or candidate committee established by a candidate for nomination or election to any public office, a political committee or a party committee, from a person who he or she knows is prohibited from making contributions, including a principal of a state contractor or prospective state contractor with regard to a state contract **[, bid solicitation or request for proposals]** solicitation with or from the General Assembly or a holder of a valid prequalification certificate.

(4) The provisions of this subsection shall not restrict a principal of a state contractor or prospective state contractor from establishing an exploratory or candidate committee, or from soliciting for and making contributions to a town committee or political committee that the principal has designated, in accordance with subsection (b) of section 9-604, for said principal's own campaign or from soliciting contributions for such committees from persons not prohibited from making contributions under this subsection.

(5) Each state contractor and prospective state contractor shall make reasonable efforts to comply with the provisions of this subsection. If the State Elections Enforcement Commission determines that a state contractor or prospective state contractor has failed to make reasonable efforts to comply with this subsection, the commission may impose civil penalties against such state contractor or prospective state contractor in accordance with subsection (a) of section 9-7b.

(h) (1) Not later than **[July 1, 2006]** thirty days after the effective date of this section, each state agency and quasi-public agency shall prepare and forward to the State Elections Enforcement Commission, on a form prescribed by said commission, a list of the **[state contracts for which the agency is a party and a list of the principals of]** names of the state contractors **[or]** and prospective state contractors **[for (A) such contracts]** with which such agency is a party to a contract, and **[(B) any bid]** any state contract solicitations **[, requests for proposals]** or prequalification certificates issued by the agency. **[Not later than August 1, 2006, and monthly thereafter, each]** Not less than once per month, each state agency and quasi-public agency shall forward to said commission, on a form prescribed by the commission, any changes additions or deletions to said lists, not later than the fifteenth day of the month. **[With the consent of the commission, any state agency may designate the commission to obtain such information for the purpose of preparing such lists and any changes, additions or deletions thereto.]**

(2) Not later than **[December 31, 2006]** sixty days after the effective date of this section, the State Elections Enforcement Commission shall (A) compile a master list **[of principals]** of state contractors and prospective state contractors for all state agencies and quasi-public agencies, based on the information received under subdivision (1) of this subsection, (B) publish the master list on the commission's Internet web site, and (C) provide copies of the master list to campaign treasurers upon request. The commission shall update the master list every **[three months]** month. **[Any campaign treasurer who acts in reliance on such master list in good faith shall have a complete defense in any action against the campaign treasurer for depositing a contribution in violation of subsection (g) of this section.]**

(i) The State Elections Enforcement Commission shall study subcontracts for state contracts and, not later than February 1, 2009, submit proposed legislation for extending the provisions of this subsection to such subcontracts to the joint standing committee of the General Assembly having cognizance of matters relating to elections.

(j) (1) As used in this subsection:

(A) "Quasi-public agency" has the same meaning as provided in section 1-120.

(B) "Unclassified service" has the same meaning as provided in section 5-196.

(2) On and after December 31, 2006:

(A) No executive head of a state agency in the executive branch, executive head of a quasi-public agency, deputy of any such executive head, other full-time official or employee of any such state agency or quasi-public agency who is appointed by the Governor, other full-time official or employee of any such state agency or quasi-public agency who is in the unclassified service, or member of the immediate family of any such person, shall make a contribution or contributions (i) to, or for the benefit of, any candidate's campaign for nomination at a primary

or election to the office of Governor or Lieutenant Governor, in excess of one hundred dollars for each such campaign, or (ii) to a political committee established by any such candidate, in excess of one hundred dollars in any calendar year;

(B) No official or employee of the office of the Attorney General, State Comptroller, Secretary of the State or State Treasurer who is in the unclassified service, or member of the immediate family of any such person, shall make a contribution or contributions (i) to, or for the benefit of, any candidate's campaign for nomination at a primary or election to the office in which such official or employee serves, in excess of one hundred dollars for each such campaign, or (ii) to a political committee established by any such candidate, in excess of one hundred dollars in any calendar year; and

(C) No member of a caucus staff for a major party in the Senate or House of Representatives, or member of the immediate family of such person, shall make a contribution or contributions (i) to, or for the benefit of, any candidate's campaign for nomination at a primary or election to the office of state senator or state representative, in excess of one hundred dollars for each such campaign, (ii) to a political committee established by any such candidate, in excess of one hundred dollars in any calendar year, or (iii) to a legislative caucus committee or a legislative leadership committee, in excess of one hundred dollars in any calendar year.

Sec. 2. Subsection (e) of section 9-611 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(e) No individual who is less than [sixteen] eighteen years of age shall make a contribution or contributions, in excess of thirty dollars to, for the benefit of, or pursuant to the authorization or request of: (1) A candidate or a committee supporting or opposing any candidate's campaign for nomination at a primary to any office; (2) a candidate or a committee supporting or opposing any candidate's campaign for election to any office; (3) an exploratory committee; (4) any other political committee in any calendar year; or (5) a party committee in any calendar year. Notwithstanding any provision of subdivision (2) of section 9-7b, any individual who is less than [sixteen] eighteen years of age who violates any provision of this subsection shall not be subject to the provisions of subdivision (2) of section 9-7b.

Sec. 3. Subdivision (3) of subsection (c) of section 9-608 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(3) In addition to the requirements of subdivision (2) of this subsection, each contributor who makes a contribution to a candidate or exploratory committee for Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State, State Treasurer, state senator or state representative, any political committee authorized to make contributions to such candidates or committees, and any party committee that separately, or in the aggregate, exceeds [one hundred] fifty dollars shall provide with the contribution a certification that the

contributor is not a principal of a state contractor or prospective state contractor, as defined in subsection (g) of section 9-612, as amended by this act, nor a communicator lobbyist or a member of the immediate family of a communicator lobbyist and shall provide the name of the employer of the contributor. The State Elections Enforcement Commission shall prepare a sample form for such certification by the contributor and shall make it available to campaign treasurers and contributors. Such sample form shall include an explanation of the terms "communicator lobbyist" and "principal of a state contractor or principal of a prospective state contractor". The information on such sample form shall be included in any written solicitation conducted by any such committee. If a campaign treasurer receives such a contribution and the contributor has not provided such certification, the campaign treasurer shall: (A) Not later than three business days after receiving the contribution, send a request for the certification to the contributor by certified mail, return receipt requested; (B) not deposit the contribution until the campaign treasurer obtains the certification from the contributor, notwithstanding the provisions of section 9-606; and (C) return the contribution to the contributor if the contributor does not provide the certification not later than 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. If a campaign treasurer deposits a contribution based on a certification that is later determined to be false, the treasurer shall not be in violation of this subdivision. [and the campaign treasurer did not know and should not have known that the certification was false, the campaign treasurer's lack of knowledge of the false certification shall be a complete defense in any action against the campaign treasurer for depositing the contribution in violation of this subdivision.]

Sec. 4. Subdivision (26) of section 9-601 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(26) "Solicit" means (A) requesting that a contribution be made, (B) participating in any fund-raising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee or bundling contributions, (C) serving as chairperson, **[campaign]** treasurer [,] **or** deputy **[campaign]** treasurer **[or any other officer]** of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. "Solicit" does not include (i) making a contribution that is otherwise permitted under this chapter, (ii) informing any person of a position taken by a candidate for public office or a public official, **[or]** (iii) notifying the person of any activities of, or contact information for, any candidate for public office, or (iv) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this subdivision.

Sec. 5. Section 1-79 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

The following terms, when used in this part, shall have the following meanings unless the

context otherwise requires:

(a) "Blind trust" means a trust established by a public official or state employee or member of his immediate family for the purpose of divestiture of all control and knowledge of assets.

(b) "Business with which he is associated" means any sole proprietorship, partnership, firm, corporation, trust or other entity through which business for profit or not for profit is conducted in which the public official or state employee or member of his immediate family is a director, officer, owner, limited or general partner, beneficiary of a trust or holder of stock constituting five per cent or more of the total outstanding stock of any class, provided, a public official or state employee, or member of his immediate family, shall not be deemed to be associated with a not for profit entity solely by virtue of the fact that the public official or state employee or member of his immediate family is an unpaid director or officer of the not for profit entity. "Officer" refers only to the president, executive or senior vice president or treasurer of such business.

(c) "Candidate for public office" means any individual who has filed a declaration of candidacy or a petition to appear on the ballot for election as a public official, or who has raised or expended money in furtherance of such candidacy, or who has been nominated for appointment to serve as a public official, but shall not include a candidate for the office of senator or representative in Congress.

(d) "Board" means the Citizen's Ethics Advisory Board established in section 1-80.

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

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

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

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

(4) A gift received from (A) an individual's spouse, fiance or fiancée, (B) the parent, brother or sister of such spouse or such individual, or (C) the child of such individual or the spouse of such child;

(5) Goods or services (A) which are provided to **[the state]** [a state agency or quasi-public](#)

agency (i) for use on state or quasi-public agency property, or (ii) [to] that support an event, [or the participation by a public official or state employee at an event,] and (B) which facilitate state or quasi-public agency action or functions. As used in this subdivision, "state property" means (i) property owned by the state or a quasi-public agency, or (ii) property leased to [an agency in the Executive or Judicial Department of the state] a state agency or quasi-public agency;

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

(7) A rebate, discount or promotional item available to the general public;

(8) Printed or recorded informational material germane to state action or functions;

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

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

(11) Food or beverage or both, costing less than fifty dollars per person and consumed at a publicly noticed reception to which all members of the General Assembly from a region of the state are invited and which is hosted not more than once in any calendar year by a lobbyist or business organization. For the purposes of such limit, (A) a reception hosted by a lobbyist who is an individual shall be deemed to have also been hosted by the business organization which he owns or is employed by, and (B) a reception hosted by a business organization shall be deemed to have also been hosted by all owners and employees of the business organization who are lobbyists. In making the calculation for the purposes of such fifty-dollar limit, the donor shall divide the amount spent on food and beverage by the number of persons whom the donor reasonably expects to attend the reception. As used in this subdivision, "region of the state" means the established geographic service area of the organization hosting the reception;

(12) A gift, including but not limited to, food or beverage or both, provided by an individual

for the celebration of a major life event;

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

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

(15) Anything of value provided by an employer of (A) a public official, (B) a state employee, or (C) a spouse of a public official or state employee, to such official, employee or spouse, provided such benefits are customarily and ordinarily provided to others in similar circumstances; **[or]**

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

[\(17\) Training that is provided by a vendor for a product purchased by a state or quasi-public agency which is offered to all customers of such vendor.](#)

(f) "Immediate family" means any spouse, children or dependent relatives who reside in the individual's household.

(g) "Individual" means a natural person.

(h) "Member of an advisory board" means any individual (1) appointed by a public official as an advisor or consultant or member of a committee, commission or council established to advise, recommend or consult with a public official or branch of government or committee thereof, (2) who receives no public funds other than per diem payments or reimbursement for his actual and necessary expenses incurred in the performance of his official duties, and (3) who has no authority to expend any public funds or to exercise the power of the state.

(i) "Person" means an individual, sole proprietorship, trust, corporation, limited liability company, union, association, firm, partnership, committee, club or other organization or group of persons.

(j) "Political contribution" has the same meaning as in section 9-601a except that for purposes of this part, the provisions of subsection (b) of that section shall not apply.

(k) "Public official" means any state-wide elected officer, any member or member-elect of the General Assembly, any person appointed to any office of the legislative, judicial or executive branch of state government by the Governor or an appointee of the Governor, with or without the advice and consent of the General Assembly, any public member or representative of the teachers' unions or state employees' unions appointed to the Investment Advisory Council pursuant to subsection (a) of section 3-13b, any person appointed or elected by the General Assembly or by any member of either house thereof, and any member or director of a quasi-public agency, but shall not include a member of an advisory board, a judge of any court either elected or appointed or a senator or representative in Congress.

(l) "Quasi-public agency" means the Connecticut Development Authority, Connecticut Innovations, Incorporated, Connecticut Health and Education Facilities Authority, Connecticut Higher Education Supplemental Loan Authority, Connecticut Housing Finance Authority, Connecticut Housing Authority, Connecticut Resources Recovery Authority, Lower Fairfield County Convention Center Authority, Capital City Economic Development Authority and Connecticut Lottery Corporation.

(m) "State employee" means any employee in the executive, legislative or judicial branch of state government, whether in the classified or unclassified service and whether full or part-time, and any employee of a quasi-public agency, but shall not include a judge of any court, either elected or appointed.

(n) "Trust" means a trust in which any public official or state employee or member of his immediate family has a present or future interest which exceeds ten per cent of the value of the trust or exceeds fifty thousand dollars, whichever is less, but shall not include blind trusts.

(o) "Business organization" means a sole proprietorship, corporation, limited liability company, association, firm or partnership, other than a client lobbyist, which is owned by, or employs, one or more individual lobbyists.

(p) "Client lobbyist" means a person on behalf of whom lobbying takes place and who makes expenditures for lobbying and in furtherance of lobbying.

(q) "Necessary expenses" means a public official's or state employee's expenses for an article, appearance or speech or for participation at an event, in his official capacity, which shall be limited to necessary travel expenses, lodging for the nights before, of and after the appearance, speech or event, meals and any related conference or seminar registration fees.

(r) "Lobbyist" and "registrant" shall be construed as defined in section 1-91, [as amended by this act](#).

(s) "Legal defense fund" means a fund established for the payment of legal expenses of a public

official or state employee incurred as a result of defending himself or herself in an administrative, civil, criminal or constitutional proceeding concerning matters related to the official's or employee's service or employment with the state or a quasi-public agency.

(t) "State agency" means any office, department, board, council, commission, institution, constituent unit of the state system of higher education, vocational-technical school or other agency in the executive, legislative or judicial branch of state government.

Sec. 6. Section 1-84 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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

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

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

(d) No public official or state employee or employee of such public official or state employee shall agree to accept, or be a member or employee of a partnership, association, professional corporation or sole proprietorship which partnership, association, professional corporation or sole proprietorship agrees to accept any employment, fee or other thing of value, or portion thereof, for appearing, agreeing to appear, or taking any other action on behalf of another person before the Department of Banking, the Claims Commissioner, the Office of Health Care Access, the Insurance Department, the office within the Department of Consumer Protection that carries out the duties and responsibilities of sections 30-2 to 30-68m, inclusive, the Department of Motor Vehicles, the State Insurance and Risk Management Board, the Department of Environmental Protection, the Department of Public Utility Control, the Connecticut Siting Council, the Division of Special Revenue within the Department of Revenue Services, the Gaming Policy Board within the Department of Revenue Services or the Connecticut Real Estate Commission; provided this shall not prohibit any such person from

making inquiry for information on behalf of another before any of said commissions or commissioners if no fee or reward is given or promised in consequence thereof. For the purpose of this subsection, partnerships, associations, professional corporations or sole proprietorships refer only to such partnerships, associations, professional corporations or sole proprietorships which have been formed to carry on the business or profession directly relating to the employment, appearing, agreeing to appear or taking of action provided for in this subsection. Nothing in this subsection shall prohibit any employment, appearing, agreeing to appear or taking action before any municipal board, commission or council. Nothing in this subsection shall be construed as applying (1) to the actions of any teaching or research professional employee of a public institution of higher education if such actions are not in violation of any other provision of this chapter, (2) to the actions of any other professional employee of a public institution of higher education if such actions are not compensated and are not in violation of any other provision of this chapter, (3) to any member of a board or commission who receives no compensation other than per diem payments or reimbursement for actual or necessary expenses, or both, incurred in the performance of the member's duties, or (4) to any member or director of a quasi-public agency. Notwithstanding the provisions of this subsection to the contrary, a legislator, an officer of the General Assembly or part-time legislative employee may be or become a member or employee of a firm, partnership, association or professional corporation which represents clients for compensation before agencies listed in this subsection, provided the legislator, officer of the General Assembly or part-time legislative employee shall take no part in any matter involving the agency listed in this subsection and shall not receive compensation from any such matter. Receipt of a previously established salary, not based on the current or anticipated business of the firm, partnership, association or professional corporation involving the agencies listed in this subsection, shall be permitted.

(e) No legislative commissioner or his partners, employees or associates shall represent any person subject to the provisions of part II concerning the promotion of or opposition to legislation before the General Assembly, or accept any employment which includes an agreement or understanding to influence, or which is inconsistent with, the performance of his official duties.

(f) No person shall offer or give to a public official or state employee or candidate for public office or his spouse, his parent, brother, sister or child or spouse of such child or a business with which he is associated, anything of value, including, but not limited to, a gift, loan, political contribution, reward or promise of future employment based on any understanding that the vote, official action or judgment of the public official, state employee or candidate for public office would be or had been influenced thereby.

(g) No public official or state employee or candidate for public office shall solicit or accept anything of value, including but not limited to, a gift, loan, political contribution, reward or promise of future employment based on any understanding that the vote, official action or judgment of the public official or state employee or candidate for public office would be or had

been influenced thereby.

(h) Nothing in subsection (f) or (g) of this section shall be construed (1) to apply to any promise made in violation of subdivision (6) of section 9-622, or (2) to permit any activity otherwise prohibited in section 53a-147 or 53a-148.

(i) No public official or state employee or member of the official or employee's immediate family or a business with which he is associated shall enter into any contract with the state, valued at one hundred dollars or more, other than a contract of employment as a state employee or pursuant to a court appointment, unless the contract has been awarded through an open and public process, including prior public offer and subsequent public disclosure of all proposals considered and the contract awarded. In no event shall an executive head of an agency, as defined in section 4-166, including a commissioner of a department, or an executive head of a quasi-public agency, as defined in section 1-79, [as amended by this act](#), or the executive head's immediate family or a business with which he is associated enter into any contract with that agency or quasi-public agency. Nothing in this subsection shall be construed as applying to any public official who is appointed as a member of the executive branch or as a member or director of a quasi-public agency and who receives no compensation other than per diem payments or reimbursement for actual or necessary expenses, or both, incurred in the performance of the public official's duties unless such public official has authority or control over the subject matter of the contract. Any contract made in violation of this subsection shall be voidable by a court of competent jurisdiction if the suit is commenced not later than one hundred eighty days after the making of the contract.

(j) No public official, state employee or candidate for public office, or a member of any such person's staff or immediate family shall knowingly accept any gift, as defined in subsection (e) of section 1-79, [as amended by this act](#), from a person known to be a registrant or anyone known to be acting on behalf of a registrant.

(k) No public official, spouse of the Governor or state employee shall accept a fee or honorarium for an article, appearance or speech, or for participation at an event, in the public official's, spouse's or state employee's official capacity, provided a public official, Governor's spouse or state employee may receive payment or reimbursement for necessary expenses for any such activity in his or her official capacity. If a public official, Governor's spouse or state employee receives such a payment or reimbursement for lodging or out-of-state travel, or both, the public official, Governor's spouse or state employee shall, not later than thirty days thereafter, file a report of the payment or reimbursement with the Office of State Ethics, unless the payment or reimbursement is provided by the federal government or another state government. If a public official, Governor's spouse or state employee does not file such report within such period, either intentionally or due to gross negligence on the public official's, Governor's spouse's or state employee's part, the public official, Governor's spouse or state employee shall return the payment or reimbursement. If any failure to file such report is not intentional or due to gross negligence on the part of the public official, Governor's spouse or

state employee, the public official, Governor's spouse or state employee shall not be subject to any penalty under this chapter. When a public official, Governor's spouse or state employee attends an event in this state in the public official's, Governor's spouse's or state employee's official capacity and as a principal speaker at such event and receives admission to or food or beverage at such event from the sponsor of the event, such admission or food or beverage shall not be considered a gift and no report shall be required from such public official, spouse or state employee or from the sponsor of the event.

(l) No public official or state employee, or any person acting on behalf of a public official or state employee, shall wilfully and knowingly interfere with, influence, direct or solicit existing or new lobbying contracts, agreements or business relationships for or on behalf of any person.

(m) No public official or state employee shall knowingly accept, directly or indirectly, any gift, as defined in subsection (e) of section 1-79, [as amended by this act](#), from any person the public official or state employee knows or has reason to know: (1) Is doing business with or seeking to do business with the department or agency in which the public official or state employee is employed; (2) is engaged in activities which are directly regulated by such department or agency; or (3) is prequalified under section 4a-100. No person shall knowingly give, directly or indirectly, any gift or gifts in violation of this provision. For the purposes of this subsection, the exclusion to the term "gift" in subdivision (12) of subsection (e) of section 1-79, [as amended by this act](#), for a gift for the celebration of a major life event shall not apply. Any person prohibited from making a gift under this subsection shall report to the Office of State Ethics any solicitation of a gift from such person by a state employee or public official.

(n) (1) As used in this subsection, (A) "investment services" means investment legal services, investment banking services, investment advisory services, underwriting services, financial advisory services or brokerage firm services, and (B) "principal of an investment services firm" means (i) an individual who is a director of or has an ownership interest in an investment services firm, except for an individual who owns less than five per cent of the shares of an investment services firm which is a publicly traded corporation, (ii) an individual who is employed by an investment services firm as president, treasurer, or executive or senior vice president, (iii) an employee of such an investment services firm who has managerial or discretionary responsibilities with respect to any investment services, (iv) the spouse or dependent child of an individual described in this subparagraph, or (v) a political committee established by or on behalf of an individual described in this subparagraph.

(2) The State Treasurer shall not pay any compensation, expenses or fees or issue any contract to any firm which provides investment services when (A) a political committee, as defined in section 9-601, [as amended by this act](#), established by such firm, or (B) a principal of the investment services firm has made a contribution, as defined in section 9-601a, to, or solicited contributions on behalf of, any exploratory committee or candidate committee, as defined in section 9-601, [as amended by this act](#), established by the State Treasurer as a candidate for

nomination or election to the office of State Treasurer. The State Treasurer shall not pay any compensation, expenses or fees or issue any contract to such firms or principals during the term of office as State Treasurer, including, for an incumbent State Treasurer seeking reelection, any remainder of the current term of office.

(o) If (1) any person (A) is doing business with or seeking to do business with the department or agency in which a public official or state employee is employed, or (B) is engaged in activities which are directly regulated by such department or agency, and (2) such person or a representative of such person gives to such public official or state employee anything of value which is subject to the reporting requirements pursuant to subsection (e) of section 1-96, such person or representative shall, not later than ten days thereafter, give such recipient and the executive head of the recipient's department or agency a written report stating the name of the donor, a description of the item or items given, the value of such items and the cumulative value of all items given to such recipient during that calendar year. The provisions of this subsection shall not apply to a political contribution otherwise reported as required by law.

(p) (1) No public official or state employee or member of the immediate family of a public official or state employee shall knowingly accept, directly or indirectly, any gift costing one hundred dollars or more from a public official or state employee who is under the supervision of such public official or state employee.

(2) No public official or state employee or member of the immediate family of a public official or state employee shall knowingly accept, directly or indirectly, any gift costing one hundred dollars or more from a public official or state employee who is a supervisor of such public official or state employee.

(3) No public official or state employee shall knowingly give, directly or indirectly, any gift in violation of subdivision (1) or (2) of this subsection.

[(q) No public official or state employee shall knowingly accept, directly or indirectly, any goods or services provided to the state under subdivision (5) of subsection (e) of section 1-79 by a person prohibited from making gifts to public officials and state employees under this section or section 1-97.]

[(r)] (q) No public official or state employee shall counsel, authorize or otherwise sanction action that violates any provision of this part.

Sec. 7. (NEW) (*Effective from passage*) Nothing in chapter 10 of the general statutes shall prohibit the donation of goods or services, as described in subdivision (5) of subsection (e) of section 1-79 of the general statutes, as amended by this act, to a state agency or quasi-public agency or the donation of the use of facilities to facilitate state or quasi-public agency action or functions. As used in this section, "state agency" and "quasi-public agency" have the same meanings as

provided in section 1-79 of the general statutes, as amended by this act.

Sec. 8. Section 1-91 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

When used in this part, unless the context otherwise requires:

(a) "Administrative action" means any action or nonaction of any executive agency of the state with respect to the proposal, drafting, development, consideration, amendment, adoption or repeal of any rule, regulation or utility rate, and any action or nonaction of any executive agency or quasi-public agency, as defined in section 1-79, [as amended by this act](#), regarding a contract, grant, award, purchasing agreement, loan, bond, certificate, license, permit or any other matter which is within the official jurisdiction or cognizance of such an agency.

(b) "Candidate for public office" means any person who has filed a declaration of candidacy or a petition to appear on the ballot for election as a public official, or who has raised or expended money in furtherance of such candidacy, or who has been nominated for appointment to serve as a public official; but shall not include a candidate for the office of senator or representative in Congress.

(c) "Board" means the Citizen's Ethics Advisory Board established under section 1-80.

(d) "Compensation" means any value received or to be received by a person acting as a lobbyist, whether in the form of a fee, salary or forbearance.

(e) "Executive agency" means a commission, board, agency, or other body or official in the executive branch of the state government and any independent body of the state government that is not a part of the legislative or judicial branch.

(f) "Expenditure" means any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, unless expressly excluded; any payments for telephone, mailing, postage, printing and other clerical or office services and materials; any paid communications, costing fifty dollars or more in any calendar year, disseminated by means of any printing, broadcasting or other medium, provided such communications refer to pending administrative or legislative action; any contract, agreement, promise or other obligation; any solicitation or solicitations, costing fifty dollars or more in the aggregate for any calendar year, of other persons to communicate with a public official or state employee for the purpose of influencing any legislative or administrative act and any pledge, subscription of money or anything of value. "Expenditure" shall not include the payment of a registrant's fee pursuant to section 1-95, any expenditure made by any club, committee, partnership, organization, business, union, association or corporation for the purpose of publishing a newsletter or other release to its members, shareholders or employees, or contributions, membership dues or other

fees paid to associations, nonstock corporations or tax-exempt organizations under Section 501 (c) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended.

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

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

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

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

(4) A gift received from (A) the individual's spouse, fiance or fiancée, (B) the parent, brother or sister of such spouse or such individual, or (C) the child of such individual or the spouse of such child;

(5) Goods or services (A) which are provided to **[the state]** [a state agency or quasi-public agency](#) (i) for use on state [or quasi-public agency](#) property, or (ii) **[to]** [that](#) support an event, **[or the participation by a public official or state employee at an event,]** and (B) which facilitate state [or quasi-public agency](#) action or functions. As used in this subdivision, "state property" means (i) property owned by the state [or a quasi-public agency](#), or (ii) property leased to **[an agency in the Executive or Judicial Department of the state]** [a state or quasi-public agency](#);

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

(7) A rebate, discount or promotional item available to the general public;

(8) Printed or recorded informational material germane to state action or functions;

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

(10) Food or beverage or both, costing less than fifty dollars per person and consumed at a publicly noticed legislative reception to which all members of the General Assembly are invited and which is hosted not more than once in any calendar year by a lobbyist or business

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

(11) Food or beverage or both, costing less than fifty dollars per person and consumed at a publicly noticed reception to which all members of the General Assembly from a region of the state are invited and which is hosted not more than once in any calendar year by a lobbyist or business organization. For the purposes of such limit, (A) a reception hosted by a lobbyist who is an individual shall be deemed to have also been hosted by the business organization which he owns or is employed by, and (B) a reception hosted by a business organization shall be deemed to have also been hosted by all owners and employees of the business organization who are lobbyists. In making the calculation for the purposes of such fifty-dollar limit, the donor shall divide the amount spent on food and beverage by the number of persons whom the donor reasonably expects to attend the reception. As used in this subdivision, "region of the state" means the established geographic service area of the organization hosting the reception;

(12) A gift, including but not limited to, food or beverage or both, provided by an individual for the celebration of a major life event;

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

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

(15) Anything of value provided by an employer of (A) a public official, (B) a state employee, or (C) a spouse of a public official or state employee, to such official, employee or spouse, provided such benefits are customarily and ordinarily provided to others in similar circumstances; **[or]**

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

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

(h) "Immediate family" means any spouse, dependent children or dependent relatives who reside in the individual's household.

(i) "Individual" means a natural person.

(j) "Legislative action" means introduction, sponsorship, consideration, debate, amendment, passage, defeat, approval, veto, overriding of a veto or any other official action or nonaction with regard to any bill, resolution, amendment, nomination, appointment, report, or any other matter pending or proposed in a committee or in either house of the legislature, or any matter which is within the official jurisdiction or cognizance of the legislature.

(k) "Lobbying" means communicating directly or soliciting others to communicate with any official or his staff in the legislative or executive branch of government or in a quasi-public agency, for the purpose of influencing any legislative or administrative action except that the term "lobbying" does not include (1) communications by or on behalf of a party to, or an intervenor in, a contested case, as described in regulations adopted by the commission in accordance with the provisions of chapter 54, before an executive agency or a quasi-public agency, as defined in section 1-79, as amended by this act, (2) communications by a representative of a vendor or by an employee of the registered client lobbyist which representative or employee acts as a salesperson and does not otherwise engage in lobbying regarding any administrative action, (3) communications by an attorney made while engaging in the practice of law and regarding any matter other than legislative action as defined in subsection (j) of this section or the proposal, drafting, development, consideration, amendment, adoption or repeal of any rule or regulation, or (4) other communications exempted by regulations adopted by the commission in accordance with the provisions of chapter 54.

(l) "Lobbyist" means 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 two thousand dollars or more in any calendar year or the combined amount thereof is two thousand dollars or more in any such calendar year. Lobbyist shall not include:

(1) A public official, employee of a branch of state government or a subdivision thereof, or elected or appointed official of a municipality or his designee other than an independent contractor, who is acting within the scope of his authority or employment;

(2) A publisher, owner or an employee of the press, radio or television while disseminating news or editorial comment to the general public in the ordinary course of business;

- (3) An individual representing himself or another person before the legislature or a state agency other than for the purpose of influencing legislative or administrative action;
- (4) Any individual or employee who receives no compensation or reimbursement specifically for lobbying and who limits his activities solely to formal appearances to give testimony before public sessions of committees of the General Assembly or public hearings of state agencies and who, if he testifies, registers his appearance in the records of such committees or agencies;
- (5) A member of an advisory board acting within the scope of his appointment;
- (6) A senator or representative in Congress acting within the scope of his office;
- (7) Any person who receives no compensation or reimbursement specifically for lobbying and who spends no more than five hours in furtherance of lobbying unless such person (A) exclusive of salary, receives compensation or makes expenditures, or both, of two thousand dollars or more in any calendar year for lobbying or the combined amount thereof is two thousand dollars or more in any such calendar year, or (B) expends fifty dollars or more for the benefit of a public official in the legislative or executive branch, a member of his staff or immediate family;
- (8) A communicator lobbyist who receives or agrees to receive compensation, reimbursement, or both, the aggregate amount of which is less than two thousand dollars from each client in any calendar year.
- (m) "Member of an advisory board" means any person appointed by a public official as an advisor or consultant or member of a committee, commission or council established to advise, recommend or consult with a public official or branch of government or committee thereof and who receives no public funds other than per diem payments or reimbursement for his actual and necessary expenses incurred in the performance of his official duties and who has no authority to expend any public funds or to exercise the power of the state.
- (n) "Person" means an individual, a business, corporation, limited liability company, union, association, firm, partnership, committee, club or other organization or group of persons.
- (o) "Political contribution" has the same meaning as in section 9-601a except that for purposes of this part, the provisions of subsection (b) of that section shall not apply.
- (p) "Public official" means any state-wide elected state officer, any member or member-elect of the General Assembly, any person appointed to any office of the legislative, judicial or executive branch of state government by the Governor, with or without the advice and consent of the General Assembly and any person appointed or elected by the General Assembly or any

member of either house thereof; but shall not include a member of an advisory board or a senator or representative in Congress.

(q) "Registrant" means a person who is required to register pursuant to section 1-94.

(r) "Reimbursement" means any money or thing of value received or to be received in the form of payment for expenses as a lobbyist, not including compensation.

(s) "State employee" means any employee in the executive, judicial or legislative branch of state government, whether in the classified or unclassified service and whether full or part-time.

(t) "Business organization" means a sole proprietorship, corporation, limited liability company, association, firm or partnership, other than a client lobbyist, which is owned by, or employs one or more individual lobbyists.

(u) "Client lobbyist" means a lobbyist on behalf of whom lobbying takes place and who makes expenditures for lobbying and in furtherance of lobbying.

(v) "Communicator lobbyist" means 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.

(w) "State agency" means any office, department, board, council, commission, institution, constituent unit of the state system of higher education, vocational-technical school or other agency in the executive, legislative or judicial branch of state government.

(x) "Quasi-public agency" means quasi-public agency, as defined in section 1-79, as amended by this act.

Sec. 9. Section 1-101nn of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Notwithstanding any provision of the general statutes, no person who (1) is, or is seeking to be, prequalified under section 4a-100, (2) is a party to a large state construction or procurement contract or seeking to enter into such a contract with a state agency, board, commission or institution or a quasi-public agency, or (3) is a party to a consultant services contract or seeking to enter into such a contract with a state agency, board, commission or institution or a quasi-public agency, shall:

(A) With the intent to obtain a competitive advantage over other bidders, solicit any information from a public official or state employee that the contractor knows is not and will not be available to other bidders for a large state construction or procurement contract that the

contractor is seeking;

(B) Intentionally, wilfully or with reckless disregard for the truth, charge a state agency, board, commission or institution or quasi-public agency for work not performed or goods not provided, including submitting meritless change orders in bad faith with the sole intention of increasing the contract price without authorization and, falsifying invoices or bills or charging unreasonable and unsubstantiated rates for services or unreasonable and unsubstantiated prices for goods to a state agency, board, commission or institution or quasi-public agency; **[or]**

(C) Intentionally or wilfully violate or attempt to circumvent state competitive bidding and ethics laws; or

(D) With the intent to unduly influence the award of a state contract, provide or direct another person to provide information concerning the donation of goods and services to a state agency or quasi-public agency, to the procurement staff of any state agency or quasi-public agency or a member of a bid selection committee.

(b) No person with whom a state agency, board, commission or institution or quasi-public agency has contracted to provide consulting services to plan specifications for any contract and no business with which the person is associated may serve as a consultant to any person seeking to obtain such contract, serve as a contractor for such contract or serve as a subcontractor or consultant to the person awarded such contract.

(c) Any person who violates any provision of this section may be deemed a nonresponsible bidder by a state agency, board, commission or institution or quasi-public agency.

Sec. 10. (NEW) (*Effective from passage*) Notwithstanding any provision of the general statutes, for purposes of chapter 10 of the general statutes, no foundation or alumni association established for the benefit of a constituent unit of public higher education or vocational-technical school shall be deemed to be doing business with or seeking to do business with such constituent unit of public higher education or vocational-technical school.

Approved February 8, 2007