

PA13-180

HB6580

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**CONNECTICUT
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Is there objection? Is there objection?

So ordered.

Will the Clerk please call Calendar number 303?

THE CLERK:

Yes, Mr. Speaker, on page 10 of yesterday's calendar, Calendar number 303, House Bill 6580, AN ACT CONCERNING FAILURE TO FILE A REPORT OF AN INDEPENDENT EXPENDITURE.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Thank you, Mr. Speaker. I move acceptance of the Joint Committee's favorable report and passage of the bill.

SPEAKER SHARKEY:

Question is on acceptance of the Joint Committee's favorable report and passage of the bill. Will you remark, sir?

REP. JUTILA (37th):

Thank you, Mr. Speaker. Yes, Mr. Speaker, in 2010, the U.S. Supreme Court rendered its decision in Citizens United versus the Federal Elections Commission and that decision opened the flood gates to

independent expenditures that threaten to unduly influence our electoral process.

Accordingly, we have a bill before us tonight, or this morning, I should say, intended to address this influx of new money into our system, reset the playing field and make other improvements to our campaign finance laws. The Court in Citizens United held that restricting independent expenditures invalid under the First Amendment to the Constitution.

The Court also told us that disclosure permits citizens and shareholders to react to the speech of corporate entities in a proper and transparent way enabling the electorate to make informed decisions and give proper weight to different speakers and messages, thus, reaffirming the validity of disclosure requirements.

At the same time, the court upheld the validity of disclaimers. So, these are the two tools that the Court gave us to work with after Citizens United -- disclosure and disclaimers. Mr. Speaker, hidden money especially when it comes from sources outside of our state, has no place in our electoral process. This bill will help to shine a light on that money so that we know who is behind it and where it's coming from.

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Some of the key elements of the bill include changes in reporting disclosure and disclaimer requirements for independent expenditures.

The bill expands the disclaimer requirements to cover all persons which is a broader definition than just entities. It makes changes to certain key definitions, particularly, contributions and expenditures. It also creates some new definitions, particularly covered transfers; it raises the limits on certain contributions from individuals and political committees and party committees; raises the aggregate limit on contributions an individual can make in a single election cycle.

It -- sorry. Mr. Speaker the Clerk has in his possession an Amendment, its LCO 8405. I would ask that the Clerk please call the Amendment and that I be granted leave to summarize.

SPEAKER SHARKEY:

Representative Jutila, could you clarify the LCO number?

REP. JUTILA (37th):

Sorry, Mr. Speaker, 8418.

SPEAKER SHARKEY:

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Eight four one eight, thank you. Will the Clerk please call LCO number 8418, which will be designated House Amendment "A"?

THE CLERK:

Yes, Mr. Speaker. House Amendment "A", LCO 8418, introduced by Representative Jutila.

SPEAKER SHARKEY:

The gentleman has as asked leave of the Chamber to summarize.

Is there objection? Is there objection?

Seeing, none, you may proceed with summarization, sir.

REP. JUTILA (37th):

Thank you, Mr. Speaker. I got a little ahead of myself at the early hour here. Once again, to summarize some of the key elements, it changes reporting, disclosure and disclaimer requirements for independent expenditure, expands the disclaimer requirements to cover the broad definition of persons; it makes changes to certain definitions and adds an important new definition for covered transfers; raises the limits on certain contributions; authorizes candidate committees, other than those participating in the citizens election program to distribute surplus

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funds to veterans organizations; it prohibits individuals who have committed certain crimes that are specified in the amendment from serving as campaign treasurers or from applying for grants under the citizens election program; it makes changes affecting the member terms of the state election enforcement commission including permitting members to be reappointed for a second term; it increases the maximum penalties for a failure to file independent expenditures reports and knowing and willful campaign finance violations; it allows additional citizens elections program grants in the event of a tie in primary or general election and makes certain conforming and technical changes and I would urge adoption.

SPEAKER SHARKEY

Question before the Chamber is adoption of House Amendment "A". Will remark? Will you remark further?

The Distinguished Minority Leader, Representative Cafero.

REP. CAFERO (142nd):

Thank you so much, Mr. Speaker. I have a few questions to the proponent of the Amendment.

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Please proceed, sir.

REP. CAFERO (142nd):

Thank you. First of all, through you, Mr. Speaker, I presume that the Amendment that's before us if adopted would become the bill, is that correct?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, yes, it is a strike all Amendment.

SPEAKER SHARKEY:

Representative Cafero.

REP. CAFERO (142nd):

Thank you so much, Mr. Speaker. Thank you, Representative Jutila. Ladies and Gentlemen of the Chamber, I have been blessed. Blessed to be a part of this General Assembly for now 21 years. And, in this Chamber over that period of time, I've seen a lot of history, been a part of a lot of history and that truly is for all of us, a privilege. And, it wasn't too long ago that we sat in this Chamber and we as a General Assembly, our predecessors as a legislature, claimed to make history.

We adopted what we called campaign finance reform. You see, we told the world on that day that we here in Connecticut want to do things differently. We had heard the complaints, the cynicism, the criticisms about our campaign system in America and in this state, that there was too much money, too much temptation for bad things to happen. There was too much negativity; people were sick and tired of turning on their television or opening their mailbox and hearing one candidate for public office bash yet another candidate for public office.

We were sick and tired of hearing about all the money that special interest groups could pour into campaigns and we in Connecticut were going to do it different. We in Connecticut were going to clean up our act. We were going to open the windows and let the sun shine in. We were going to allow the public to know those people who were running for office, those people who were seeking their vote, those people who hope to represent them in government at any level. We're doing so openly and honestly.

That's what our goal was and we passed a bill that claimed made history and here we are eight years later and in the dark of night, or I should say early

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morning, we have another bill before us and here it is. A bill that has several sections to it; a bill that is several pages long, I think 98 pages to be exact; a bill that purports to do all the things the good Representative said it does in his summary and I think it's important that as we decide whether we'll vote for this bill or not, we know what's in it.

One of the things that I inquired about without LCO is how many sections of this bill actually had a public hearing. How many sections of this bill did we open up those windows to and let the public in to comment and I found out that 23 concepts, 23 concepts that are contained in this bill, never had a public hearing, never had a public hearing.

How many times have we heard as we go through our own elections or watch those on a national level or even a local level, that so many people, focus groups, our neighbors, our friends say, we're tired of all the negativity, we're tired of the bashing, I can't take another commercial, I don't want to see another mailer in my mailbox with the shady pictures and the negative attacks on one's opponent. To heck with you all, we heard our neighbors and family and friends say.

And, we were going to be different, here in Connecticut. In fact, one of the things we said that I actually was so proud of, was that if we here in Connecticut are going to be negative, if we're going to attack our opponent, then you candidate for public office got to own it. If you're going to do it, you got to stand by it, you got to say you paid for it, if you're going to have that negative ad against Joe Smith and say he or she is not good, they're wrong for Connecticut, they did X, Y and Z, at the end of your ad you're going to say this ad was a paid for and approved by Larry Cafero or fill in the blank.

We had a concept here in Connecticut that if you're going to go negative, you're going to own it. And, the theory was that when you had to put your name behind it, your own name as you yourself was running for office, maybe you would think twice before you perpetuated that negativity. It wasn't a bad idea -- in fact, a darn good idea.

Because, as we all know in our own campaigns or those that we've been involved in, when you have to put your name at the end of a negative ad, you're going to think twice about it. You're going to think twice about it. The reason I bring that up is, the

bill that's before us changes that concept. It changes that concept.

And, I want to call the Chambers attention to page six and seven of the bill, lines 173 to 178. You see, as we know in our current election laws, there are other organizations that are allowed to help us all when we run for public office. They're allowed to assist us with what we call organizational expenses. Oh, the republicans have our various pacts and organizations, as do the democrats here in the House and in the Senate.

And, these organizations were allowed to help us with organizational expenses. But, we said when we made history eight years ago, that those organizations could not, could not, go negative because we believed as a state once again, that if a candidate for public office chooses to go negative, he or she had to own it.

So, why do I call your attention to lines 173 through 178? Because, it changes the rule. It allows those very organizations, those organizations that can't be directly associated with a particular candidate. Maybe it's state central committee, republican or democrat; maybe it's the House

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republicans or House democrat organization or Senate republican, or Senate democrat organization, that under current law cannot go negative.

They can only advocate or assist the candidate in their advocacy. We're now allowing them to expend funds for not only the success of a candidate, but for the defeat of another. We are allowing these organizations to go negative. We are saying that we no longer believe that if you're going to go negative, you got to stand behind it as a candidate.

Through you, Mr. Speaker to Representative Jutila, in the lines I am referring to 173 through 178, am I correct in reading and interpreting that section to mean that these organizations that I've referred to, would now be allowed to communicate on behalf of a candidate for their success or their defeat? Is that correct? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, that is correct.

SPEAKER SHARKEY:

Representative Cafero.

REP. CAFERO (142nd):

Thank you, Mr. Speaker. Ladies and gentlemen, that's a big change and I would suggest to you it's a broken promise. It's a broken promise. So, when we're out there on that campaign trail and we hear our friends and neighbors and relatives at the supermarket or the soccer game during especially that election season, complaining how their sick and tired of all the negativity, we've got to realize that if this bill passes, we contributed to that and we expanded that.

Ladies and gentlemen, one of the other things we did when we made history eight years ago was to say we were going to limit money in politics, that there was too much of it, that we didn't know where it came from, that we had to limit -- do you remember those debates, the hours of them? Oh, how good many felt about saying just that, too much money was special interests, we're going to limit it.

In fact, that was part of the crux or having campaign or public campaign money. It allowed us as candidates not to have to worry about going and raising a nickel or a dollar here and there. We could focus on the issues, said we. It was clean, it was right. I want to point your attention to page 28, line 858 and in that line we deal with contribution

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limits to state parties, legislative caucuses and legislative pacts.

Other political pacts and unions -- I'm referring to section seven A of the amendment that's before us. Through you, Mr. Speaker to Representative Jutila, does that section increase the amount that can be contributed to those entities? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, to the distinguished Minority Leader, yes, it does.

SPEAKER SHARKEY:

Representative Cafero.

REP. CAFERO (142nd):

Thank you. Through you, Mr. Speaker, by how much does it allow that increase to take place?

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, in the case of contributions that are to the state central committee, it would increase from 5,000 to 10,000; in the case of

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a town committee from 1,000 to 2,000 and in the case of a legislative caucus committee or legislative leadership committee from 1,000 to 2,000 and from other political committees from \$750 to \$1,000. Through you.

SPEAKER SHARKEY:

Representative Cafero.

REP. CAFERO (142nd):

Thank you. Through you, Mr. Speaker and with the exception of the last reference that you made, it seems to me that these contribution limits have doubled or increased in other words, by 100 percent. Is that accurate? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, that is correct. I would also note that except in the case of the last one, they have not been increased since the 80's. Through you.

SPEAKER SHARKEY:

Representative Cafero.

REP. CAFERO (142nd):

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Thank you, Mr. Speaker. Ladies and gentlemen of the Chamber, I call your attention to section 28 A, B, C, and D, page 76, lines 2430 through 2461. In it, it talks about the fact that our state parties, both republican and democrat, currently can assist candidate committees such as those of us running for State Representative or those of us running for State Senator.

Right now it allows the state party to assist or contribute if you will, towards that candidacy in the case of a State Rep up to \$3,500 and in the case of a State Senator, up to \$10,000. Through you, Mr. Speaker, how would this amendment in those lines change the amounts of those contributions?

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, the contributions from the state central committee would not be limited. Through you.

SPEAKER SHARKEY:

Representative Cafero.

REP. CAFERO (142nd):

Thank you, Mr. Speaker. Ladies and gentlemen, when we made history eight years ago because we wanted to limited the amount of money in politics, the wisdom of this chamber was to put a cap on how much state central, both democrat and republican, could give to the races of State Representatives and State Senators. We set that cap at \$3,500 for State Reps and \$10,000 for State Senators.

The bill that's before us removes the cap. Anything goes, any amount. So, state central committees, the race begins, let the best party win. Let the best party who could raise the most money, go to it because now you have unlimited amounts of money that you can contribute to the races of your State Reps and State Senators. Another broken promise.

And, just to add insult to injury, on page 77, lines 2462 through 2470, all other entities that are able to make organizational expenditures with regard to the caps referred to, their amounts will be adjusted to increase with the CPI index. Ladies and gentlemen, throughout this document, the promises made eight years ago, the claims and pride that we took in limiting money in politics, in stopping negative ads, in stopping the potential for influence from outside

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sources into our political process in Connecticut that put us above.

How many people claimed it put on their flyers and campaign paraphernalia that we pass the toughest, most honest, most open campaign laws in the United States of America, right here in Connecticut. Well, here's another date in history -- June 1, 2013, when many of those things that we did, we're undoing today.

I'm not so sure that the Citizen United case referenced by the good Chairman when he brought out this amendment is reason alone to break our promises made eight years ago. Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Do you care to remark further on House Amendment "A"?

Representative Hwang of the 134th, the distinguished Ranking Member of the GA Committee.

REP. HWANG (134th):

Thank you. Good morning, Mr. Chair and good morning to all. Through you, a couple of questions to the proponent of this bill?

SPEAKER SHARKEY:

Please proceed, sir.

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REP. HWANG (134th):

Thank you, thank you. To the good Chairman of GAE, I would like to begin because in just getting this document it forces me to go through a lot of the details and if the good Chair could indulge me, we'll go through a number of definitions. Could the good Chair explain to me the differences between business entity, entity and what the differences are between the two? Through you, Mr. Chair.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker. I want to make sure that we're being accurate and precise. Business entity is defined starting in line 58 as meaning the following, whether organized in or outside of the state, stock corporations, banks, insurance companies, business associations, bankers associations, insurance associations, trade or professional associations which receive funds from membership dues and other sources, partnerships, joint ventures, private foundations as defined in the Internal Revenue Code or any subsequent corresponding Internal Revenue Code from time to time, trusts or estates, corporations organized under

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certain sections of our statutes and cooperatives and any other association, organization or entity which is engaged in the operation of a business or profit making activity. Through you.

Actually, you wanted -- the good Representative wanted to know as well, the comparison with the definition of entity and entity means the following, whether organized in this or any other state, an organization, corporation whether for profit or not-for-profit, cooperative association, limited partnership, professional association, limited liability company and limited liability partnership. Entity includes any tax exempt organization under Section 501C of the Internal Revenue Code or any subsequent code as amended from time to time. Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Through you, Mr. Speaker and I want to thank the good Chair for his thorough reading of the statute. But, could he explain to me the new addition of whether for profit or not-for-profits -- what

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motivated us to put that in there? Through you, Mr.

Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, that was put in there to ensure that any entity would be covered under the disclosure and disclaimer requirements in the legislation. Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Through you, Mr. Speaker, what -- could the good Chair give me some examples of what Section 501C organization would be in our community? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, it could be any variety of the social service agencies, for instance, that do such great work in our state and are organized as non-profits. It could be community charitable organizations. Any number of organizations that meet

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the requirements of the Internal Revenue Code.

Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you, thank you. In addition to that, are there any organizations or entities, as you described, exempt from this statute? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, it's a lengthy piece of legislation and I'm working from memory, but I believe we specifically exempt 501(c)4 organizations which are non-profits that are social welfare organizations because there is a federal statute that prohibits them from disclosing their donors. Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you. I want to compliment the good chair for his great memory. He is correct. Could the good Chair give me a comparison definition and defining and contrasting against organizational expenditures and in

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line 611, independent expenditures versus in line 475, expenditures? I mean -- through you, Mr. Chair -- Mr. Speaker, and I'll give the good Chair some time, the differences between those three definitions and examples of that. Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Okay. Through you, Mr. Speaker, could the good Representative just repeat the three definitions that he's looking for a comparison of?

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Absolutely. Through you, Mr. Speaker, in line 153, organizational expenditure is cited; in line 611, independent expenditure is cited; and in line 475, expenditures by itself, is cited. These definitions have significant differentials and I'd like the good Chair, if he could help me explain through that. Through you, Mr. Chair -- Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

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Yes, through you, Mr. Speaker, an organizational expenditure is and expenditure by a party committee, legislative caucus committee or a leadership committee for the benefit of a candidate or a candidate committee. An independent expenditure, and I'm working from memory on this one, but it's any expenditure made to promote the success or defeat of a candidate that is not coordinated. And, the third one, through you, Mr. Speaker, I'm sorry, the third definition you were looking for sir?

SPEAKER SHARKEY:

Representative Hwang could you repeat your question?

REP. HWANG (134th):

Through you, Mr. Speaker, line 475, expenditure by itself. Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Yes, through you, Mr. Speaker, yes, an expenditure -- there are several categories of expenditures, but it can be any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value when made to promote the success

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or defeat of any candidate seeking nomination for election. It can also be any communication that refers to one or more clearly identified candidates and those are the two major categories. Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Through you, Mr. Speaker, would the good Chair agree that expenditures can be conducted by candidates participating in the Citizens Elections Program and that independent and organizational expenditures are outside of the candidate's expenditure programs?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, yes, if I understand that correctly, I would agree with that. Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Through you, Mr. Speaker, so in the case of organizational expenditures and independent expenditures, are there explicit language prohibiting

coordination of expenditures? Through you, Mr.
Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, yes, there -- in order
for something to be an independent expenditure, it is
prohibited that it be coordinated with any candidate
or candidate committee.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Through you, Mr. Speaker, in that case, in the
past in the old statute, this new statute would
actually replace that language and add to it, the
component beginning on line 173 for organizational
expenditures?

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, could the good
Representative repeat the question, please?

SPEAKER SHARKEY:

Representative Hwang could you just repeat the question?

REP. HWANG (134th):

Absolutely, and thank you. Line 173, the beginning of line 173, that the communications that are made to promote the success or defeat of any candidates or slate of candidates seeking the nomination for elections for the purpose of aiding or promoting success or defeat of any candidate. Would that also include negative campaigning against said candidates? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, I suppose that through the words promoting the success or defeat of a candidate that one could interpret that to make what is commonly called negative campaigning permissible. Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you. Through you, Mr. Speaker, I would like to give -- ask the good Chair to give me some

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examples of what he would deem as negative campaigning. Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, I think that we probably all have an idea intuitively or instinctively what a negative campaign ad is and I guess I would give it a broad definition of just about anything that's not positive in promoting the candidacy. For instance, it could be issue oriented and focus on a candidate's record if the candidate is a current office holder, it could involve a personal attack on a candidate and things of that nature. Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Through you, Mr. Speaker, would the good Chair confirm that at current statute, that type of campaigning or initiative to the promotion or defeat of a candidate is prohibited under current statute? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

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REP. JUTILA (37th):

Through you, Mr. Speaker, the language in the current statute is more specific in terms of the specific things that are permitted through the use of an organizational expenditure and so, you know, one can read those requirements for an organizational expenditure and I guess reach your own conclusions about that. Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Through you, Mr. Speaker, and I appreciate the good Chair's answer and that is a focal point for a concern for me and I appreciate the good Chair's time and indulgence on that, but as I have heard is the fact that we are moving into a realm of using organizational expenditures and independent expenditures to the aid of campaigns and using means and processes that are negative in connotation to aid in campaigns and it raises a serious concern to me and I would like this Chamber to make note of that as we move it along.

And, I'd like to move on to line 201, the term solicit. That has been dramatically changed in this

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statute. I'd like the good Chair to possibly define what that new meaning may mean and give us some very good examples to that. Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, would the changes that are proposed here in the amendment to the definition of solicit, we would be adding some specific criteria that would involve serving on the Committee that is hosting a fundraising event, introducing the candidate or making other public remarks at a fundraising event, being honored or otherwise recognized at a fundraising event. Those would now all be considered soliciting. However, we also added at the end that mere attendance at a fundraiser would not be soliciting. Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Through you, Mr. Speaker, is there anywhere in this amendment, any relations to state contractors that are currently doing work with the state to be able to solicit -- to be solicited. Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, no, there is no change in the restrictions on state contractors. Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Through you, Mr. Speaker, could the good speaker -- good Chair, explain the current prohibition in state contractor solicitation? Through you.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, under current law state contractors are prohibited from contributing to candidates and I believe to the political committees as well. Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you. I want to thank the good Chair for his explanation of that. Moving on to line 232, a

brand new category and definition is covered transfers. What does that mean? Could the good Chair explain and give us some good examples? Through you, Mr. Speaker

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Yes, through you, Mr. Speaker to the good Ranking Member, a covered transfer is any donation, transfer or payment of funds by a person to another person, if the person receiving the donation, transfer or payment, makes independent expenditures or transfers funds to another person who makes independent expenditures. So, what that means is, if one party is intending to make independent expenditures and another party makes a donation to that entity, then that would be a covered transfer under this legislation. Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Through you, Mr. Speaker, what type of organizations would be engaged in that covered transfer of funds? Through you, Mr. Speaker.

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SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, it could be an individual or an entity. Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Through you, Mr. Speaker, what organizations or entities would not be included in the covered transfer coverage? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, as a person is defined in the legislation very broadly, it would include a broad cross section of individuals and different types of entities including business entities. Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

In line 247 -- through you, Mr. Speaker, in line 247, the exemption from the covered transfer, what

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type of organizations would that be? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, could I ask the good Representative to repeat the question and the lines?

SPEAKER SHARKEY:

Representative Hwang could you comply?

REP. HWANG (134th):

Through you, Mr. Speaker, absolutely. Line 247, dues, fees or assessments that are transferred between affiliate entities. What would be an example of an organization? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, I think there could be a number of examples. What comes to mind is a trade organization that has membership and collects dues or fees or assessments from its members. Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you. Thank you, Mr. Speaker. Through you, on line 251, what would be affiliated mean and what organizations and examples would be covered by that? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, that would be -- well, the term affiliated is defined as meaning the governing instrument of the entity, requires it to be bound by decisions of the other entity. So, it could, for instance, possibly be a corporation and subsidiary of the corporation, just as an example. Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you. And, that would be exempt under the covered transfer regulations? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, no, the dues, fees or assessments would not be considered a covered transfer. Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Through you, Mr. Speaker, these organizations and entities that are excluded from the covered transfer, do they have disclosure requirements in this statute? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, if the -- if the entity or the -- in this case we've been using the dues, fees and assessments as an example, fit within this definition of not being included as a covered transfer, then they would not be required to be disclosed. Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Through you, Mr. Speaker, and line 268, the definition of social media, could the good Chair give

us some examples of that and the rationale for the exclusion of that? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, in this case -- well, social media means any electronic medium where users create and view user generated content, but here in line 268, that's simply the defined term, it's not one of the exceptions under covered transfer. Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Thank you. Thank you. Through you, Mr. Speaker, on Section two in line 274, the term contributions has changed significantly. Could the good Chair give us examples of the change and what the current definition of this amendment would offer? Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

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Through you, Mr. Speaker, the only significant change in our statutes regarding the definition of contribution, is that in the portion having to do with gift subscriptions, loans and so forth, we have inserted the words to promote the success or defeat of any candidate. Through you.

SPEAKER SHARKEY:

Representative Hwang.

REP. HWANG (134th):

Through you, Mr. Speaker, I want to thank the good Chair for a lot of his time and effort and I would offer to this Chamber and it's been a long day, is the fact that we could go for a long time, going through the complexities and the defining terms of definitions and terms.

But, what I really want to be able to move forward and address is the fact that these are very complicated definitions. They encompass a wide range of coverage; they encompass a wide range of consequences and for us to engage in this debate when as the good Ranking -- the Minority Leader shared, that 26 of the sections of this statute -- this amendment, were not given a public hearing, is an

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issue with transparency that is a major concern to me as we try to make the best law in this state.

So, I appreciate the good Chair's patience in going through the definitions and I truly do believe that we could have gone through this for another hour and I won't burden everybody with that. But, an example of that is, these are important questions that need to be asked. These are important questions that needed to be vetted and we have not been given enough of that time to do so.

And, so, I will move on from the definitions and I would like to ask the good Chair of the GAE again, in regards to the increases in contributions that this amendment would add to our campaign contributions. I'd like to ask the good Chair on Section 18, what the contribution limits are to pacts and party committees? Through you, Mr. Chair.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Thank you, Mr. Speaker. Through you, Mr. Speaker, I would ask the good Ranking Member if he could clarify the question? I'm not sure that Section

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18 is relevant to the question or I may be misunderstanding it. Through you.

SPEAKER SHARKEY:

Representative Hwang could you clarify?

REP. HWANG (134th):

Through you, Mr. Speaker, I actually misstated -- it would actually be Section 17 in regards to what the amounts would be. Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, unless my eyes are getting tired at this early hour, I'm not seeing that in this section.

SPEAKER SHARKEY:

Representative Hwang could you confirm or clarify?

REP. HWANG (134th):

Absolutely. Through you, Mr. Speaker, and this exchange actually brings to bear the complexity of this document, all of 90 plus pages of it and the short time that we have been given to review this, is the fact that in these critical, critical issues as it relates to campaign finance, that we are not given the

appropriate time to review this to be able to have a better understanding of the implications of this.

As I shared before earlier, as we went through the definitions and how some of the substantive changes are not fully explained and vetted through, that we are making dramatic increases in contributions that have not been fully vetted through as well.

So, I would offer to ask that this bill and our engagement and exercise that we're engaging right now, really fully encompasses four things that sums up the whole presentation and the whole debate today, the fact that this bill decreases our campaign reporting and transparency just as evidence by our discussions as we've gone through, that we really don't fully understand all the details of this.

We have not been able to do our job as Representatives and it is truly an injustice in some cases, of understanding that in campaign reporting and transparency has not been fully given the right time and space. And, I think the second part of it is the fact that we have also through this statute that has not again been fully vetted and fully explained, that we have actually eroded some election enforcement oversight over campaigns.

Again, mixed among all of this language at 2:00 o'clock at night, we are forced to evaluate and make a decision on significant consequential decisions that might erode our ability to govern campaign finance and we're doing it, we're doing it because we have decreased election enforcement.

And, the third thing that we'll say is the fact that this statute again, this amendment with a short span, with a lack of transparency, has also increased special interest in politics and that is something that we have a responsibility to keep a cap on, to keep an eye on.

And, also, I think as we mentioned earlier to allow organizational expenditures and independent expenditures to engage in negative campaigning, derogatory commentary, using money -- CEP money, citizens money, taxpayers money, organizational contribution money -- to engage in negative campaigning?

I think that is what is truly wrong with this statute as we begin this debate. Again, I would offer that when I ran as a candidate for the first time in this General Assembly in 2008, I was lured by the opportunity to participate in the Citizens Elections

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program. A clean election that took out special interest money, that took out independent expenditures that were able to engage in negative campaigning. And, we were able to participate in the democratic process that allowed us to not chase after the money, but rather to engage in debates about the issues, to represent the interests in our community.

I'm extremely concerned that using the argument of Citizens United, that we are taking the adage that if we can't beat 'em, let's join 'em. Let's increase in the arms race of raising more and more money to engage in a political debate rather than limiting and evening the playing field to engage in a conversation that is much more relevant to the representation to the people that we serve than to chase after the special interest money and engaging campaigns.

I think we seem to be creating an environment that is inconsistent with representative government. We are representing the chase for money, rather than the constituents that we serve and I think this statute -- this amendment, this message of this bill, sends the wrong message to our community. We have one of the best clean election programs in this state -- in the country. But, for us to start dismantling it

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for the sake of we have to beat 'em, we have to beat 'em -- we have to engage and compete against Citizens United, is inconsistent, inconsistent, with the ideas of being a representative government.

So, I would ask this Chamber as we engage in this debate to really re-explore why we began the Citizens Elections program and that these potential changes to create unintended consequences of being driven that money decides what we do in our governance rather than the ideals of representing our people. So, I thank you, Mr. Chair.

SPEAKER SHARKEY:

Thank you, sir.

Chamber will stand at ease.

(Chamber at ease)

SPEAKER SHARKEY:

Thank you, sir.

Do you care to remark further? Do you care to remark further on House Amendment "A"?

If not, let me try your minds, all those in favor of House Amendment "A" -- all those in favor of House

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Amendment "A", please signify by saying Aye -- I'm
sorry --

REPRESENTATIVES:

Aye.

SPEAKER SHARKEY:

Those opposed, Nay.

REPRESENTATIVES:

Nay.

SPEAKER SHARKEY:

The Chair is in doubt. The Chair is in doubt.

Representative Jutila, for what reason do you
rise?

REP. JUTILA (37th):

Thank you, Mr. Speaker. I'm not sure that I need
to rise now, but I was trying to get the light lit up.
I was going to ask if we could take the vote by roll?

SPEAKER SHARKEY:

Thank you, sir.

I'm trying to be fair here, but it really -- from
the Chair it seemed as though this was an equal -- I
couldn't tell yeas versus nays. So, if that's the
case, the Chair will call for a roll call vote unless
there's anyone that would like to speak on -- further
on House Amendment "A"?

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All right. If not staff and guests to the well of the House, members take your seats, the machine will be open.

THE CLERK:

The House of Representative is voting by roll.

The House of Representatives is voting by roll. Will members please come to the Chamber immediately?

SPEAKER SHARKEY:

Have all the members voted? Have all the members voted? Will the members please check the board to make sure your vote is properly cast? If all the members have voted, the machine will be locked and the Clerk will take a tally.

Clerk please announce the tally.

THE CLERK:

House Bill 6580, Amendment "A".

Total number voting	129
Necessary for adoption	65
Those voting Yea	82
Those voting Nay	47

Those absent and not voting 21

SPEAKER SHARKEY:

The Amendment passes.

Do you care to remark further on the Bill as amended?

Representative O'Neill.

REP. O'NEILL (69th):

Yes, thank you, Mr. Speaker. A little while before we began this discussion of this bill, my wife texted me and asked what are you going to be doing and I was about to text back to her that we were going to be campaign finance reform. But, I realized as I was about to hit the buttons, that that simply wouldn't be true.

Because eight years ago we in fact did do campaign finance reform as most people understand that to be. And, so, what we're doing tonight is the exact opposite. And, she replied, well that's what Lender must have been talking about when he was on the McEnroe show. He was surprised that the legislators were not screaming about it. Well, tonight, Mr. Speaker, we are screaming about it. This legislation that is before us undoes what was the signal

achievement of the previous decade in terms of trying to change the campaign finance laws.

I remember sitting in Governor's Rell's office being persuaded by her to support the earliest version of this piece of legislation that we adopted in 2005 in her office, being persuaded that it was necessary to make these changes even though I had objections and concerns and worries about where it might lead, because it was necessary to try to get the money out of the politics, to try to clean up the situation.

And, I voted for that very first version of this piece of legislation that we eventually adopted. Subsequent versions, I had a harder time with and the main reason why I had a really hard time voting for the version that finally passes and became law, was that it contained a provision that I thought would always be a source of mischief. And, that was the provision for the leadership pacts. That was the provision that dealt with things like the state central committees and the town committees and the roles that they were to play.

But, especially the leadership pacts. That that left open a very big door for the kind of special interest money that we were supposed to be pushing out

of our political process. We were supposed to have that under some kind of control. The leadership pacts and the other party committees were going to have a limited role to play in the campaigns of the future. They would still exist, they would give people an opportunity to have some kind of input, for the leaders to have some capacity to have some sort of influence and to help legislators who couldn't otherwise get support because they were new people, new candidates, had problems of one sort or another. They were some sort of a balance to the system of the public financing.

And, it was limited. That was supposed to be the saving grace of this leadership pact as opposed to what we had had before when there were an almost unlimited number of political action committees controlled by legislators who would use those -- that control to help with campaigns and those committees which became a potential avenue for special interest money to work its way into the system.

The bill before us tonight as has been earlier surlier said, eliminates the limitations on these types of political action committees and on the party committees. And, what it does is, it opens wide a

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huge door, a loop hole that you can drive tractor trailers filled with money through and disburse that money into political campaigns at the same time that candidates are receiving the publicly funded program. Now, this is something which I think at its core undermines the essence of the political program -- of the campaign finance reform program, that was enacted eight years ago.

And, because I think it is something that we should not do, I have an amendment, I hope the Clerk has it as well, LCO 8456. If it is in possession of the Clerk, I would hope that he would call and I be given leave to summarize.

SPEAKER SHARKEY:

Will the Clerk please call LCO 8456, which will be designated House Amendment "AB"?

THE CLERK:

House Amendment "B", LCO 8456, introduced by Representative Hwang, et al.

SPEAKER SHARKEY:

Gentleman seeks leave of the Chamber to summarize. Is there objection? Seeing none, you may proceed with summarization, sir.

REP. O'NEILL (69th):

Thank you, Mr. Speaker. What this amendment does is that it strikes out section 28 of what is now the underlying bill renumbers the remaining sections and internal references accordingly. And, in so doing, it eliminates the change in the process for the leadership pacts and the party committees; it turns back to the way they currently are under out existing law. And, if I may comment further? And, I urge adoption.

SPEAKER SHARKEY:

Question before the Chamber is adoption of House Amendment "B". Will you remark further, sir?

REP. O'NEILL (69th):

Thank you, Mr. Speaker, I would. During the course of the debate back in 2005, there was a discussion about this very subject of the role that the leadership pacts and the party committees were supposed to play. And, the question was raised by then Representative Hamsey, asking what the role of the town committees and the state central committees and their leadership pacts by extension were to play.

And, the response of the proponent of the bill, the leader of the effort to change our finance laws, campaign finance laws, Representative Caruso was --

through you, Madame Speaker, a state parties role would be a percentage of the overall grant that would be provided to a candidate. For example, in a state representative race, the state party could provide 10 percent of the in-kind services to the individual running in that race. In-kind services would be described as voter filing assistance, polling, some phone banking and things of that sort.

And, the question was further made, is that the only role for the state parties? And, the response was, through you, Madame Speaker, it was felt that it would be improper for a party such as the democrat or Republican Party, the major parties, from giving financially to the candidates because again, we wanted to keep this system tight and political parties receive their money from individuals of special interests.

So, in order to keep the special interest money out of the campaign directly, we felt the in-kind services or in-kind contributions would be the proper way to do that. But, it was meant to also be a very limited role, five or 10 percent of what the donations made by the state elections enforcement commissioner were going to give to the candidates.

The system that we're talking about tonight is going to be a hybrid where unlimited amounts of money virtually, are going to be spent by political committees to which special interest groups can and probably will contribute. It will be a vehicle for the reintroduction of the very special interest money that the public funding of campaigns was supposed to eliminate and it was supposed to make our system clean and tight and a model for the rest of the country in terms of changing the process of how we finance our campaigns.

The amendment before us restores the system, at least in its core concept that we enacted in 2005. It prevents us from going backwards to the situation that existing before 2005 with the special interest money flowing into the system. Now, we could argue about what that role was and how significant it was and the fact that most people were not affected by it, but critically special interest money could have an influence and in light of everything that's been happening, I think we have to say that it's quite possible; it's not a theory.

So, Mr. Speaker, I would urge the adoption of the amendment to restore the system, the preserve the

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system that we so proudly hailed when we adopted it eight years ago. Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

REP. O'NEILL (69th):

Mr. Speaker, if I may also -- when the vote be taken, I would request that it be taken by roll.

SPEAKER SHARKEY:

Question before the Chamber is a roll call vote for this amendment.

All those in favor, please indicate by saying aye.

REPRESENTATIVE:

Aye.

SPEAKER SHARKEY:

Necessary 20 percent has been met. When the vote is taken on this amendment it will be taken by roll.

Would you care to remark further on House Amendment "B"?

Representative Jutila.

REP. JUTILA (37th):

Thank you, Mr. Speaker, and I thank the good Representative for his comments and for introducing the amendment. Mr. Speaker, I was here in 2005 when

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we enacted the Citizens Election Program. It was my first year in the General Assembly. I was very proud to cast that vote and since the Citizens Election program was first implemented in the 2008 state elections, Connecticut has had the most rigorous public financing system in the nation.

I am proud of it and I think probably everyone in this room is proud of it. Unfortunately, Mr. Speaker, in the wake of the Citizens United decision, we need to take some steps to preserve and strengthen that system of public financing in Connecticut and unfortunately we are faced with unlimited amounts of money that can come from any and all directions and so we need to fight back and for that reason, Mr. Speaker, I believe that Section 28 is an important part of an important bill and I would urge my colleagues to reject this amendment.

SPEAKER SHARKEY:

Thank you, sir.

Do you care to remark further on House Amendment "B"? Do you care to remark further on House Amendment "B"?

If not staff and guests to the well of the House, members take your seats, the machine will be open.

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THE CLERK:

The House of Representative is voting by roll.

The House of Representatives is voting by roll. Will members please report to the Chamber immediately?

SPEAKER SHARKEY:

Have all the members voted? Have all the members voted? Will the members please check the board to make sure your vote is properly cast? If all the members have voted, the machine will be locked and the Clerk will take a tally.

Clerk please announce the tally.

THE CLERK:

HB 6580, House "B".

Total number voting 129

Necessary for adoption 65

Those voting Yea 47

Those voting Nay 82

Those absent and not voting 21

SPEAKER SHARKEY:

The Amendment fails.

Do you care to remark further on the Bill as amended?

Representative Perillo of the 113th.

REP. PERILLO (113th):

Mr. Speaker, thank you very much. From, time to time the state elections enforcement folks look into mailers and other political paraphernalia that's used during campaigns and right now they're actually investing a mailer that was sent during the 2012 election cycle.

It was sent -- a negative mailer -- it was sent into a district that is a seat currently held by a friend of ours here in the Chamber, a real gentlemen in the Chamber, a very, very brilliant man, who I think I know we all respect very, very much. The mailer states that this individual voted against Jewish religious freedom. The mailer called this member of our Chamber, an anti-Semite.

It was paid for by this Representative's democratic town committee from his home town. So, I have a question, through you, Mr. Speaker, to the proponent of the bill. A question through you, sir.

SPEAKER SHARKEY:

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Sorry, sir. Representative Jutila. I'm sorry, you may proceed with your question, I'm sorry.

REP. PERILLO (113th):

Thank you, Mr. Speaker. So, my question through you, Mr. Speaker, this mailer referring to a member of our Chamber as anti-Semite, sent by the democratic town committee, as I understand it in reading this bill, would now become legal, is that correct?

SPEAKER SHARKEY:

Representative Jutila.

REP. JUTILA (37th):

Through you, Mr. Speaker, I don't want to make a judgment about the legality of it because of the particular content, but I think you know, if I can interpret the question as asking me if a piece that is negative in nature would be acceptable, then the answer would be yes, Mr. Speaker. Through you.

SPEAKER SHARKEY:

Representative Perillo.

REP. PERILLO (113th):

Thank you, Mr. Speaker and I thank the gentleman for his answer to the question, and, I think there's a problem with that answer. I believe the answer to be correct, but I think the fact that it is correct, is a

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problem. Voters in Connecticut don't want more negative mail. They don't want it in their mailboxes, they don't want it on their TV screens, they don't want it on their radio. They're tired of it.

So, with that, Mr. Speaker, the Clerk is in possession of an amendment, LCO 8444. I ask that he please call that amendment and I be given leave of the Chamber to summarize.

SPEAKER SHARKEY:

Chamber will stand at ease for just a moment until we have the amendment.

(Chamber at ease)

SPEAKER SHARKEY:

Will the Clerk please call LCO 8444, which will be designated House Amendment "C".

THE CLERK:

House Amendment "C", LCO 8444, introduced by Representative Hwang, et al.

SPEAKER SHARKEY:

Gentleman seeks leave of the Chamber to summarize. Is there objection? Is there objection? Seeing none, you may proceed with summarization, sir.

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REP. PERILLO (113th):

Mr. Speaker, thank you very much and the amendment's a very simple one. The bill as currently worded would allow negative mailers to be sent, negative communication in total to be sent by political committees.

This amendment would reverse that. This amendment would not permit political committees to send negative mail and other negative communications and I would move its adoption.

SPEAKER SHARKEY:

Question before the Chamber is adoption of House Amendment "C". Would you care to remark further, sir?

REP. PERILLO (113th):

Thank you, Mr. Speaker. Very, very simply, if you believe the residents of Connecticut like negative mail, if you believe the resident's of Connecticut like to see it on their televisions, read it in their mailboxes, if you believe the residents of Connecticut want to hear individuals referred to as anti-Semites, bad human beings, then you vote no on the amendment.

But, if you think that people are tired of that, if you think people want honest, honest campaigns, that are run on the issues, then you vote yes. And, I

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would urge adoption of the amendment and if I may speak, Mr. Speaker, I would ask that when the vote be taken, it be taken by roll.

SPEAKER SHARKEY:

Question is on a roll call vote. All those in favor of a roll call vote on this amendment, please signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER SHARKEY:

Necessary 20 percent has been met. When the vote is taken on this amendment, it will be taken by roll.

Would you care to remark further on House Amendment "C"?

Representative Jutila.

REP. JUTILA (37th):

Thank you, Mr. Speaker and I do thank the good Representative for his attention to the legislation and for expressing his concerns and I want to say that as someone who has run now five campaigns for the General Assembly, I have never myself personally, put out anything that could be remotely considered to be a negative ad and I can also say that I think I'm on good ground in speaking for the caucus here that no

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one would condone the type of ad that the good Representative is using as the example.

That said, Mr. Speaker, again with the influx of unlimited amounts of outside money coming in and polluting our electoral process in Connecticut, that we need to have the tools to address that and disclosure and disclaimer are great tools and they take us a long way toward that, but we need to have the flexibility to respond if we're faced with that kind of negative advertising directed at us. So, with that Mr. Speaker, I would urge my colleagues to reject the amendment.

SPEAKER SHARKEY:

Thank you, sir. Do you care to remark further? Do you care to remark further on House Amendment "C"?

If not staff and guests to the well of the House, members take your seats, the machine will be open.

THE CLERK:

The House of Representative is voting by roll.

The House of Representatives is voting by roll. Will members please report to the Chamber immediately?

SPEAKER SHARKEY:

Have all the members voted? Have all the members voted? Will the members please check the board to

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make sure your vote is properly cast? If all the members have voted, the machine will be locked and the Clerk will take a tally.

Clerk please announce the tally.

THE CLERK:

HB 6580, House "C".

Total number voting 128

Necessary for adoption 65

Those voting Yea 46

Those voting Nay 82

Those absent and not voting 22

SPEAKER SHARKEY:

The Amendment fails.

Do you care to remark? Would you care to remark further on the Bill as amended? Would you care to remark further on the bill as amended?

If not staff and guests to the well of the House, members take your seats, the machine will be open.

THE CLERK:

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The House of Representative is voting by roll.

The House of Representatives is voting by roll. Will members please return to the Chamber immediately?

SPEAKER SHARKEY:

Have all the members voted? Have all the members voted? Will the members please check the board to make sure your vote is properly cast? If all the members have voted, the machine will be locked and the Clerk will take a tally.

Clerk please announce the tally.

THE CLERK:

House Bill 6580, as Amended by House "A".

Total number voting 130

Necessary for adoption 66

Those voting Yea 71

Those voting Nay 59

Those absent and not voting 20

SPEAKER SHARKEY:

The bill as amended passes.

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PR.

THE CHAIR:

Seeing no objection, so ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, before calling the next item, would yield the floor to members for any announcements or points of personal privilege.

THE CHAIR:

Are there any announcements or points of personal privilege?

Seeing none, Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, if the Clerk would call as the next item, the third order of the day, from Calendar page 24, Calendar 687, House Bill 6580.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On page 24, Calendar 687, House Bill Number 6580, AN ACT CONCERNING DISCLOSURE OF INDEPENDENT EXPENDITURES AND CHANGES TO OTHER CAMPAIGN FINANCE LAWS AND ELECTION LAWS, Favorable Report of the Committee on Government Administration and Elections. There are amendments.

THE CHAIR:

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Senator Musto. Good evening, sir.

SENATOR MUSTO:

Good evening, Madam President.

Madam President, I move the Joint Committee's Favorable Report and passage of the bill.

THE CHAIR:

The motion is on acceptance and passage.

Will you remark, sir?

SENATOR MUSTO:

Yes, Madam President. Thank you.

This bill comes to us from the House as an amalgamation of several bills that came out of GAE and some other ideas that came from other committees and other places.

It is a rather long bill. It has many sections at almost a hundred pages and it has been worked on for quite a while now. But the basic premise of this bill is that we need to know who's spending money in our state on elections and we need to be able to counter that spending on elections by outside groups.

In light of the Supreme Court precedent of Citizens United, which everyone in this Chamber is extremely familiar with at this point, the Supreme Court essentially said that money is speech and corporations can speak in political affairs and be permitted to use their resources to say whatever they want in political affairs in an unlimited fashion.

Also, other individuals can come into Connecticut -- and we've seen this happen at every level of government -- and try to push a particular agenda that may be coming from another state or another area in a local election or even in some national

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elections.

And so what we are trying to do with this bill, Madam President, is make sure that those people who are going to come into Connecticut and speak have two results. The first is that we know who they are, and that they have to disclose who is speaking, who is spending that money. Because the people of the State of Connecticut have the right to know who is trying to influence them in one way or another. I don't think there's any question about that. I don't know if anybody would disagree with that.

And the other thing is that those of us, here in Connecticut, have the ability to defend ourselves from negative, false and specious attacks from outside the state. And for those reasons, this bills has many provisions in it that are -- some of which just comply with clarifications in election law, some of which have come from problems we found in other laws at different times, and some of which are directly related to those issues that we're discussing.

And so I'd like to go through some of the high points of this bill section by section. It may take a while, and I do apologize, but again, it is a long bill and I'm sure we're going to be discussing it at length this evening.

The first section is essentially definitional. It has some substantive changes that include allowing organizational expenses to promote the support or defeat of candidates. This is in compliance with some of the issues we've seen before.

It makes clear that mere attendance at a fundraiser is not solicitation of funds. This is an issue that's come from the SEEC to make sure that that's a clarification that we're all aware of. It defines covered transfers, as they're related to independent expenditures, and this is some of the issues that I was talking about previously with the expenditures that come as a result of Citizens United.

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It defines party-building activities to make clear that things that parties do in order to strengthen the party and make a better platform, a more clear platform, are allowed. And it defines social media, which I think is just simply something whose time has come.

The second section regards contributions and the definition of contributions. It makes the most -- it makes mostly technical changes to clarify what are not contributions, including endorsements by other candidates where no money is passed, campaign training, and those definitions about food at campaign events where someone has a private event in their home. Just clarifying those rules when more than one person puts on a joint event.

And it also allows ad books for party committees, although it does not change the amount of the ad books that are currently allowed for every other committee.

Section 3 regards the definition of expenditures, and they are mostly complying with changes made to the contributions section so that if something is not a contribution it is neither an expenditure.

Section 4 regards independent expenditures. And again, this is something that we've been looking closely at for some time. It limits the presumption of those who have worked for other candidates -- or excuse me -- it limits the presumption of what is a coordinated expenditure, to really folks who have worked for the candidate or for the candidate's opponent.

It also states what are not coordinated expenditures. For example, mere participation in membership parties does not make an expense by someone in that party a coordinated expense. And it also creates a firewall so that people do have the ability to make independent expenditures for things they believe in and speak.

Again, as long as they are disclosing to the people of the State what is being said and who's saying it,

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but merely having worked in a provision, as long as you implement a firewall in accordance with federal law, then those are not to be considered independent -- excuse me -- coordinated expenditures.

It allows leadership committee -- excuse me -- Section 6, we're moving on to -- allows leadership committees to assist in party-building activities. And Section 7 increases the amounts that individuals may contribute to parties. These amounts have not been increased in some time.

Section 8 has new provisions regarding independent expenditures. They create a long and short form reporting so that we do not need to have the same reports that other committees make, although those are also permitted, and requires disclosure of any covered transfers, so that again, the people of the State of Connecticut know who is speaking to them and how much money is coming into these races.

Section 9 regards disclaimers. And if -- if a statement is made within 90 days of an election, it does require that those disclaimers also include the name of the top five contributors to the person making the disclaimers within the past 12 months.

This is somewhat of a change from current law that they did not have any of these deadlines so the disclaimer language was somewhat unlimited. We're limiting it so that people know exactly when they have to disclose and giving people more direction in that matter. It also limits disclosures to the top five donors, as I said, within the 90 days. And these time limits, again, were not previously in the long.

Section 10 makes a fine larger for willful violations of this chapter. If someone decides to try to deceive the people of the State of the Connecticut, the fines are increased. So that this is no longer just a cost of doing business, but we hope a real disincentive.

Section 18 removes the limit on organizational contributions and makes it essentially the same as

limits on other contributions.

Section 19 limits the amount someone can give to all candidates to \$30,000 per year, so that nobody can just, unlimited -- there cannot be unlimited funding of a group of candidates, even by very wealthy contributors.

Section 25 prohibits those guilty of certain crimes from being campaign treasurers.

And Section 26 likely prohibits those guilty of certain crimes from getting public funding for their campaigns.

Section 27 requires that certain certifications be included in setting up committees and that -- including that penalties for prior violations have been paid, and, again, that no one who has committed certain felonies is able to serve in those particular positions.

Section 28 indexes to the CPI organizational expenditures and does change organizational expenditure limits for party committees.

Section 32 allows CEP funds for adjourned primaries; in other words, if there's a tie and you need to refight the primary, other funds will be available to fight those primaries so that you will not take those candidates out of the CEP funds or force them to break any of those rules.

Section 36 makes clear that gifts do not mean expenses of a public official if it is for the lawful purposes of a party committee.

Section 37 allows public officials to serve on the SEEC.

And Section 38 limits cross endorsements to those parties showing significant public support, those who've gotten 15,000 votes in statewide offices prior.

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Now, there are sections in this bill that I haven't said anything about. Those are mostly technical or conforming changes, although if there are some questions about those, I am, of course, happy to discuss them by looking at the language of the bill.

Mr. President, now that the dais has changed, it is a large bill. I do expect to be discussing it for some time, but the underlying function is clear. We need to make sure people understand what's going on in the State of Connecticut.

We need to make sure that people can respond to those kind of out-of-state attacks in the State of Connecticut. And we need to ensure that by doing this our democracy is kept public and open and that the free and fair exchange of information and ideas is maintained here in the State of Connecticut.

So with that, Mr. President, I would ask for the support of this bill and ask for this Circle to vote in favor of it.

Thank you very much.

(Senator Duff in the Chair.)

THE CHAIR:

Thank you, Senator.

Senator Slossberg.

SENATOR SLOSSBERG:

Thank you, Mr. President.

Good evening, Mr. President.

THE CHAIR:

Good evening.

SENATOR SLOSSBERG:

I rise for a couple of questions for the proponent of the bill for the purpose of legislative intent.

THE CHAIR:

Please proceed.

SENATOR SLOSSBERG:

Thank you, Mr. President.

Yes, to the proponent. So the first question that I had was, there is an exception to the covered transfers regarding the ordinary course of trade or business.

Could you please explain what "donation" means in this, in this exemption?

THE CHAIR:

Senator Musto.

SENATOR MUSTO:

Yes. Thank you, Mr. President.

Through you.

What we're talking about here, Senator Slossberg, is really transfers from people to people in the ordinary course of business.

Now "person" under the statute is really defined as entities. It's more broad than persons, but we do use the word "person" as a short hand. So what we're talking about is really, in a business context something like, say, a pizza place, when someone would go into a pizza parlor and order a pie and just pay the restaurant for it. If that restaurant owner then goes, comes up to the Legislature and lobbies for a tax exemption, for either sales tax or machinery,

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equipment, property tax exemption for pizza ovens, we don't want their customers having been people making covered transfers just because they're paying for something, again, in the ordinary course of business.

In other words, if you have something that's given and received, as most people would think of a business -- a trade or business transaction, that's what we're we talking about here. The word "donation", in that context, is really meant to be inclusive of all transfers for this type of thing.

So a tip in the restaurant, for example, if you leave your server a tip or if you put money in the tip jar at the counter if it's a takeout, we're not -- we don't want to make those covered transfers all of the sudden.

I would also point out that there's another exemption, Section 2, immediately after that one, really makes clear that the donation aspect, when you're just talking about funding a party committee or funding someone who's going to make independent expenditures, that's really, again, what we're getting it. That's the essence of this bill.

And if that exemption applied to mere donations then we wouldn't need this second exemption in that. It would be what we call mere surplusage, and that's clearly not the intent. So the intent is to make sure that if -- if you're buying paper or your buying a pizza or something like that -- that, in those kind of business transactions, those are not going to fall under our campaign finance laws. That's a business transaction, not something that -- that is, all of the sudden, a covered transfer.

Through you, Mr. President.

THE CHAIR:

Senator Slossberg.

SENATOR SLOSSBERG:

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Yes, thank you, Mr. President and I thank the Senator for his answer.

In addition, I wanted to know there are exceptions to expenditures in lines 559 to 593. Do these exceptions have to be reported?

Through you, Mr. President.

THE CHAIR:

Senator Slossberg.

SENATOR SLOSSBERG:

Musto.

THE CHAIR:

Senator Musto.

SENATOR MUSTO:

Yes. Thank you, Mr. President.

Yes. I'm sorry. These do have to be reported. The exception -- or the exception to expenditures in this bill does not regard disclosures. We're not trying to reduce disclosure, quite the contrary. We're just saying that these are not expenditures, so that -- for whatever other rule they might fall under.

Through you, Mr. President.

THE CHAIR:

Senator Slossberg.

SENATOR SLOSSBERG:

Yes, thank you, Mr. President.

So, as I understand, they do have to, in fact, be reported.

So -- and the next question I had for you was why are 501(c)(3)s exempt from disclosure under this bill?

THE CHAIR:

Senator Musto.

SENATOR MUSTO:

Yes. Through you, Mr. President. Thank you.

They're not exempt from disclosure under the bill. They do have to disclose, unless they are making lawful transfers, because 501(c)(3)s are not supposed to be engaging in political activities in the first place.

So as long as they are engaging in activities, they're allowed to under federal law, education, charitable expenditures, schools, churches, that sort of thing. We're not going to make them subject to our campaign laws either.

Now, if they do, as some have done in the past, engage in political activities, something that would be unlawful under the federal code for them to participate in, because again, these -- these entities are not supposed to be making political statements and funding ads for or against political candidates, then they would be subject to the reporting and disclosure and penalties as well.

But, you know, we're not -- we're not trying to make entities who are otherwise just trying to do good works in our community -- we're not trying to burden them for -- you know, with -- with having to report something that -- that they would otherwise not have to report under federal law.

Through you, Mr. President.

THE CHAIR:

Senator Slossberg.

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SENATOR SLOSSBERG:

Thank you.

Through you, Mr. President.

In addition, this legislation speaks about firewalls. And can you tell me under what circumstance would the firewall be an effective rebuttable -- rebut -- an effective rebuttal to the presumption?

SENATOR MUSTO:

Yeah.

THE CHAIR:

Senator Musto.

SENATOR MUSTO:

Sorry, Mr. President. Jumping the gun there a little there little.

Through you, Mr. President.

As a former chair of this committee, you're familiar with BCRA, I'm sure, the Bipartisan Reform Act. And what BCRA requires is really a written communication disseminated within the organization and given to the people who you might otherwise be working with. We're just really incorporating the federal laws into the State of Connecticut.

So, for enforcement purposes, SEEC would be looking at those -- those issues under BCRA to make sure that the policy is -- is written. It's really a proof issue. The best way to do it is to make sure you write it down and disseminate it and -- and really implement it. So that it's not just somebody gets to get up and say, well, we just didn't talk about it. You really have to prove that there was a reason you didn't talk about it. You really have to follow federal law on

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that ground.

Through you, Mr. President.

THE CHAIR:

Senator Slossberg.

SENATOR SLOSSBERG:

Thank you. Thank you, Mr. President.

So that needs to be an active, written policy, as that's my understanding.

So I also wanted to know does the allowance of a segregated account for independent expenditures mean that political committees can have more than one bank account under this legislation?

THE CHAIR:

Senator Musto.

SENATOR MUSTO:

Thank you, Mr. President.

No. Through you to Senator Slossberg.

Political committees are still governed by other parts of statutes that are not being changed. This -- the fact that some independent expenditure accounts can be segregated has the purpose of allowing certain people to contribute to different organizations that they may have been contributing to before, like Chambers of commerce, Rotary clubs, things like that, as long as those aren't being used for political activities.

Again, we're not trying to burden people who are just going about their business. What we're trying to do is make sure that people who are trying to hide their speech are -- do have to disclose. So political

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committees are only allowed to have one bank account. That is not going to change under this legislation.

Through you, Mr. President.

THE CHAIR:

Senator Slossberg.

SENATOR SLOSSBERG:

Thank you, Mr. President.

And finally, my last question is, why do we change the language for the purposes of influencing to promoting the success or defeat of any candidate in this bill?

THE CHAIR:

Senator Musto.

SENATOR MUSTO:

Yes. Thank you, Mr. President.

And through you to Senator Slossberg.

The reason for that is, again, federal law. Federal case law requires that -- or I shouldn't say requires -- federal case law has found the language that we're using in our statutes for the purposes of influencing to be too vague to be enforced.

And so we don't, again we don't want to subject our citizens or businesses, entities, whomever, to vague language and certainly don't want to violate federal law. So what we're doing is we're changing it to promoting the success or defeat of any candidate. And our language in this bill clarifies that standard in a way that we believe will be compliant with the federal case law on this point.

And it's intended to encompass the things that federal case law specifically allows, which is to promote,

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attack, support, or oppose candidates. And so we're using language that we believe fits that standard, and would hope that SEEC -- that's the Election Enforcement Commission -- would comply with federal law -- I'm sure they would -- and apply that federal law and those standards when they are enforcing these -- this language.

Through you, Mr. President.

THE CHAIR:

Senator Slossberg.

SENATOR SLOSSBERG:

Thank you, Mr. President.

And I thank Senator Musto.

Those are all the questions I have for the good Senator. And just did want to rise in support of this piece of legislation.

You know, in the -- in the post -- post Citizens United world the landscape has changed dramatically and the most important thing that we can do and, in fact, in that decision the Supreme Court made very clear that we should be making sure that people disclose, that entities disclose their political speech.

Because the citizens who are listening and the voters who are out there need to know and be able to judge the credibility based on who is speaking. And if we do not have adequate disclosure laws, then the citizenry of our State doesn't know who is speaking to them and cannot judge that credibility.

Disclosure is paramount. And we must continue to be working as rigorously and vigorously as we can to require people to stand up and own their speech.

And for those reasons, I will be supporting this legislation this evening, and I thank Senator Musto

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for his good work on this piece of legislation.

Thank you, Mr. President.

THE CHAIR:

Thank you, Senator.

Senator McLachlan.

You got it there?

Senator McLachlan.

SENATOR McLACHLAN:

Thank you, Mr. President.

Campaign finance reform came to Connecticut in 2005, and was a very dramatic change in the way that political campaigns were conducted, state political campaigns, very specifically, those of statewide campaigns and legislative campaigns.

Those changes are being changed almost equally as dramatically with this bill before us tonight. Some would say, reading press reports over the last couple of days, that these are positive changes that are being proposed. Some would say that it is a rollback of many of the reform measures that were taken in 2005.

Governor Jodi Rell was very proud of the Citizen Election Program and a lot of the campaign finance reforms that were implemented in a bipartisan reform bill back in 2005. I fear that when the folks who worked so hard on that bill in 2005 see the results of this legislation before us tonight they're going to be very disappointed.

Now, Governor Malloy, in a recent story, after the House passed this bill, said since the U.S. Supreme Court has said we cannot limit independent expenditures, we can at least make sure that everyone knows where the money comes from.

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Well, I'll get into more detail about why that comment doesn't make a lot of sense, because the reality is that, in some ways, we require further, newer disclosure but in other ways, we are creating a whole new animal of where's the money coming from?

Former State Senator Jonathan Harris said, unfortunately, that law also had the unintended consequence of severely hampering a political party's ability to help voters, activists and candidates organize and participate in the electoral process that's the heart of our democracy.

This bill helps solve that problem. I think when those who wrote the 2005 Campaign Finance Reform Bill see what's before us tonight and compare to what they had done in 2005, they will disagree with that last statement.

Another comment from the esteemed House ranking -- House cochair of the committee said, hidden money, especially when it comes from sources outside of our State, has no place in our electoral process. This bill will help to shine a light on that money so that we know who is behind it and where it's coming from.

Mr. President, those are nice comments to make. Those are good, positive, things to say about the proposed legislation. The problem is they're not true and here's why. This bill has so many new aspects to campaign finance rules in Connecticut that I'm wondering if we're creating a whole new legal practice for people to figure out how to get through the maze of Connecticut campaign finance laws.

In fact, if I knew of a good attorney who knew this bill and other campaign finance rules in the State of Connecticut, if I were to run for reelection, the first person I would hire for my campaign is a lawyer to make sure that we don't get stuck in a hiccup somewhere.

What is a covered transfer? I don't know one

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legislator in this building -- there's 187 legislators -- and other than the chair of the committee's that took -- the cochairs of the committee and perhaps the former chair of the committee, Senator Slossberg, can tell you what a covered transfer is and what the ramifications of that is. That's a whole new animal for this building. That's a whole new animal for campaign finance in Connecticut.

That there are actually political committees that don't have to register with the State Elections Enforcement Commission should have people take pause right there. If we're talking about full disclosure, why is it that there are organizations that are going to spend money in political campaigns that don't have to register with the State Elections Enforcement Commission?

This legislation authorized candidates -- authorizes candidate committees to reimburse each other for shared expenses. That's an unusual situation that was not allowed under the Citizen Election Program before.

The code of ethics is changed with this bill before us this evening. It creates a new gift exception that allows public officials to cover expenses incurred. Some of those expenses don't seem to be very clearly identified. Those expenses may be reimbursed and paid for by the public official's party committee. Now that would mean town committee or state central committee, I assume.

There is a call for this specifying that citizen election candidates can pay their treasurers from surplus funds. Now, if a campaign is contracted with someone to be their treasurer, which I did in -- in my previous reelection campaign -- we had an agreed-upon amount to handle the laborious process of adhering to all the requirements of reporting during the campaign over about seven months -- this allows them to get a thousand dollar bonus over and above whatever that agreement was. So if you have surplus, the treasurer can now have a bonus.

What are covered transfers? And then, what are the reports? I heard Senator Musto say something about tips in the jar and -- and that they're not trying to cover regular business expenses, but there are still very many questions about covered transfers. And I hope to get a more clear description of what they are in our discussion this evening.

There's a major expansion of something known as party-building activity. Now, some of this is probably boring for a lot of people. But for those who are looking for all of the angles in the political process, this is really where the rubber hits the road.

We get into all the details of changes here, and when you add them up, it is a very dramatic change to how political campaigns can operate in the State of Connecticut, especially Citizen Election Program candidates. It's amazing how much more money can enter a Citizen Election Program campaign with the new rules before us today.

The bill expands the definition of permissible expenditures and, in a great way, that will bring in other party committees into the process that have not been involved very much in Citizen Election Program campaigns as it stands now.

This legislation expands the list of de minimus -- de minimus was sort of a new concept for me when I came to the Government Administration and Elections Committee, but de minimus activities include volunteer activities. But they go in to explain in detail the creation of digital photo or videos that are part of an electronic file. Some would say that's the chaser, for those of you that are familiar with campaign lingo. But chasers are paid, often well paid. They're not volunteers. And video production and photo production can often be a very expensive expenditure for a political campaign that can now be buried in de minimus activities.

The bill exempts from the definition of contribution

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and expenditures certain endorsement communications. That one is sort of an odd duck, but we can still have another exemption to the requirements.

The bill exempts from the definition of contributions office space, office equipment, that are provided by the political parties or legislative leadership, PACs. The cost of these items alone could easily exceed \$10,000. That's 10 percent of the maximum amount you're able to spend in a Citizen Election Program Senate campaign.

Mr. President, the bill specifies that communications by 501(c)(3) organizations are not considered expenditures. Now, this point was discussed briefly between Senator Musto and Senator Slossberg. I'm unclear why this is in the legislation when they already clarified that those are forbidden activities under federal IRS rules.

Organization expenditures is where one of my biggest problems with this bill is. Why is that? I employed organization expenditures in my campaigns. I think that's logical. The local Republican town committee was able to assist me a bit with space in the campaign headquarters, paying the light bill. But this exemption now allows state central committees to make unlimited organizational expenditures. That's not a good idea.

We have limits for state Senate campaigns of \$10,000 from party committees, both state central and town committees, for organizational expenditures and \$3500 max in a House campaign. The legislative caucus and leadership committees are also able to make those organizational expenditures in those amounts, but this bill lifts all of the cap on state central committees. That's not a good idea at all. And that's where people who are really concerned about clean elections ought to look first. That's a problem.

Another very major change, I believe, is in party candidate listings. In Section 1, that language

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changes very dramatically. An organizational expense in the past, little used, because it basically required that if you were going to do an organizational expense over and above your maximum limit expenditure in the Citizen Election Program and that organizational expenditure was being paid for by one of the permitted organizations, town committee, state party, caucus PAC, that it had to be a fairly basic, biography type of mail piece, a very simple process of campaign material, but it couldn't be a hit piece on the opponent. It had to be a very general biography type piece. That's all been lifted.

Now what we have, by way of organizational expenditures under this bill, state central committees with unlimited funds that they can put into the campaign, and now, with this -- this ban previously under the listings rule, we have a negative ad bonanza because there's no limit on what they can do and say.

Yes, there's disclosure who paid for it, but now we're talking about unlimited funds available to come out of state central committee's dumped into one of these Citizen Election Program campaigns and go clobber the opponent. That's not what this program was about when it was designed.

And let's face it, the limits that were already in place were still a bus-sized loophole. Now I'll just use my campaign as an example. There are other Senate districts that are larger, but I'll use mine as an example.

Senator Boucher I think has seven towns. Mine is four, so that's four town committees times \$10,000, is \$40,000 if each of those town committees choose to participate in my campaign. In your case, it would be \$70,000 that could be added to your campaign. Now that's over and above the maximum allowed to spend in the campaign under the Citizen Election Program of just over a hundred thousand dollars.

But now we also have the legislative PACs that can

participate at \$10,000, and the state central committee currently with a limit of \$10,000. So in the case of my campaign, my roughly hundred thousand dollar campaign budget, as a volunteer -- voluntary Citizen Election Program candidate, I'm limited to spend about a hundred thousand dollars. I can increase that budget by over 60 percent by taking advantage of the existing bus-sized loopholes in the current law.

Now, I've never done that, but I could have done that and could have my opponent have done that. But now we're talking about that bus-sized loophole now having an aircraft-carrier-sized loophole. Why? Because if the state central committees maximum donations are increased from 5,000 to 10,000 dollars -- which I was not totally against in committee knowing that we had certain limitations in campaign expenditures that would make sense, but now I'm not in favor of that, because I believe that what was once a very limited campaign process under the Citizen Election Program, now when you have this extra element involved in the process without limit, I think what we're really looking at is something very different.

And what it could mean, frankly, is some people would say buckets of money coming into campaigns. I think there's a bulldozer coming through. I think that if the maximum donation to the state central committee is \$10,000, and someone is really working the system hard, which a gubernatorial incumbent should probably be doing right now, if they're doing their job and doing their party building and out there raising money, then an awful lot of money can go through the state central committee into all the Citizen Election Program campaigns, than far exceed these limits that were previously in place.

I don't think that's a good idea. I think that that's why the people who wrote the 2005 law would be very upset with this bill. I think that the change in the tight limitation in what those organizational expenditures could be, by way of communication, going from a tight biographical type listing, to now

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no-holds-barred negative advertising, go hit the opponent, that is not what was considered clean elections, when piles and piles of money can come in from the other organizations, especially the unlimited version, from state central committees.

Now why am I opposing that? My state central committee might be able to help me just as much as they could help my opponent on the other side of the aisle, or a minor party candidate, perhaps. In my case, I made a decision to participate in the Citizen Election Program for a reason, reluctantly.

The way the law is set up in Connecticut it makes no sense whatsoever for a candidate to run outside the Citizen Election Program for the office of State Senate, in my opinion. It makes no sense to do that. Because if you -- because of your belief that it shouldn't be taxpayer-funded -- say, okay, I'm just going to go raise my own money, and you go convince your friends and family and supporters that you need \$110,000 to run for the State Senate, your friends and family are going to wonder why the person you're running against has to raise 15 percent of that and the rest of it comes from taxpayer money.

So why would you do that? It's a disincentive for you to fund yourself through your own supporters' contributions. And so the system is designed, some would say very well, to encourage people to participate. And not only if you participate in the program, if you work hard at it, you can find other resources available to you under the current limits available. But ladies and gentlemen, what we have before us tonight is a no-holds-barred, open up the spigot, dump in all the negative advertising cash you can get your hands on, and that is not the Citizen Election Program.

So if you're going to do that, well, then kill the Citizen Election Program. Just shut it down. Give all that money back to the taxpayers. By the way, that is taxpayer money. You know, we talk about, oh, it's not taxes, it's escheated funds. And baloney.

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That's taxpayer money. Go put that money back in that trust fund.

So if you're going to kill the Citizen Election Program by not making it purer, the way everybody wants to claim it is, then just shut it down.

The independent expenditures as opposed to organizational expenditures is a whole different animal. Now, everybody talks about Citizen United. And I've had many conversations with legislators in this building that sometimes they seem like they're shaking in their boots about Citizen United. And, you know, these gorillas are coming to town and, you know, we heard stories about the Carolinas and how some legislative races down there went awry for some candidates because of independent expenditures. Listen, that -- that is the first amendment. People are allowed to speak up when they want to, even in a taxpayer-funded campaign.

But what I don't understand about these comments that I opened my -- my remarks this evening with, that this is sunlight on the process, that disclosure is good, that Citizen United has created all these challenges, and this evil money is coming in from all over the place, and -- the ironic part about this legislation is it doesn't meet the goal of what those kind of comments are.

Why? Because in the independent expenditure sections of this legislation, which are quite extensive, when you look at the whole bill, a lot of the bill is taken up by independent expenditures and how they're treated and how their reporting requirements are handled and all of those things. The independent expenditures here seem to create a whole new animal that Connecticut politics has, frankly, never seen before.

Now, the last statewide campaign had this interesting political action committee that shook up a few Senate campaigns. And I could see why people were concerned about that. It is a First Amendment right, that they do that, but I'll grant you that should be full

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disclosure. If someone is going to spend money and run TV ads, we should know who is spending the money and where the money came from.

But the independent expenditure structure that's in this bill, I don't think it's just simple disclosure. I think, in a lot of cases, that this transfer stuff, these transfers that are talked about in the process, allows people to do just the opposite, to create an independent expenditure organization and spend a whole bunch of money and really never tell anybody where that money came from. Why? Well, because there's exemptions.

You see, if you have over a hundred donors you get one level of exemptions. If you only collect money from people for under \$5,000, you get another exemption. So here's an idea. You set up an independent expenditure organization and you go collect 99 or a hundred donors, whatever it is, at \$4999 and you've got a whole bunch of money to spend, but you're at a different level of disclosure requirements than others. Why? Why would you do that? Why is there this unusual process of disclosures for independent expenditures?

And then there's committees that make only independent expenditures. They have -- they seem to have unlimited expenditures that don't have to register with the SEEC that I mentioned before, and they can accept unlimited covered transfers.

Are you getting the message yet? Am I posing enough questions that say, why isn't this clear as a bell?

It has been worked on for a long time. Some of the contents of this bill, I voted on as the ranking member of Government Administration and Elections in other bills.

I believe Senator Musto is correct in stating it's a -- it's a conglomeration of -- of many bills brought together. The problem is that the lions share of the content of this bill came out of somebody's back pocket

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in a back room long after the JF deadline of the Government Administration and Elections Committee and we never talked about it.

Now, some might say it's a good idea, but nobody has been given the opportunity, including the experts in elections enforcement have been given the opportunity to really chime in on what is the impact of this legislation before us.

Covered transfers, a person must disclose the source and the amount of every -- of any covered transfer of \$5,000 or more. So there's one of those exceptions I was talking about. The disclosure requirement does not apply to any person that discloses the source and amount of such covered transfer in a report it files with the FEC or the IRS. So now we're talking about -- to really figure out where the money is coming from, you've got go to Washington and two federal agencies to figure out where the money is coming from.

Do we have a clear understanding about what rebuttable presumption means with independent expenditures? No. There were two questions I believe related to that by Senator Slossberg to Senator Musto to try and get some legislative intent in that matter. But I must tell you that the lawyers that I've asked to look at this, and I believe the SEEC are still scratching their head on what's the impact of this legislation.

So if the people in the business of enforcing elections, and in one case, defending election law, don't understand what's before us, where did it come from? That's my point.

It was never in the public hearing process in this legislative session and it doesn't belong before us tonight when we don't know what the impact is going to be.

Another exception to the bill prohibits disclosing the name of any person that made a covered transfer to a 501(c)(4) organization. Now we're talking about disclosure challenges that are related to federal law.

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But it's my understanding that it's federal law that determines whether or not someone can participate in a political activity if you're a nonprofit organization and not state law. So if it's federal law that prohibits those organizations, the (c)(3)s the (c)(4)s from direct political campaign involvement, why are we talking about them in this bill?

Back to the increased limits. Three sections of this bill address the increases, but here's one that was sort of peppered over in the summary earlier this evening, in that the maximum that an individual can contribute in one election cycle to the different campaigns is \$15,000.

Now, that makes perfect sense to me because it seems that, you know, we don't want someone dumping a whole bunch of money into a campaign cycle and expecting some type of return on their investment on election day. So we limit an individual to \$15,000. It's being doubled to 30,000.

Now, if you're talking about Citizen Election Program candidates, \$30,000 divided by a hundred dollars maximum campaign donation touches an awful lot of campaigns. But if you're talking about the increase in the maximum contribution to state central committee from 5,000 to 10,000 dollars, and from a thousand to 2,000 dollars on town committees and other PACs, this individual can certainly make a mark in the campaign cycle with that kind of an increase in the maximum amount.

I want to return just for a moment to the code of ethics. I mentioned briefly before that the bill exempts from the definition of gift under the State Code of Ethics a public official's expenses paid by the party committee.

Quote, for accomplishing the committee's lawful purposes. What are we talking about? Now I've attended some legislative conferences. In a couple of cases they were paid for by the organization and

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they're disclosed on my ethics forms. But now we're going to have campaign contributions go to party committees and PACs and they're going to pay operating expenses of the Senate office that isn't allowed to be paid for by taxpayer dollars. What is this?

Shouldn't we really be thinking twice about this kind of stuff? Haven't there been recent situations in this Circle where expenditures were questioned? Shouldn't we not step down that road? Why are we asking for more questions? Just don't do it. Just don't do it and then you don't have to answer the questions because it's forbidden. It's easier that way. It's easier and it's cleaner.

Ladies and gentlemen, this is -- this is not a good day, I don't think, for campaign law in the State of Connecticut. I beg to differ and respectfully disagree, I'm afraid, with claims that this is shedding light on the campaign process in Connecticut, on the contrary.

With one hand, you require more disclosure. With two other hands, one out here and one behind your back, you're looking for more money, less oversight, more ability to run negative campaigning, and this is the wrong way to go.

Mr. President, I urge the members of this Circle to reconsider this as being the appropriate way to handle campaign finance in the State of Connecticut. We really should table this for the next legislative session and let us have a full hearing on the impact of this proposal and then bring it back for a vote.

If you want sunlight, give it a public hearing
sunlight, not a midnight vote.

I urge rejection of this bill.

Thank you, Mr. President.

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Thank you, Senator.

Senator Markley.

SENATOR MARKLEY:

Thank you, Mr. President.

I could pick up exactly where Senator McLachlan left off, at least in terms of seconding his notion that what should be done with this bill is that it should be tabled.

I spoke earlier this evening about our tendency to rush forward with legislation without giving people a chance to comment on it, without giving ourselves a chance to absorb or digest what's before us. And I think this is another very painful example of that tendency, and a particularly pernicious one, in that it touches on the integrity of the elections system, something that I think we all feel a great need protect -- all of something that certainly touches on all of us in this room. I don't even mean just those of us sitting around in this Circle, but everybody who's involved in this business.

And here we have a proposal that again has emerged very late in the process, insofar as there was examination given. It was given to a very different proposal that, in many ways, had very different aims. And I think that we're making a great mistake by going forward with it, and yet here we are with it this evening.

And I guess I would start by doing something I've never had the opportunity to do before, which is ask a few questions of my friend, Senator Musto. Although he was my chair over the last -- in the last term, I don't think we ever reached the point of going over a bill together.

And I'm afraid in this case I'm going to be asking in a state of greater ignorance and more profound opposition than would have been the case if we were

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talking about human services bills last year or the year before.

But through you, Mr. President, if I may put a couple of questions to Senator Musto.

THE CHAIR:

Please proceed, sir.

SENATOR MARKLEY:

There was conversation about, in the original form of this bill, to make changes in the functioning of minor parties, of third parties, whatever you would want to call them. This bill makes some fairly modest changes, but I'm still curious about -- about them and I want to make sure I understand them correctly.

For instance, one of them is -- and if I may find it here in this analysis, which is long enough -- that on a party endorsement for the municipal office of State Senator or State Representative, which is to say in a one -- in a district which is wholly within a single municipality -- I think that only applies, in fact, currently, to a State Representative district -- that that endorsement is valid only if the candidate's name appears on the party's last completed enrollment list within the district.

Am I correct, then, in saying that, in these districts, a party could not endorse a candidate who is not a member of their party -- couldn't endorse an unaffiliated voter, for instance. And that, effectively, no party can perform a cross endorsement because no elector could be a member of more than one party? Is my understanding of that correct?

Through you, Mr. President.

THE CHAIR:

Senator Musto.

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SENATOR MUSTO:

Yes. Thank you, Mr. President.

I believe that is correct for those offices, yes, and in primaries, party primaries, not general elections.

SENATOR MARKLEY:

It -- that applies to a primary --

THE CHAIR:

Senator Markley.

SENATOR MARKLEY:

My apologies, Mr. President.

That applies to a primary only then. Is that correct, not to the general election?

THE CHAIR:

Senator Musto.

SENATOR MUSTO:

Yes. Thank you, Mr. President.

Through you to Senator Markley.

I believe you're looking at Sections 38 and 39 of the bill. And it says, in those sections, that we are talking about primaries.

THE CHAIR:

Senator Markley.

SENATOR MARKLEY:

Thank you, Mr. President and thank you, Senator Musto.

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May I follow up by asking that, for clarification then, that does not apply to legislative districts which cover more than one town. Am I correct about that?

Through you.

THE CHAIR:

Senator Musto.

SENATOR MUSTO:

Thank you, Mr. President.

Through you.

That's correct. And -- and we don't have any Senate districts like that anymore. We used to, but we do have some State Rep, several State Rep districts like that.

So if in the future, when we redistrict every ten years, if there should be another Senate district that is coterminous or included completely within the bounds of a municipality, then it would apply there as well. But, at this point, it doesn't just because we don't have any.

But you are correct.

Through you, Mr. President.

THE CHAIR:

Senator Markley.

SENATOR MARKLEY:

Thank you, Mr. President.

If I may ask the general question then, and I ask it in innocence -- through you Mr. President -- what is the rationale for that, for the distinction between legislative districts which are within one town versus

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multi-town legislative districts?

THE CHAIR:

Senator Musto.

SENATOR MUSTO:

Thank you, Mr. President.

And through you to Senator Markley.

First of all, I think I might have misspoke in on the -- I misspoke on the section number. I was trying to find the section number. I just looked at the wrong section, so I may have to -- I do have to revise that. It was Section 20, I believe that we're talking about.

And the rationale for that is just -- it is -- it's an interdistrict issue. It's just a municipal district issue. It's really related to the municipality more than the surrounding area. So the fact that you may have different towns or different cities in a district, you know, we're looking at that just a little bit differently.

Because when you cross town borders there may be different issues in different towns, whereas when you have a municipal issue for a municipal State Senator or Representative, much like a municipal government which this section also relates to -- although I believe that's current law -- then we're just looking at that as just sort of isolation, rather than saying for statewide for elections, for example, or any other elections.

And again, this is -- this is for party primaries. This is when the party itself is endorsing someone. So there's -- what is the rationale for that? It's really just giving the local -- the local party, because it is an intra-town party rather than a multi-town party, a little bit more leeway, I guess, to -- or a little more, not -- "leeway" is the wrong word -- but a little more control, I think, over the

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process as it is just a single town.

Through you, Mr. President.

THE CHAIR:

Senator Markley.

SENATOR MARKLEY:

Thank you.

Thank you, Senator Musto.

Continuing on that question of endorsements, Section 38 and 39 cover cross endorsements. And it's the -- I'm looking at the OLR explanation, I have to admit, and not at -- at the bill itself.

It says that a candidate is prohibited from being cross endorsed by a major or a minor party unless a candidate for statewide office belonging to the endorsing party received at least 15,000 votes in the previous state election. And those statewide officers are, according to the report, limited to the constitutional officers. It doesn't include the U.S. Senate candidate.

That -- that applies regardless of -- I guess I'll start with this question.

Through you, Mr. President.

Does that apply regardless of the previous ballot status of the minor party in the legislative district; in other words, if a minor party had cross endorsed a candidate or fielded a candidate who currently -- who received 1 percent or more of the vote in the legislative election, there was automatic ballot status again for that party.

In this case, even if their candidate received across that threshold, but there had not been a statewide constitutional officer that got 15,000 votes, the

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party would no longer be entitled, in that district,
to cross endorse?

Through you, Mr. President.

THE CHAIR:

Senator Musto.

SENATOR MUSTO:

Yes. Thank you.

Through you, Mr. President.

That's correct, Senator Markley.

THE CHAIR:

Senator Markley.

SENATOR MARKLEY:

Well, if I may return to my previous question, through
you, Mr. President, I'd ask what the rationale is for
that change?

THE CHAIR:

Senator Musto.

SENATOR MUSTO:

Thank you, Mr. President.

Through you to Senator Markley.

The rationale for the changes is -- is sort of the same
rationale that we have for the Citizens Election
Program itself, which is significant public support.

If you're going -- the party will not lose the line.
The party can still put up their own candidate and with
the same rules. Those do not change. The issue of

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cross endorsement, really, is to say, if you're going to be putting up someone other than your own candidate, someone from outside your own party, you should really be able to have enough public support to really make those cross endorsements.

You know, the -- it -- it really just has to do with saying, we want to make sure that people who are going to be speaking, cross endorsing, if you're going to add that kind of ballot issue, where the person is on multiple lines, that that party have the kind of support from the public for that line itself.

Because, again, we're trying with -- the whole issue of cross endorsements that came up is party -- is ballot confusion and confusion of the candidates. Most states in the United States, 45 don't allow cross endorsements of any kind. Of the five that remain, two of them have what we call a "fusion ballot" which is sort of a Vermont ballot -- or shorthand for it -- and we've been using around here -- which has the candidate name and then the parties that endorse them underneath.

So what we were trying to do initially with the issue of cross endorsements is prevent people from saying, we're voting for a party. We're voting for a person, is really the way it should be. Right? You're voting for Senator Markley. Or you're voting for Senator Musto. Or you're voting against Senator Markley. Or against Senator Musto.

On our ballot, you really have a party vote. And so what we're trying to say is, if you have these issues, if you have an issue of cross endorsement, then you should really have enough people in your party, enough support for your party, that you're still supporting a person, and to prevent that kind of voter confusion where the name appears several times on the ballot, which, you know, sometimes people vote multiple times for the same candidate or they don't know who they're voting for and what line. That was the impetus of that and this language is sort of the genesis -- or I shouldn't say the genesis -- it's really the result

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of that genesis of that conversation.

Through you, Mr. President.

THE CHAIR:

Senator Markley.

SENATOR MARKLEY:

Thank you, Mr. President.

Thank you, Senator Musto, for the -- for the answer.

I -- I guess I would pursue that just a little bit by asking, through you, Mr. President, to Senator Musto, because you had a hearing on the committee -- which I'm not a member -- of -- of a bill which dealt with this question of cross endorsement, although not in the -- in the form in which it now stands before it, did you hear evidence on the committee of voter confusion that led you to feel that we needed to go forward with a change like this?

Through you.

THE CHAIR:

Senator Musto.

SENATOR MUSTO:

Yes. Thank you.

Through you to Senator Markley.

I cannot point you to any specific testimony, if that's your question. As far as voter confusion, we did certainly hear about it in the committee and we did discuss it in the committee.

There was also the issue of the use of different party names that came up, which is not in this bill, but that was -- again, the public hearing process, as you know,

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is one where sometimes the bill that is set out for public debate, you get comments from other people who talk about other things. And so ideas get generated in the public hearing, which I think is one of the benefits of having the public hearing, is the things that legislators did not think of related to a bill do get raised by -- by other people.

So, yes, I mean, voter confusion was one of the issues that we discussed in committee.

Through you, Mr. President.

THE CHAIR:

Senator Markley.

SENATOR MARKLEY:

Thank you very much, Mr. President.

Thank you, Senator Musto.

Let me ask you about a different aspect of this which is the ad books. And my apologies if this came up. I was out of the Chamber while Senator McLachlan was discussing the issue earlier.

As I -- if -- if I recall correctly -- and I have to say this campaign law is confusing stuff even when you've dealt with it for many years. Maybe it gets more confusing with the years because it's not necessarily the same from year to year.

But through you, Mr. President.

Am I correct that under current law only town committees are allowed to do ad books?

THE CHAIR:

Senator Musto.

SENATOR MUSTO:

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Through you, Mr. President.

I'm not sure if it's limited just to town committees. But certainly, under current law, town committees are permitted to do ad books.

This is something to go back to your last question, and your current question, really, regarding whether Senator McLachlan brought this up, this is something that was supported in committee and we did specifically discuss this in committee, the ad books for the state parties.

And really the rationale behind it, as maybe your next question I'll anticipate a little bit, is that it just seemed, simply, a little bit unfair to prevent state parties from having ad books when others could. And that was one of the things that did come out of committee, I think, perhaps practically unanimously. That -- that one issue I do specifically remember was supported and that was the rationale for it.

Through you, Mr. President.

SENATOR MARKLEY:

Thank you.

THE CHAIR:

Senator Markley.

SENATOR MARKLEY:

Thank you.

And thank you, Senator Musto.

And thank you for including the rationale, which I am always interested in. Do I then -- so is this -- this bill would make town committees, state central committee, candidate committees, and -- and political committees -- again, looking at the OLR summary it

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looks like, aside from an exploratory committee, any other group of that sort would be entitled to use an ad book.

And I guess I would -- if I am correct about that, I guess I would follow up by asking what the impact of the ad book revenue would be on a candidate who was participating in the Citizens Election Program?

Through you, Mr. President.

THE CHAIR:

Senator Musto.

SENATOR MUSTO:

Thank you, Mr. President.

Through you.

The -- the last part of your question, first. It makes no difference. CP candidates cannot do that. Under -- under current law and under this bill, should it pass, CP candidates are prohibited from ad books. But it -- again, as you point out, there are other organizations that can do this. It really just adds state parties. So you're correct as to the rest of your statements.

Through you, Mr. President.

THE CHAIR:

Senator Markley.

SENATOR MARKLEY:

Thank you, Mr. President.

In Section 3 there's a discussion of expenses up to \$200 that the bill exempts as an expenditure, expenses up to \$200 in the aggregate that a human being acting alone incurs to benefit a candidate in any single

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election.

So would that mean that multiple people could make expenditures of up to \$200 without having to report anything, without providing any proof or any receipts in support of a campaign? And if so, are there any limits to what that could be spent on or any notion of how that might be monitored?

Through you, Mr. President.

THE CHAIR:

Senator Musto.

SENATOR MUSTO:

Yes. Thank you.

Through you, Mr. President.

That -- that does come, again, from federal court precedent that there has to be a de minimus exception for, I think, it was Mrs. McGillicuddy was the example from federal -- I don't remember the name exactly -- but there was some de minimus exception that had to be allowed in federal law so that everything doesn't constitute coordination. And it's really an issue of coordination.

So what we are talking about is just saying that just because someone calls up the campaign and says, hey, I'm going to go put -- I'm going to spend 150 bucks on some flyers and put them on the -- on the cars at the train station on the way home, so that people can see, you know, support Markley, that kind of thing, that that's not going to automatically subject Mrs. McGillicuddy to an SEEC investigation.

And -- and, again, it's an issue of federal law. It's an issue of free speech. And so we include it in our statutes as well.

Through you, Mr. President.

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THE CHAIR:

Senator Markley.

SENATOR MARKLEY:

Thank you. Thank you, Mr. President.

And thank you, Senator.

In the very complicated sections referring to independent expenditures that I would not pretend to feel that I can -- I can wrap my mind around, but if I might ask about one. There's, in Section 8, a provision of -- concerning long forms and short forms. And both of them are -- well, one of them, I guess, is required on the initial filing, if I understand this correctly, and one on subsequent filings. I guess -- I guess -- I'd say I can't see too much difference between the two forms. And I wondered what the -- what I'm missing about those forms in terms of whether this is supposed to be making -- I -- I assume it's to make life easier for somebody, but I kind of feel like it looks like it's a complication since so much of the same material is -- is reproduced on both forms.

And so, again, I'm asking for a clarification or a justification of what the reasoning was in putting this together.

Through you, Mr. President.

THE CHAIR:

Senator Markley.

Senator Musto.

SENATOR MUSTO:

Thank you, Mr. President.

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Well, the intent was to, as you say, make it a little easier on the second time around because you already have some information. There are eight disclosures required by the first long form, as it's so-called, and five required by the short form.

You know, perhaps it's poor drafting, that it could have been tightened up a little bit, perhaps not. But you know, the -- the -- the idea behind it was certainly that once the long form is completed and the information is available and filed already, that the second form should be a little bit less.

Now, obviously, some things need to be repeated. You -- you need to know the same person's name because it's the person who's -- who's filing, so the name has to be repeated. The subsequent expenditures have to be repeated. So that's something that you would do on the long form, and then on the short form for subsequent expenditures.

So there are certain things that have to be repeated just because you're looking at relating the short form to the long form, so you know you're talking about the same person, and you're relating the short form -- you're providing more information about subsequent disclosure in the short form.

So there may not be that much of a difference, but you are correct that the intent of it was to reduce paperwork. And perhaps we should have left it at the long form. I don't know. I will leave that to people and see how it works and -- and maybe we'll do away with the short form or maybe we can find a way to make it even shorter.

But, you know, to your question, in spite of the fact that you're not on the committee, you know, again, having worked together, I know that you -- you can look at this and -- and figure out what the difference are -- is by yourself. You don't, you know, you certainly can -- I know you have that capability, Senator Markley.

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Through you, Madam President. Good to see you.

(The President in the Chair.)

THE CHAIR:

Great to be seen, sir.

Senator Markley.

SENATOR MARKLEY:

Thank you, Madam President.

Thank you, Senator Musto. Thank you for the vote of confidence which, honestly, is more than I deserve. And I really was -- I was asking the question because of what I thought I was missing and not because of anything I particularly thought I had caught.

Let me ask another question, through you, Madam President, concerning the disclaimer requirements in this bill in Section 9.

For television and for radio advertisements on independent expenditures, it appears that for independent expenditures made within three months of the primary or the election, the ad must include -- well, let me limit it simply to the radio ads. That the ad must include the names of the five persons who made the largest aggregate covered transfers to the person making the communication during 12 months preceding the election, as well as identifying the person, I guess, the entity paying for the expenditure, indicating the message was made independent of any candidate or political party, and state that additional information about the person making the communication is available on the SEEC website.

I guess I would ask if -- through you, Madam President -- if you have considered whether this might

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take up the entire 30 seconds of the radio ad if so much information has to be required. It just seems like an awful lot to get into what's typically a 30-second ad.

THE CHAIR:

Senator Musto.

SENATOR MUSTO:

Thank you, Madam President.

Through you.

It does apply to radio ads. It also applies to other ads that -- that may not be so time sensitive and media sensitive, rather, things that could come upon a screen for example, on a television or on a website.

But, yes, I do believe that there is a -- certainly a time crunch there. I would point out that under current law the top five contributors are already required for that and -- and they're required in a longer period. So what this requires is the top five contributors who, if it's made within 90 days who've contributed within the past 12 months.

And I would also say regarding this that, as Senator McLachlan pointed out, there are lots of exceptions for de minimus donors. De minimus, maybe the definition is, you know, less than \$5,000, if you have a hundred. If you are really looking at what the covered transfer is trying to get at, not just this section, I should say, but the bill as a whole, the covered transfers as a whole, the independent expenditures, the entire statutory scheme is not meant to capture, in the net of campaign finance, every single, small donor, every single business that may make some sort of promotional statement or detracting statement against a candidate or a referendum, some such thing.

It's -- it's really meant to capture those -- those

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large donors, those organizations or those -- those people making independent expenditures, businesses, persons -- as I said before, the -- the definition of persons is used -- those persons making independent expenditures who are bringing a great deal of money to the table, who are making those independent expenditures really almost solely out of their own pocket, or from the pockets of one or two people, or businesses.

And that's what we're looking at here. We're not trying to play gotcha with every single person who wants to speak and wants to make a political statement. We're really trying to say that those people who are coming in and making these large expenditures almost single handedly, or maybe with the help of one or two other people or entities, those people need to report this.

Your local pizza restaurant owner that I was talking about before, your local rotary club, you Chamber of commerce, we don't want to burden those folks any more. We could. I mean, we could lower these limits and cut out some of these exemptions. I think that would be largely unfair to our citizens. That's not what we're trying to get at with this bill.

So taking any of these sections in isolation, I think, could easily bury the point that we're trying to make with this bill.

Through you, Madam President.

THE CHAIR:

Thank you.

Senator Markley.

SENATOR MARKLEY:

Thank you, Madam President.

And thank you, Senator Musto, for your answers.

And I will say a few words in the -- about the bill generally. And I guess I'd start by saying it's a bill that concerns me very deeply, in some ways maybe more than anything else that we've seen here in my tenure, partly because I feel like the implications of it are possibly so severe, and we've had so little chance to investigate what there would be.

If there ever were a bill -- we can't function -- I might say we shouldn't pass a budget, but I understand that a budget has to be passed. I feel like this is a case of something that we may be rushing into that we might really regret, and yet, that we don't have to do today. In fact, I -- I would -- if -- if I thought that by -- by pleading, I could prevent it, I would plead that we not do it today.

And I'll just comment on a few other things that concern me about it. The first is -- the -- the largest one certainly is completely unleashing the donations from the state central committee, coordinated donations, not independent expenditures at all, but rather, donations that are effectively an extension of the campaign's own resources and to an unlimited extent.

The very fact that there is no limit on it is what makes the potential of a -- of -- of the presence of state central in these legislative races so apparent. It seems like if it was going to be a limited involvement, then there would be a limited amount of money designated. When you say it's unlimited, one is inviting and almost demanding that large amounts of money start to come back into these legislative races.

And I think that, in that sense, whether it does it immediately or only eventually, it will undo the Citizens Election Program. I feel like almost -- I would almost say, if we're going to go this route, the -- that program ought to be repealed as part of it and we ought to open it back up again, because I believe that we're doing that, in effect.

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When we're capping at the Citizens Election Program for a the State Senate race something like a hundred thousand dollars, it's very easy -- especially again with the increased donation level possible to the state central committee -- to imagine that much money coming into any competitive race in the State Senate if the party is sufficiently motivated, if the political leadership in the State is motivated to raise the money that's necessary.

I think it's a very, very serious step that we're taking with -- with very little reflection and very little time for -- for the public to weigh in, no time really for the public to weigh in.

Let me say, in terms of the public weighing in, just as I was sitting here tonight, I got an e-mail that I imagine went to all of us from the League of Women Voters, not a group that I often find myself aligned with, and yet, a group that I respect as having a long history of promoting clean elections and having concern about election -- the propriety of elections, saying that, in fact, the bill as it's before us does not increase disclosure on independent expenditures, but complicates and hides disclosure.

And I'm sure that's not the intent of -- of the legislation, but I think it may well be the effect of the legislation. And again, we may not realize that's the effect of the legislation because we don't have the opportunity to weigh the legislation. I'll say this, I don't know why else the league would be discouraging us from this unless they were convinced that the legislation went in the wrong direction.

And there's other small things that I feel are -- there's -- there's no part of it referring to contribution limits, things like ad books, things like this de minimus expense of \$200. There's no part of these changes that does not seem to be aimed at allowing more money to come into the legislative races with less oversight over it.

I -- I don't know that I would be speaking heresy if

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I said that it seems that the ad books have always seemed to me to be a kind of a dodge. We might pretend that companies that buy an ad are getting some kind of value for their money in advertising, but I've never seen them -- I ran a newspaper, once upon a time, and I didn't charge that much for ads that went out to 15,000 people, let alone the ads that were in the ad book.

It's -- it's a way to get money into campaigns. It's been an accepted one. It's one that has a kind of a long tradition, at least here in Connecticut, but it's not one that in the name of good government I would necessarily want to see us expand.

And there's always the problem in campaigns, to my mind, of people going out and spending money and having to say to them, no, I'm sorry you can't make up that flyer on your own and put it on the car on my behalf. You've got to do that through the campaign.

Well, what you do want? We'll do the flyer for you. You know, we'll accommodate you. At the point at which you say, no, people can do that, and they can do it up to \$200, which I would say is a significant de minimus, if such a thing is possible, there's -- such flyers will start to appear in numbers which can never be determined, at an expense which we can never know, and there will be no way to oversee it. I think it strikes me as opening the door to a lot of abuse and confusion, not letting poor Mrs. McGillicuddy off the -- off the hook, but -- but complicating our lives.

And I would say in terms of the interesting change in cross endorsements for a third-party or minor party, that one effect, to my mind, that that would have is to prevent the party from building itself from the bottom up.

I've had a fair amount of contact with the -- with the Independent Party of Connecticut, as it's called, and it's a party that interestingly had a lot of support in the Waterbury area, which is where I knew these

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folks from. And that support was very much -- it was very much a local party. It wasn't something that was set up someplace else and came in and -- and worked its way down. It was a lot of local people that banded together under the Independent Party name, eventually becoming involved in the statewide Independent Party, and the last step being fielding a gubernatorial candidate in the last election.

If there is going to be a third party in Connecticut, I think that's the way that we can imagine it being built, in the most healthy way that we can imagine it being built, the people themselves going out and starting a party and building it from the ground up.

And in the course of the evolution of such a party, one of the things that it would almost naturally start to do would be to cross endorse candidates, to say in the Waterbury area, we liked these liberals, or we liked these conservatives, whether they're running under their own banner or whether they're aligned with one of the major parties, and working its way up this way.

We're basically now saying, no, that can't -- that path is closed to you. You've got to have a statewide candidate that draws this kind of support. And I think, at that point, that only happens two ways, either it's a cult of personality of sorts, which we've seen in Connecticut at various times for various reasons of parties that were built around a single individual. Or it's going to be something that is set up by a group with an intent to cross endorse and create a party that way. I think it -- I think it shuts off the correct way of going about this.

And I won't belabor it. It's late at night. And I'm not expecting to -- I'm not expecting to necessarily to change anyone's mind. I've got three -- I've got three targets over here.

I would say to my good colleagues in the Senate that I don't think that we should rush into this. And I think if we pass it tonight we will have rushed into

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it. And if there was ever anything that I think could be worked out in a bipartisan way, is what the rules are for how political procedures would operate.

And with that, I will -- I will -- I will suspend my remarks and -- and, again, urge the members of this Chamber to reject this bill.

Thank you.

THE CHAIR:

Thank you.

Will you remark?

Senator -- Senator Boucher.

SENATOR BOUCHER:

Good evening, Madam President.

Madam President, I also rise to express my concern and opposition to this particular bill. There has been a great deal of discussion had already and some very important remarks and alarm being sounded by the ranking member of the GAE Commission -- Committee who has really done a great job on outlining a lot of the concerns in this bill.

There has also been a number of important comments being made by the previous speaker as well. And I was also concerned about the reaction that we get typically from organizations such as Common Cause or the League of Women Voters that spent a great deal of time, effort and attention to these issues on a regular basis from year to year, when those of us not on the committee may not be able to really see the bills until very close to the time that we have to vote on them.

We can see here that the e-mail that was just referenced by the Connecticut League of Women Voters, their chair of the Government Affairs Committee, Christine Horrigan, who just recently sent us all an

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e-mail expressing the great concern and alarm and opposition by the State League, where they expressed that some legislators indicated that in order to survive politically they need to pass this bill, to counter the big money flowing into the State on behalf of their opponents as a result of Citizens United decision, particularly in the last days before an election.

They expressed that that's the reason they're given that they need to raise these contribution and expenditure limits, bringing back the old ways of raising money, like ad books, expand exemptions, make an end run around the code of ethics and allow for -- and negative ads.

But they also adamantly say in this communication given to us that this is not the case. This is an area that they have a great deal of experience and expertise at, and they maintain that this is not the case, that they maintain that the bill weakens existing reporting and disclosure requirements for independent expenditures, that it hides money. These are their words.

Neither the voters nor the candidates will ever really know who is behind the negative ads. They feel very strongly that Connecticut already has a response to the Citizens United decision in a very strong disclosure law, Public Act 10-187, an act about independent expenditures -- and plead with us, they plead with us to vote no on this bill.

They go on to say that this bill weakens the reporting disclosure requirements for independent expenditures, by among other things, allowing entities and CEO to hide behind agents in -- in their ads, announcements, eliminating the disclosure of the top five donors unless covered transfer is involved prohibiting the disclosure, and changing the rebuttable presumption for independent expenditures, specifying political committees do not have to register with the SEEC if they only will make independent expenditures and eliminating the threat

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of imprisonment for campaign finance violations.

This is very, very concerning. And just this evening we learned that the Hartford Courant is doing an op-ed, an editorial for tomorrow's paper, that they just published this evening after seven o'clock tonight that -- whose headline is, "Campaign Bill Steers State Back to Dirtier Days." Boy, that's not what we want as a headline in our state's major newspaper that's distributed around the country.

They're adamant that these laws on the books since 2005, as a righteous reaction to grievous corruption scandals that focused on tainted money and getting that out of politics by banning campaign contributions from state contractors, banning the infamous ad books as fund-raising tools, eliminating contribution from lobbyists and setting up a landmark system of voluntary financing of elections for the Legislature and statewide office, and that these really great initiatives have been a great source of pride for Connecticut.

They go on to say that they feel that this bill was drafted largely in secret and passed by the House in the wee hours of the morning, and seeks to puncture the reforms by opening up a spillway for more private dollars in campaigns.

One of the things that they really are concerned about is that it would bring back the ad books and it would lift the contribution ban on state contractors and allow them to give to their local town committees. This is very important because state contractors, those doing business with the State, are usually governed by a code of ethics where you are not allowed to provide funding.

Imagine, those that are benefiting from the State with a lucrative contract are now able to fund the very people and organizations and entities that allowed them to do business with the State. This is very, very troubling indeed.

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They also go on to say that those that are pushing for this change have obviously learned nothing from the fund-raising scandal that brought down a congressional campaign just recently.

Well, you know, the person that had to confront a lot of the problems that Connecticut had with regards to campaign issues was our former Governor, Jodi Rell. She had, as well as the State, took great pride in the landmark legislation campaign finance laws and she is very concerned. In fact, I had an interesting conversation with her just today.

We both feel that this initiative that she worked so hard to try to get some of us that were pretty dubious to sign onto this so it would be more bipartisan is being dismantled. That Connecticut clean election laws have taken a dramatic step backwards today as these dramatic changes to strict campaign-finance laws are being pushed so hard by certain groups here in both the House and Senate.

She worked so hard to advance this after Connecticut tried to come back from those -- remember -- negative national headlines that renamed the state not Connecticut but, Corrupt-icut, throughout the state of Connecticut.

Now she's taken a fairly quiet approach to being a former Governor. She hasn't weighed in very often on any of the issues here, even as some things might have been a concern to her. And I know she has expressed to me oftentimes that she really doesn't get any credit much for the hard work she did on trying to focus the State on transportation needs and start putting some really major improvements there. But that was all I've heard from her until just today when she just couldn't help herself and expressed her tremendous dismay at what is happening here.

This perceived assault to Connecticut's election laws pours more money into elections by lifting the cap on the state -- what the state parties can spend on any race making expenditures unlimited. It removes the

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prohibition of keeping PACs from pushing funds into negative campaign ads against participating candidates in the Citizens Elections Fund.

And it allows PACs to pay for members of the Legislature, for their trips, their gifts, and possible junkets.

Former Governor Jodi Rell did ask for us to convey her deep disappointment at this retreat from clean elections and campaigns, as she sees this definitely as a dramatic step backwards. So does our major newspaper. So does our League of Women Voters.

She noted that she spent a great deal of her political capital to clean up the State, and now, it appears to her that the Legislature is planning to return the State to it's old ways. It's disheartening for her and a sad day for our State.

Thank you, Madam President.

THE CHAIR:

Thank you.

Will you remark? Will you remark?

Senator McLachlan.

SENATOR McLACHLAN:

Thank you, Madam President.

I stand for the purpose of an amendment.

THE CHAIR:

Please proceed, sir.

SENATOR McLACHLAN:

Thank you, Madam President.

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The -- the Clerk should have LCO Number 8610. I ask the Clerk to call it and I be allowed leave -- leave to summarize.

THE CHAIR:

Mr. Clerk.

THE CLERK:

LCO Number 8610, Senate "A," offered by Senator McLachlan.

THE CHAIR:

Senator McLachlan.

SENATOR McLACHLAN:

Thank you, Madam President.

I move the amendment.

THE CHAIR:

The motion is on the -- on adoption.

Will you remark, sir?

SENATOR McLACHLAN:

And I would ask for a roll call vote.

THE CHAIR:

A roll call vote will be had, sir.

SENATOR McLACHLAN:

Thank you, Madam President.

Madam President, this amendment is very simple. It does seek to correct what, I believe, is one of the major problems with the underlying bill. We talked

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earlier somewhat at length about the changes in the limits of organizational expenditures as it relates to state central committees. And that limitation, under current law, is \$10,000 for a State Senate campaign and \$3500 for a State House campaign.

The bill before us tonight seeks to lift that limitation and make it unlimited. The amendment before us now seeks to keep the law the way it is today.

With all due respect to the proponents of the underlying bill, it is inappropriate for state central committees to be granted open access the way that this is being proposed, and I urge adoption.

Thank you, Madam President.

THE CHAIR:

Thank you.

Will you remark? Will you remark?

Senator Musto.

SENATOR MUSTO:

Yes. Thank you, Madam President.

I rise in opposition to the amendment.

You know, much has been made of the unlimited -- so-called unlimited ability of the party committee to dump money into a campaign. As a practical matter that has not happened. It does not happen. What is unlimited is the independent expenditures that are coming from outside the state. And again, that's the focus of this bill.

The party committee has limits on how much can come into the party committee. Now we are raising those limits, but those -- what a party committee has is limited by the amount of money it can take in. There is not an unlimited amount of funds.

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And as Senator McLachlan said before in his prior comments, the fact is that we here in the Legislature certainly don't get -- I have not gotten -- I no Senator McLachlan said he has not gotten money from the state central committee. It's not something that happens because the state central committee and -- and the other committees just simply don't have it.

And we could even make -- I believe we could make the amount of money going into the committees unlimited and we still wouldn't have it, because people are not going to contribute that much money.

What is unlimited is the amount of independent expenditures coming into the State. And in spite of some of the comments that have been made, Senator Boucher for example, talking about the provisions of state contractors giving money, that is not in this bill. That is in an old version of the bill. That has been taken out of this bill. And to the extent that she was reading an old newspaper article, or the newspaper read a prior version of this bill, that is just simply not in this bill.

So I oppose this amendment and would simply ask the Circle to do the same.

And Senator McLachlan has already asked for a roll call vote, I believe.

Thank you, Madam President.

THE CHAIR:

Will you remark? Will you remark?

Senator McLachlan.

SENATOR McLACHLAN:

Thank you, Madam President.

For the second time on the amendment, for further

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clarification, Senator Musto has indicated that state central committees traditionally do not participate in legislative campaigns. Then it seems curious, at best, why the majority leadership of the Legislature is proposing eliminating current caps for participation of state central committees and legislative campaigns if, in fact, they're telling us there's no money there anyways. If that's the case, then they should leave the law the way it is now and -- and not lift the cap that exists.

Thank you, Madam President.

THE CHAIR:

Thank you.

Will you remark? Will you remark?

Senator Welch.

SENATOR WELCH:

Thank you, Madam President.

I rise in support of this amendment.

We don't have the best history here in the State of Connecticut with respect to some of our politicians and practices in the past. I know we're not the only State that struggles with that.

I get the impression, though, that with respect to legislation that is before us, that we are kind of opening some doors a bit wider than they have been previously opened. And one of the things Senator McLachlan's amendment does is it seeks to close one of those doors a little bit further shut, which I think is very important.

I also think it's important, Madam President, when it comes to just the atmosphere, even here in this Circle. Under current law with respect, at least, to the leadership PACs, where I understand the underlying

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legislation does have a cap, we are allowing those PACs to shift from positive messages to negative messages.

Now, it's -- my first two years here seemed to be a bit more divisive than the last year here, but we talk about some pretty difficult issues. We deal -- we approach them from very different positions. And it can, at times, make for heated and tense debates, heated and tense relationships.

And it seems to me that there is a risk, with the legislation before us, to kind of throw gasoline on an already -- already challenging situation, especially when the very people in this room and the very people that work with us will be working behind the scenes on political mailers, or whatever kind of advertising it might be, and a lot of good people, people we come in and see everyday and enjoy having casual conversations. But it's going to change the dynamic. And it's going to happen on a much broader scale, to the extent that we don't put limits on what state central committee can do.

So I think, Madam President, with that, that we're looking at a good amendment before us. I think it, although the underlying bill does a lot of good things, I think it does some damaging things as well. And this, I think, reduces some of that damage.

Thank you, Madam President.

THE CHAIR:

Thank you.

Will you remark?

Senator Cassano.

SENATOR CASSANO:

Thank you, Madam President.

I rise to oppose the amendment and I do that

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understanding where everyone is coming from. I was one of the first -- I think I was the first to be impacted what we called, outside funding.

We have made tremendous strides in the State of Connecticut. Campaign reform is in place and following the rules, like everybody around this table that used and took advantage of the, rightfully so, of the campaign-finance rules, we spend our money as we are required to do and you have to spend it, obviously before the election.

And for somebody to come in out of nowhere from somewhere else, other states and places like that after you have maximized and spent your money by law, following all the rules that we have established through this Legislative body and previous Legislatures, to have someone come in and drop \$50,000 on the table to try and win your seat, there's no way that you can go out and raise another dollar because of the limits that we have on campaign finance.

So the cleanliness and the fairness of our elections are impacted by unknowns that we did not anticipate, I did not anticipate as a candidate, nor did four or five others in the Circle anticipate. And there are limited resources. The town committee is usually broke and, you know, so I can understand the purpose of the amendment.

This amendment, that this whole bill is like a budget. There are some things you like and there are some things you don't like, but we can't just go without providing some protections against what took place two years ago. It was wrong. It was sneaky. It was last minute and we had no ability to counter it.

And so I speak against the amendment, and I won't get up again, so I speak on behalf of the bill when we vote for the bill.

Thank you.

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Thank you, sir.

Will you remark?

Senator Boucher, for the second time.

SENATOR BOUCHER:

Yes. Thank you very much, Madam President.

I do rise for the second time to support the amendment -- although I think it's the first time in support of the amendment, maybe in -- previously on the underlying bill. And I am supporting the amendment because I think this is one of the areas that gives individuals the greatest concern, that there will be a large amount of money being poured into campaigns where the threshold already is pretty high to begin with.

And as was just stated by the distinguished chair of the GAE Committee, that the current dollar amount from various state organizations is already quite high and is rarely even utilized. And it raises the issue of why is this actually needed to be increased if there wasn't a plan in place to actually use a different method of campaigning. That can again taint the process in the State of Connecticut and is something that we are very concerned about.

Too much time, effort, pain and anguish was expended in getting us to this point. Why would we want to backtrack at this time and leave the State open for criticism, particularly at a time when public trust is at a very low point?

So I do rise in support of the amendment. And I hope that our Circle would pay close attention to the proceedings and at least move this bill in a slightly better direction.

Thank you, Madam President.

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THE CHAIR:

Thank you.

Will you remark? Will you remark?

If not, Mr. Clerk, will you call for a roll call vote.
The machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate.
Senators, please return to the Chamber. Immediate
roll call on Senate "A" ordered in the Senate.

THE CHAIR:

If all members have voted, if all members have voted,
the machine will be closed.

Mr. Clerk, will you please call the tally.

THE CLERK:

Senate Amendment Schedule "A" for House Bill 6580,

Total Number Voting	35
Necessary for Adoption	18
Those Voting Yea	14
Those Voting Nay	21
Those Absent and Not Voting	1

THE CHAIR:

The amendment fails.

Will you remark? Will you remark?

If not -- oops. Sorry.

Senator Fasano.

SENATOR FASANO:

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Madam President, could we stand at ease for one moment, please?

THE CHAIR:

Absolutely.

The Senate will stand at ease.

(Chamber at ease.)

THE CHAIR:

Senator Musto.

SENATOR MUSTO:

Thank you, Madam President.

And with apologies to Senator Fasano. I just wanted to add -- for the second time I rise in support of the bill. I'd just like to point out something and reiterate something I had said to Senator Markley earlier.

There are many provisions in this bill and they work together in many different ways. And taking any part of this bill in isolation looks strange in a lot of ways, but as a whole, what this bill does again is focus on disclosure and the rights of our citizens in the state to speak and right of our citizens and the state to understand who is speaking.

And when -- again, when you look at this bill as a whole, what you realize is that it's fair, both to the speaker so that there are not burdensome requirements but also to the listener so that we do have the disclosures in place.

And even though, as Senator Markley pointed out, one part of the bill would take up a lot of airtime on the radio, well, at least we know who's speaking. And you

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know what? If they have to buy 35 seconds instead, then they might have to buy 35 seconds. The same for the TV. The same for the Internet.

This is the way the bill, as a whole, works. And I would caution the Circle when -- when reviewing this bill to take the bill as a whole and to look at it as a whole, and to make sure that we're reading correct versions because, again, there are things in here that are not about state contractors. There is no more independent party name rules that are not here.

There are disclosures that are increased, in some ways, and tightened up in others. So that although -- where there was not formally a deadline, which was unfair to the speaker and unlimited time going backwards, now is a 12-month deadline, which seems fair in an election cycle.

So I will now yield back to Senator Fasano, if he's available, and he would like to speak. I do appreciate his indulgence and the indulgence of the Chamber with the this debate. It is an important issue and I'm glad that we've had the opportunity to debate it tonight.

So thank you again, Madam President.

THE CHAIR:

Thank you.

Senator Fasano.

SENATOR FASANO:

Thank you, Madam.

Madam President, I rise against the bill for reasons that -- what this bill does is twofold. One, it opens up a lot more money which has been talked about. But to me, I was one of the lone Republicans -- I guess there were four of us back in 2005 or 2006 -- that voted in favor of the campaign finance rules that were put

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forth.

There was a majority -- large majority of Democrats, but I was one of four Republicans to join and vote yes. Out of those Republicans that voted yes for the bill, I caught some flak for it. I was told that we're spending taxpayers' money. But the main reason why I voted for it was that there was some control over how much money was spent.

But equally important, as time went on and the bill rolled out, that there be less negative connotations to the political process. And as we evolved the bill more and more, we were able to have some other type of campaigns where it was more positive, where you talked about how good a candidate was, not how bad an opponent is.

The way it's set up now, we're going to be more focusing on negativeness. You know, in this Chamber and downstairs and across the state and the country politicians are not held in the highest regard. And when we do negative campaigning, we only feed that process.

The way the bill is drafted, we are walking right into that trap. There's very little faith the public has in us. And if we sit there and barrage each other about how poorly our actions or decisions are, we're just feeding that stereotype, when the truth of the matter is everybody in this Chamber works hard.

The truth of the matter is everybody in this Chamber cares about the State. And the truth of the matter is every day you come to this Chamber you work as hard as you can for your district and for the state. But this change necessitates out of competition negative campaigning. That's a problem and that's what bothers me the most. And that's one of the fundamental reasons why I'll be voting no.

Thank you, Madam President.

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Thank you.

Will you remark?

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, speaking in support of the bill, I believe that the comments of Senator Cassano earlier on the amendment really summed up in many ways the reasons why this bill is necessary.

What happened in the wake of the Citizens United decision and the activities pursuant to that that we began to see in Connecticut in the 2012 elections and have seen operated in other states, like North Carolina and in Kansas, make the provisions in this bill necessary, especially those that allow for additional fundraising through -- through state central committees and through the town committees and possible ways to infuse more funds into campaigns late in the process.

Because the problem is, right now, under our current system -- and our system is a -- is a good one. We, I think, did a -- did an extraordinary thing, and I think Governor Rell deserves great credit as well as the General Assembly, in 2005, in passing the public financing bill. And it worked very well in 2008, the first cycle of legislative elections, in 2010, the second cycle of legislative elections and the first cycle with the statewide and constitutional officers involved.

But all of the sudden, in 2012, a vulnerability and a -- a crisis erupted in the process because of the implications of the Citizens United decision. What we saw was a late infusion of spending by independent sources in campaigns in the last week or so, 60 and 70 thousand dollars being spent in several races over

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the space of a week or two.

Now, in some ways, the only silver lining in the cloud of Storm Sandy was that many of the -- of the television ads and the cable ads that were bought with that late infusion of money turned out not to have an impact because people had lost power and couldn't see them. So some of those -- some of those ads turned out to perhaps have been -- have been wasted.

But the problem remains that that -- that infusion of outside -- outside funds could tip the balance in a campaign in a way that was not foreseen when we adopted public financing in 2005, and which had worked very well in the 2008 and 2010 election cycles.

It is -- it is almost as if -- if you've had two boxers who have agreed to abide by the Marquess of Queensberry Rules, and then, all of the sudden, one of them puts on brass knuckles. And then the issue is, is the other one going to still be bound by the rules in which they began the engagement, but that things have now changed substantially.

It is regrettable that many of the provisions in this bill are -- are necessary, but necessary they are. I remember some discussions that we had with some of the government reform and campaign reform advocates some time ago talking about ways to respond to -- to what had happened in 2012.

And some of the advocates said, well, in order to keep the -- the spirit of the -- of the citizens election, maybe campaigns for participating candidates could be allowed if there are independent expenditures coming in against them to hold a number of small donor events to raise some supplemental funds.

And, of course, that points out the -- the unreality and impracticality of their approach to all of this because those events take time to plan and raise. And what you need, of course, is to be able to respond quickly to a sudden and large infusion of funds against you.

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And that is -- that's why things have changed. And until the genie of Citizens United can be put back in the bottle, if that can ever happen through a change in that decision, we are going to be faced with the necessity to do things that we are -- like we are advocating here tonight. So, in many ways, I believe that it is -- that it is regrettable, but it is, unfortunately, essential and I urge passage of the bill.

THE CHAIR:

Thank you.

Will you remark? Will you remark?

Senator McKinney.

SENATOR MCKINNEY:

Thank you, Madam President.

I rise in opposition to the bill. I was in my office working on another matter, so I apologize if I repeat -- repeat some comments made by other members. I will try to be brief in my opposition.

You know, I -- again -- for some reason, when I was thinking about this bill, I was stuck on a very old TV commercial which probably nobody in the Circle remembers, but it was a TV commercial advertising the sale of the Tootsie Pops.

It was a, you know, a lollipop with a Tootsie Roll in the middle, and the child always wanted to know how many licks until you got to the Tootsie Roll in the center. And he went to the wise old owl and he said, wise old owl, how many licks does it take to get to the center of the Tootsie Pop. And the owl took his Tootsie Pop and went, one, two, three, and crunched open the Tootsie Pop and said, here, three.

Well, how many years does it take for the Connecticut

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Legislature to do -- undo all of the good work that was done on campaign finance reform, getting special interest money out in response to scandals? The answer is, from 2005 to 2013, about eight. That's how long it lasted.

And we're doing this, we're told, because in Senator Looney's words, a crisis hit in 2012. What was that crisis? A lot of people exercising what the Supreme Court, like it or not, has said is their constitutional right, dumped a lot of money into races, especially money that we've not seen in independent expenditures in State Senate races, mostly targeted against Democrats, and the crisis was so bad that every Democrat won.

Everyone who was targeted with all those independent expenditures, to the tunes of maybe 40, 50, 60 thousand in a race, everyone won. It was such a crisis that we need to undo many of the good reforms we did.

And when I think back on what happened in 2005, I talked a lot about how we need to eliminate lobbyist donations, we need to restrict how much money people can give to our campaigns. My disagreement was with using public money, because you don't get it. You sell the people of Connecticut too short.

I understand how money is important in politics. We all do. We all run races. But most people who dump the most money into the races don't win.

Democrats ran a candidate for governor who was a self-funded candidate who lost in a primary to our Governor. You also ran him as a candidate for the United States Senate, and he lost. Republicans ran a candidate for the United States Senate who is self-funded and a candidate for governor who is self-funded and they both lost.

The tens of thousands of dollars in independent expenditures didn't influence our elections, but we're told it's a crisis. We're told it's regrettable but necessary to make these changes, to undo the good

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reforms, to allow more money and more influence into our system.

Right now, a state party can only spend up to \$10,000 on a State Senate race and you want to eliminate the cap. Careful what you wish for, because that's now available to both parties, Republican and Democrat.

Republican and Democrat parties can come in with 10, 20, 30, 50, 80 thousand dollars in a State Senate race, and that's necessary? That's not necessary.

We can rail all we want against Citizens United, and quite frankly, we should have disclosure. More disclosure on everything that we do with campaigns is good. Disclosure, transparency, openness is always good in our elections and in our government. But it is the law of the land.

And you might think it was wrongly decided, just as there are tens of millions of people who think the Affordable Care Act decision was wrongly decided, but you can't praise one and the court that makes that decision and then criticize the court that makes the other decision. You have to accept what our court says.

So this is a retreat. The League of Women Voters, as Senator Boucher read -- no fan of Citizens United -- is saying, don't do this. Governor Rell who worked with Democrats to pass those extraordinary campaign finance reforms said don't do this. Why are we retreating? Was it that long ago? Have we forgotten?

We can argue whether our campaigns should be funded by taxpayer dollars. I don't think so. You think it's the better way to do it? Okay. But I can't believe we're arguing over the influence of state parties in our races over the influence of people giving more money into our system.

The very premise behind the campaign-finance reform of only a hundred dollars was that nobody would be

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influenced by a hundred dollars. Then why are you increasing the amounts on all of the other areas? If a hundred dollars is where we level the influence, how can you go from a thousand to 2,000, or some of the increases that are in this budget -- that are in this package? It just doesn't make any sense.

For Connecticut to change our laws to allow for more money in our political system sends the wrong message. Don't be afraid of independent expenditures because the people are pretty smart and they vote for the best candidate, or the better of the two candidates, not the candidate that has the most money, or not the candidate who spends the most money.

And, quite frankly, I think, and I've heard a lot, people get turned off by the negative ads. They don't really know who's sending it. So if there's a negative ad sent against Senator Meyer, quite frankly, they assume it's Senator Meyer's opponent. They don't know what these groups are. They just assume it's the person running against Senator Meyer. And you know what? Knowing his district, I bet you that helps him, because people in Branford and Guilford are turned off by this stuff.

I know the people in Fairfield and Newtown are -- they will not vote for candidates that run negative ads in Newtown, Connecticut. I'll tell you that right now. That's one of the very first lessons I ever learned. Don't run negative ads. People won't like you. They won't vote for you.

So I think we're not giving the people enough credit. I think we're retreating from our good government reforms that we did. I think we're sending the wrong message. And my last word of caution is, when you undo these caps, when you allow more money into the system, careful what you wish for.

Thank you.

THE CHAIR:

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Thank you.

Senator Williams.

SENATOR WILLIAMS:

Thank you, Madam President.

I rise to support the bill, to associate myself with the remarks of Senator Musto who's done a tremendous job working on this bill and bringing it out this evening, also Senator Looney and others who've spoken in favor of it.

Madam President, I, too, echo the words of Senator McKinney as to Citizens United. I may disagree with him on some of the finer points. I think we both think that it's not a terrific decision. I think it's a terrible decision for our democracy.

What it essentially allows, as you know, is unlimited and we call them "independent expenditures." That's a real nice diplomatic way of saying secret special interest attack money. That's what it really is. It's coming from well-funded corporate or special interest sources with little, and in many cases, no disclosure whatsoever.

It can be brought to bear to strike down candidates who disagree with their positions on legislation, chilling the ability of legislators to stand up and take positions at odds with these extremely well-funded special interests that can, in the future, and as we know right now, because we saw it in 2012 in State of Connecticut, direct attacks against folks that they disagree with.

Senator McKinney is correct. We managed to fight back and hold off those attacks that occurred at the last minute. I don't know who was on our side, certainly not whatever powers were responsible for the hurricane and the power loss that inconvenienced so many people in the State of Connecticut.

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But the fact of the matter is that so many of those last minute television ads, attack ads, were not even seen because the power was out. So many of those last-minute vicious attack mailings were delayed in being delivered because of the storm and the power outages.

I can tell you where it has worked. In North Carolina, which had a Democratic State Senate since the Civil War, in 2010, a -- one single millionaire decided that since redistricting was coming up and there was a Republican House and a Republican governor, if they could take control of the Senate and have a Republican Senate, they would be in control of redistricting the congressional districts. They don't have a process like we have here in Connecticut where it's bipartisan. Whoever is in control gets to draw the map.

So they poured in about a hundred thousand dollars on seven or eight key state Senate races, vicious attack ads, false charges. They defeated a majority of those Democrats candidates that they targeted. They flipped control of the Senate and then they went about redistricting, in a gerrymandered way, the congressional districts to the benefit of that political party.

Kansas -- a word of warning for my friends on the other side of the aisle -- Kansas was a state with Republican legislative control and a Republican governor. The Republican governor, however, wanted to follow the path of the Koch brothers, and the National Chamber of Commerce was proposing deep and divisive cuts in education.

The Republican State Senate in the State of Kansas, the red State of Kansas, stood up and said, no, we are not going to savage the progress that we have made in education K through 12 and at the college level.

It took a lot of courage for the Republican president of the Senate and the Republican allies to stand up to that Republican governor and to those special

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interests trying to undo the progress that they had made.

As a result, right-wing candidates, or shall we say -- we can describe them as candidates who wanted to savage education in Kansas, filed for primaries in a majority of the Republican Senate incumbent districts funded with the so-called independent expenditures, which are really secret special interest attack funds, they struck down the majority of the Republican State Senators in Kansas, including the Republican President of the State Senate. They replaced those Republican leaders with folks who were compliant to those calling for a rollback of progress on the issue of education in the State of Kansas.

That is the recent effect. And we've only just gotten started of Citizens United that has opened the floodgates to secret special interest attack money. We saw \$500,000 spent in State Senate races against Democrats in the State of Connecticut in 2012.

Yes, it's true. We survived that this time, in part, due to a storm, but we know that these secret attack funds are effective and they are affecting Democrats, but they're also affecting Republicans. If you're not extreme enough, watch out.

So, Madam President, this bill doesn't go far enough because we don't have the tools. We don't have the ability to stand up to the Supreme Court. Hopefully in, the not-too-distant future, we'll have a different majority who will revert to the hundred years worth of precedent that they threw out the window when they said that we cannot look at our political process and have some controls, that we're not going to turn this country over to secret billionaires and secret corporations or secret contributions from foreign countries, for all we know -- because it's secret money -- and have them come in and dictate to us the outcome of our political process, by not just putting their finger on the scale, but slamming their fist on the scale and tipping that scale decisively to the side of special interests who work against the interests

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of the average working man and woman and the families across the state of Connecticut and this country.

That's what this is about.

This bill, unfortunately, only goes a very short way to providing an ability to fight back with funds that are a hundred percent disclosed, a hundred percent transparent. It's the least we can do to fight for our democracy against a tidal wave of secret special interest money.

Thank you, Madam President.

THE CHAIR:

Thank you, sir.

Will you remark? Will you remark?

If not, Mr. Clerk, will you call for a roll call vote and the machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate.
Senators please return to the Chamber. Immediate roll call has been ordered in the Senate.

THE CHAIR:

If all members have voted, all members have voted, the machine will be closed.

Mr. Clerk, will you call the tally.

THE CLERK:

House Bill 6580,

Total Number Voting	35
Necessary for Adoption	18
Those Voting Yea	21
Those Voting Nay	14

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Those Absent and Not Voting 1

THE CHAIR:

The bill passes.

Are there any points of personal privilege or
announcements?

Senator Meyer.

SENATOR MEYER:

Madam President, for purpose of an announcement.

THE CHAIR:

Please proceed, sir.

SENATOR MEYER:

Colleagues, there's going to be a meeting of the
Environment Committee 15 minutes before the first
session outside the House Chamber. We've got one
significant bill to take up, so I hope those of you
who are members of the committee will be there 15
minutes before the first session outside the House
Chamber.

Thanks.

THE CHAIR:

Thank you.

Are there any other points of personal privilege or
announcements?

Senator Bartolomeo.

SENATOR BARTOLOMEO:

Thank you, Madam President.

**JOINT
STANDING
COMMITTEE
HEARINGS**

**GOVERNMENT
ADMINISTRATION
AND ELECTIONS
PART 4
1000 - 1350**

2013

Written

Testimony of Tom Swan

Executive Director of the Connecticut Citizen Action Group (CCAG)

On Various Bills (SB 900, SB 901, SB 902, and HB 6580) Before the Government Administration and Elections Committee

March 11, 2013

Good Afternoon Senator Musto, Representative Jutila and other members of the GAE Committee, my name is Tom Swan and I am the Executive Director of the CT Citizen Action Group (CCAG). On behalf of CCAG's over 20,000 member families I want to thank you for holding today's hearing. I will be offering brief comments on a number of the bills before you today.

First, SB 900 AAC Revisions to the State Ethics Code. CCAG supports the amending of the terms of CEAB members and the ability to recover financial benefits received by a state contractor, and the technical change in the filing deadline. We want to take this opportunity to raise our concerns with the entire consolidation into the Office of Government Accountability and our opposition to Governor's proposed budget changes.

Second, SB 901 AAC Post Election Audits. We oppose this bill because the audits are instrumental in voters having faith in our elections system and the way this bill cuts them in half will lessen our confidence.

Third, CCAG supports SB 902 AAC legal Notices in Newspapers. We would actually propose the state create a web page where legal notices are hosted and eliminate this cost for municipalities. Newspaper readership continues to decline and the value these notices used to provide is no longer there. There are cheaper and more effective ways to notify the public and we should take advantage of them.

Finally HB 6580 AAC Failure to File a Report of an Independent Expenditure. CCAG supports the idea of increasing these penalties. We saw how secretive independent expenditures were successful in at least one race this year. The individuals and entities behind the attacks have not been punished. Clearly they did not see the possible punishment as enough of deterrent to make them follow the law. Therefore, we need make sure that the punishment is enough and structured in a manner to discourage breaking of the law or would match the violation, which is significant.

Thanks you for your time.