



# House of Representatives

General Assembly

**File No. 85**

January Session, 2025

House Bill No. 6931

*House of Representatives, March 12, 2025*

The Committee on Government Oversight reported through REP. DATHAN of the 142nd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

***AN ACT CONCERNING CONFLICTS OF INTEREST DUE TO AN EMPLOYER OTHER THAN THE STATE UNDER THE STATE CODE OF ETHICS.***

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

1 Section 1. Section 1-85 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2025*):

3 (a) (1) For purposes of this section, "business with which the public  
4 official or state employee is associated" has the same meaning as  
5 "business with which he is associated", as provided in section 1-79.

6 (2) A public official, including an elected state official, or state  
7 employee has an interest which is in substantial conflict with the proper  
8 discharge of [his] such official's or employee's duties or employment in  
9 the public interest and of [his] such official's or employee's  
10 responsibilities as prescribed in the laws of this state, if [he] such official  
11 or employee has reason to believe or expect that [he, his] any of the  
12 following persons will derive a direct monetary gain or suffer a direct

13 monetary loss, as the case may be, by reason of such official's or  
14 employee's official activity: The official or employee, or such official's or  
15 employee's spouse, [a] dependent child [, or a business with which he is  
16 associated will derive a direct monetary gain or suffer a direct monetary  
17 loss, as the case may be, by reason of his official activity] or nonstate  
18 employer or the nonstate employer of the official's or employee's  
19 spouse, or a business with which the public official or state employee is  
20 associated, except as provided in subdivision (3) of this subsection.

21 (3) In the case of an elected state official, such official only has a  
22 substantial conflict regarding a matter concerning such elected official's  
23 nonstate employer or the nonstate employer of such official's spouse or  
24 a business with which the official is associated, if such official has actual  
25 knowledge, rather than has reason to believe or expect, that such  
26 nonstate employer or business will derive a direct monetary gain or  
27 suffer a direct monetary loss, as the case may be, by reason of such  
28 official's official activity.

29 (4) A public official, including an elected state official, or state  
30 employee does not have an interest which is in substantial conflict with  
31 the proper discharge of [his] such official's or employee's duties in the  
32 public interest and of [his] such official's or employee's responsibilities  
33 as prescribed by the laws of this state, if any benefit or detriment accrues  
34 to [him, his] such official or employee, such official's or employee's  
35 spouse, [a] dependent child [,] or nonstate employer, the nonstate  
36 employer of the official's or employee's spouse or a business with which  
37 [he, his spouse or such dependent child] the public official or state  
38 employee is associated as a member of a profession, occupation or  
39 group to no greater extent than any other member of such profession,  
40 occupation or group. [A] Except as provided in subsection (b) of this  
41 section, a public official, including an elected state official, or state  
42 employee who has a substantial conflict may not take official action on  
43 the matter.

44 (b) If an elected state official has a substantial conflict regarding a  
45 matter that concerns a direct monetary gain or direct monetary loss for

46 the nonstate employer of such official or the nonstate employer of such  
47 official's spouse, such official shall either excuse himself or herself from  
48 the matter or, prior to taking official action on the matter, prepare a  
49 written statement signed under penalty of false statement describing the  
50 matter requiring action, the nature of the conflict and explaining why,  
51 despite the conflict, such official is able to vote or otherwise participate  
52 fairly, objectively and in the public interest in such matter. Such official  
53 shall submit a copy of such statement to the Office of State Ethics and  
54 enter a copy of the statement in the journal or minutes of the state  
55 agency to which such official has been elected, or, if such agency does  
56 not have a journal or minutes, submit the copy to such agency.

57 Sec. 2. Subsection (a) of section 1-86 of the general statutes is repealed  
58 and the following is substituted in lieu thereof (*Effective October 1, 2025*):

59 (a) For purposes of this section, "business with which such public  
60 official or employee is associated" has the same meaning as "business  
61 with which he is associated", as provided in section 1-79. Any public  
62 official or state employee, other than an elected state official, who, in the  
63 discharge of such official's or employee's official duties, would be  
64 required to take an action that would affect a financial interest of such  
65 official or employee, such official's or employee's spouse, parent,  
66 brother, sister, child, [or] the spouse of a child, nonstate employer,  
67 nonstate employer of the official's or employee's spouse or a business  
68 with which such official or employee is associated, other than an interest  
69 of a de minimis nature, an interest that is not distinct from that of a  
70 substantial segment of the general public or an interest in substantial  
71 conflict with the performance of official duties, as defined in section 1-  
72 85, as amended by this act, has a potential conflict of interest. Under  
73 such circumstances, such official or employee shall, if such official or  
74 employee is a member of a state regulatory agency, either excuse himself  
75 or herself from the matter or, prior to taking official action on the matter,  
76 prepare a written statement signed under penalty of false statement  
77 describing the matter requiring action and the nature of the potential  
78 conflict and explaining why despite the potential conflict, such official  
79 or employee is able to vote [and] or otherwise participate fairly,

80 objectively and in the public interest in such matter. Such public official  
81 or state employee shall [deliver] submit a copy of the statement to the  
82 Office of State Ethics and enter a copy of the statement in the journal or  
83 minutes of the agency or, if such agency does not have a journal or  
84 minutes, submit the copy to such agency. If such official or employee is  
85 not a member of a state regulatory agency, such official or employee  
86 shall, in the case of either a substantial or potential conflict, prepare a  
87 written statement signed under penalty of false statement describing the  
88 matter requiring action and the nature of the conflict and deliver a copy  
89 of the statement to such official's or employee's immediate superior, if  
90 any, who shall assign the matter to another employee, or if such official  
91 or employee has no immediate superior, such official or employee shall  
92 take such steps as the Office of State Ethics shall prescribe or advise.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2025</i>	1-85
Sec. 2	<i>October 1, 2025</i>	1-86(a)

**GOS**      *Joint Favorable*

*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

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## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Resources of the General Fund	GF - Potential Revenue Gain	Minimal	Minimal

Note: GF=General Fund

### **Municipal Impact:** None

### **Explanation**

The bill expands what constitutes a substantial conflict of interest under the State Code of Ethics for Public Officials and adds to what may be considered a false statement, resulting in a potential minimal revenue gain to the General Fund from fines. It is anticipated that few, if any, additional individuals will be charged under this bill.<sup>1</sup>

### **The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of offenses and related fines collected.

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<sup>1</sup>In FY 24, \$1,000 was collected in fines for false statements under CGS 53a-157b.

**OLR Bill Analysis****HB 6931*****AN ACT CONCERNING CONFLICTS OF INTEREST DUE TO AN EMPLOYER OTHER THAN THE STATE UNDER THE STATE CODE OF ETHICS.*****SUMMARY**

The state Code of Ethics for Public Officials generally prohibits public officials (including elected state officials) and state employees from taking official action on a matter for which they have a substantial conflict of interest (see BACKGROUND). This bill expands what constitutes a substantial conflict of interest to include actions that a public official or state employee has reason to believe or expect will result in a direct monetary gain or loss to his or her nonstate employer or spouse's nonstate employer. Under existing law, unchanged by the bill, a substantial conflict of interest also exists if the official or employee has reason to believe or expect that their actions will result in a direct monetary gain or loss to themselves or a business with which they are associated.

For elected state officials, however, the bill also limits the circumstances when this substantial conflict of interest could arise. It does so by specifying that in matters concerning a business the official is associated with, or their or their spouse's nonstate employer, the official must have actual knowledge (rather than reason to believe or expect) that the business or nonstate employer will get a direct monetary gain or loss due to their actions.

For elected state officials who have a substantial conflict of interest involving their or their spouse's nonstate employers, the bill requires the officials to either recuse themselves or file a statement explaining why they may act despite the conflict.

As under existing law, a substantial conflict does not exist if the monetary gain or loss to the nonstate employer is no greater than the gain or loss realized by any other member of the same profession, occupation, or group.

The bill similarly expands what constitutes a potential conflict of interest under the code to include actions taken by a public official (other than an elected state official) or state employee that would affect a financial interest of their or their spouse's nonstate employer. By law, officials and employees who have a potential conflict generally must either recuse themselves from taking official action or file a statement explaining why they can act despite the conflict.

EFFECTIVE DATE: October 1, 2025

### **SUBSTANTIAL CONFLICT**

Current law prohibits public officials and state employees from taking official action on a matter for which they have a substantial conflict of interest. By deeming actions a public official (including an elected state official) or state employee has reason to believe will, or expects to, result in a direct monetary gain or loss to their or their spouse's nonstate employer as a substantial conflict of interest, the bill generally prohibits officials and employees from taking these actions.

For elected state officials under the bill, however, a substantial conflict of interest only exists if the official has actual knowledge that either a business the official is associated with, or their or their spouse's nonstate employer, will get a direct monetary gain or loss due to their actions. Under the bill, a business the official is associated with generally includes any business entity in which the official or member of his or her immediate family is a director, officer, owner, limited or general partner, beneficiary of a trust, or holder of stock constituting at least 5% of the total outstanding stock (excluding nonprofit entities for which they are unpaid directors or officers).

If elected state officials have a substantial conflict of interest due to their or their spouse's nonstate employer, the bill requires them to either

(1) recuse themselves from the matter or (2) prepare a written statement under penalty of false statement before acting on it. The statement must describe the matter requiring action, the potential conflict, and why, despite the conflict, the official is able to vote or otherwise participate fairly, objectively, and in the public interest. The official must submit the statement to the Office of State Ethics (OSE) and enter a copy of it into his or her agency's journal or minutes (or submit it to the agency if it does not have a journal or minutes). By law, a false statement is a class A misdemeanor, punishable by up to 364 days in prison, a fine of up to \$2,000, or both (CGS § 53a-157b).

### **POTENTIAL CONFLICT**

Under current law, a public official or state employee has a potential conflict of interest if their official duties require them to take action that would affect their own financial interest or that of their spouse, parent, sibling, child, or child's spouse (other than one of a minimal nature or that is not distinct from that of a substantial segment of the general public). The bill expands a potential conflict of interest to include those actions involving their or their spouse's nonstate employer.

As under the existing law for addressing potential conflicts of interest, if the official or employee is a member of a state regulatory agency, he or she must either (1) recuse himself or herself from the matter or (2) prepare a written statement as described above. The bill further requires that this statement be (1) prepared before taking official action and (2) submitted to the agency if it does not have a journal or minutes.

By law, officials and employees who are not members of a regulatory agency must prepare a written statement under penalty of false statement that describes the matter requiring action and the potential conflict. They must deliver a copy to (1) their immediate supervisor, who must reassign the matter, or (2) OSE if they do not have an immediate supervisor. In this case, the official or employee must take steps that OSE prescribes or advises.

### **BACKGROUND**



**“Public Officials” Under the Code of Ethics**

Under the state Code of Ethics for Public Officials, a “public official” is any:

1. state-wide elected officer or officer-elect;
2. member or member-elect of the General Assembly;
3. person appointed to an office of the state government’s legislative, judicial, or executive branch by the governor or his appointee, with or without the legislature’s advice and consent;
4. public member or representative of the teachers’ unions or state employees’ unions appointed to the Investment Advisory Council;
5. person appointed or elected by the General Assembly or by any member of either legislative chamber;
6. member or director of a quasi-public agency; or
7. spouse of the governor.

Public officials under the code do not include advisory board members, judges of any court either elected or appointed, or senators or representatives in Congress (CGS § 1-79(11)).

**COMMITTEE ACTION**

Government Oversight Committee

Joint Favorable

Yea    9        Nay    0        (02/25/2025)