



Senate

General Assembly

File No. 295

January Session, 2025

Senate Bill No. 1430

Senate, March 27, 2025

The Committee on Government Administration and Elections reported through SEN. FLEXER of the 29th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE OFFICE OF STATE ETHICS FOR REVISIONS TO 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 Section 1-85 of the general statutes is repealed and the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.

93 Sec. 3. Subsections (a) and (b) of section 1-83 of the general statutes
94 are repealed and the following is substituted in lieu thereof (*Effective*
95 *October 1, 2025*):

96 (a) (1) All state-wide elected officers, members of the General
97 Assembly, department heads and their deputies, members or directors
98 of each quasi-public agency, members of the Investment Advisory
99 Council, members of a board, commission, committee or council within
100 the Executive Department who have the authority to enter into or
101 approve a large state construction or procurement contract, as defined
102 in section 1-101mm, and such other members of the Executive
103 Department and such employees of quasi-public agencies as the
104 Governor shall require, shall file electronically with the Office of State
105 Ethics using the software created by the office, under penalty of false
106 statement, a statement of financial interests for the preceding calendar
107 year on or before the May first next in any year in which they hold such
108 an office or position. If, in any year, May first falls on a weekend or legal
109 holiday, such statement shall be filed not later than the next business
110 day. Any such individual who leaves his or her office or position shall
111 file electronically a statement of financial interests covering that portion
112 of the year during which such individual held his or her office or
113 position. The Office of State Ethics shall notify such individuals of the

114 requirements of this subsection not later than sixty days after their
115 departure from such office or position. Such individuals shall file such
116 statement electronically not later than sixty days after receipt of the
117 notification.

118 (2) Each state agency, department, board and commission shall
119 develop and implement, in cooperation with the Office of State Ethics,
120 an ethics statement as it relates to the mission of the agency, department,
121 board or commission. The executive head of each such agency,
122 department, board or commission shall be directly responsible for the
123 development and enforcement of such ethics statement and shall file a
124 copy of such ethics statement with the Office of State Ethics.

125 (b) (1) The statement of financial interests, except as provided in
126 subdivision (2) of this subsection, shall include the following
127 information for the preceding calendar year in regard to the individual
128 required to file the statement and the individual's spouse and
129 dependent children residing in the individual's household: (A) The
130 names of all businesses with which associated; (B) all sources of income,
131 including the name of each employer, with a description of the type of
132 income received, in excess of one thousand dollars, without specifying
133 amounts of income; (C) the name of securities in excess of five thousand
134 dollars at fair market value owned by such individual, spouse or
135 dependent children or held in the name of a corporation, partnership or
136 trust for the benefit of such individual, spouse or dependent children;
137 (D) the existence of any known blind trust and the names of the trustees;
138 (E) all real property and its location, whether owned by such individual,
139 spouse or dependent children or held in the name of a corporation,
140 partnership or trust for the benefit of such individual, spouse or
141 dependent children; (F) the names and addresses of creditors to whom
142 the individual, the individual's spouse or dependent children,
143 individually, owed debts of more than ten thousand dollars; (G) any
144 leases or contracts with the state or a quasi-public agency held or
145 entered into by the individual or a business with which he or she was
146 associated; and (H) the name of any of the following that is a partner or
147 owner of, or has a similar business affiliation with, the business included

148 under subparagraph (A) of this subdivision: (i) Any lobbyist, (ii) any
 149 person the individual filing the statement knows or has reason to know
 150 is doing business with or seeking to do business with the state or is
 151 engaged in activities that are directly regulated by the department or
 152 agency in which the individual is employed, or (iii) any business with
 153 which such lobbyist or person is associated.

154 (2) In the case of securities in excess of five thousand dollars at fair
 155 market value held within (A) a retirement savings plan, as described in
 156 Section 401 of the Internal Revenue Code of 1986, or any subsequent
 157 corresponding internal revenue code of the United States, as amended
 158 from time to time, (B) a tax-sheltered annuity retirement plan, as
 159 described in Section 403 of said Internal Revenue Code, (C) a payroll
 160 deduction individual retirement account plan, as described in Section
 161 408 or 408A of said Internal Revenue Code, [(C)] (D) a governmental
 162 deferred compensation plan, as described in Section 457 of said Internal
 163 Revenue Code, or [(D)] (E) an education savings plan, as described in
 164 Section 529 of said Internal Revenue Code, the names of such securities
 165 shall not be required to be disclosed in any statement of financial
 166 interests and only the name of such retirement savings plan, tax-
 167 sheltered annuity retirement plan, individual retirement account plan,
 168 deferred compensation plan or education savings plan holding such
 169 securities shall be required.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2025	1-85
Sec. 2	October 1, 2025	1-86(a)
Sec. 3	October 1, 2025	1-83(a) and (b)

Section 1	<i>October 1, 2025</i>	1-85
Sec. 2	<i>October 1, 2025</i>	1-86(a)
Sec. 3	<i>October 1, 2025</i>	1-83(a) and (b)

GAE *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.

OFA Fiscal Note

State Impact:

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

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill expands existing substantial conflict of interest provisions under the State Code of Ethics, expands the range of officials who must file a statement of financial interests with the Office of State Ethics, 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.¹

The Out Years

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

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

OLR Bill Analysis**SB 1430*****AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE OFFICE OF STATE ETHICS FOR REVISIONS TO THE STATE CODE OF ETHICS.*****SUMMARY**

This bill primarily makes two changes to the state Code of Ethics for Public Officials (see BACKGROUND). It (1) expands what constitutes a conflict of interest under the code 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 and (2) expands the range of officials who must file a statement of financial interests with the Office of State Ethics (OSE) to include members of any Executive Department board, commission, committee, or council authorized to enter into or approve a large state construction or procurement contract.

The code generally places certain limits on how public officials (including elected state officials) may take official action on a matter for which they have a conflict of interest (depending on whether it is a substantial or potential conflict). Under existing law, unchanged by the bill, a substantial conflict of interest 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, the bill also limits the circumstances when a substantial conflict of interest could arise. It does so by specifying that in matters concerning a business the official, or their or their spouse's nonstate employer, is associated with, 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.

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.

EFFECTIVE DATE: October 1, 2025

CONFLICTS OF INTEREST

Substantial Conflicts of Interest (§ 1)

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 a 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 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 Conflicts of Interest (§ 2)

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.

STATEMENTS OF FINANCIAL INTERESTS

The bill expands the range of officials who must file a statement of financial interests with OSE to include members of any Executive Department board, commission, committee, or council authorized to enter into or approve a large state construction or procurement contract.

Current law requires all state-wide elected officers, General Assembly members, department heads and deputies, quasi-public agency members or directors, Investment Advisory Council members, and other governor-designated officials to file these statements with OSE.

Under the bill, a “large state construction or procurement contract” is a contract for more than \$500,000 to (1) remodel, alter, repair, or enlarge any real asset; (2) construct, alter, reconstruct, improve, relocate, widen, or change the grade of a section of a state highway or a bridge; (3) buy or lease supplies, materials, or equipment; or (4) construct, reconstruct, alter, remodel, repair, or demolish any public building.

By law, the statement of financial interests must include, among other things, the name of securities with a fair market value over \$5,000 owned by the official or his or her spouse or dependent children, or held in the name of a corporation, partnership, or trust for their benefit. Under the bill, if these securities are a tax-sheltered annuity retirement plan under federal tax law (i.e. a “403(b) plan”), then only the name of the retirement savings plan must be disclosed and not the name of the securities. Current law makes a similar allowance for other savings plans allowed under federal tax law (e.g., 401(k) retirement savings plans, 529 education savings plans).

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)).

Related Bills

HB 6931 (File 85), reported favorably by the Government Oversight Committee, has identical provisions on conflicts of interest (§§ 1 & 2 of this bill).

SB 1296 (File 78), reported favorably by the Government Oversight Committee, has identical provisions on statements of financial interest (§ 3 of this bill).

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable

Yea 19 Nay 0 (03/12/2025)