**OLR Bill Analysis**

**HB 5532 (as amended by House "A")***

***AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE OFFICE OF STATE ETHICS FOR REVISIONS TO THE STATE CODES OF ETHICS AND INCREASING VARIOUS MONETARY THRESHOLDS IN SAID CODES.***

## SUMMARY

This bill makes numerous changes to the state Code of Ethics for Public Officials (see BACKGROUND). Specifically, it (1) adjusts disclosure requirements for tax-sheltered annuity retirement plans on public statements of financial interest (§ 2) and (2) raises the code's financial thresholds (for example, the dollar limit for an allowable gift). It also reduces the quorum requirement for the nine-member Citizen's Ethics Advisory Board (CEAB) from six to five (§ 1).

The code places limits on gifts that may be given to and received by public officials and state employees (see below), but exempts certain items or circumstances from being a "gift" (for example, the primary sponsoring entity of a charitable or civic event providing admission, including food and beverage, to an official or employee who participates in his or her official capacity). The bill additionally exempts admission to one intercollegiate sporting event in the state hosted by a higher education constituent unit per calendar year if provided by the unit to an official or employee and up to one guest (§ 4).

The bill also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2026, except that the quorum requirement change is effective upon passage.

*House Amendment "A" (1) strikes provisions on (a) conflicts of interest related to non-state employers and (b) nepotism and (2) adds an exemption to the code's definition of "gift" regarding certain intercollegiate sporting events.

## STATEMENTS OF FINANCIAL INTERESTS

Existing 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 statements of financial interest with the Office of State Ethics (OSE).

These statements 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 (a "403(b) plan"), then only the name of the retirement savings plan must be disclosed and not the name of the securities. Existing law makes a similar allowance for other savings plans allowed under federal tax law (for example, 401(k) retirement savings plans, 529 education savings plans).

## FINANCIAL THRESHOLDS

The state ethics codes generally prohibit public officials, candidates, and state employees from soliciting or accepting (and lobbyists from giving) various gifts if they are worth more than a certain amount. The codes also impose various prohibitions, requirements, and other conditions on certain items and actions if they are worth more than a certain amount.

The bill increases these financial thresholds in the ethics codes as shown in the table below. More specifically, it increases the thresholds that determine whether (1) something is a gift subject to various prohibitions under the codes and (2) other various prohibitions, requirements, and conditions apply to an item or action (for example, the minimum value of an expenditure that must be reported on client lobbyist registrant financial reports).

**Table: Financial Thresholds Under Current Law and the Bill**

| *Current Financial Threshold* | *Threshold Under the Bill* |
|---|---|
| $10 | $20 |

| *Current Financial Threshold* | *Threshold Under the Bill* |
|---|---|
| 30 | 60 |
| 50 | 100 |
| 100 | 250 |
| 1,000 | 1,500 |

### *Gifts (§§ 4 & 6)*

The bill increases the value thresholds that determine whether something is a "gift" subject to various prohibitions under the Code of Ethics for Public Officials (§ 4) or the Code of Ethics for Lobbyists (§ 6). For example, the code for public officials generally prohibits public officials and state employees from (1) accepting a gift based on any understanding that their vote, official action, or judgment would be influenced by it; (2) knowingly accepting a gift from a known registered lobbyist; or (3) knowingly accepting a gift from someone who the official or employee knows is seeking to do business with their department or agency (CGS § 1-84(g), (j) & (m)). The code for lobbyists similarly prohibits registered lobbyists from knowingly giving a gift to a state employee or public official (CGS § 1-97(a)).

The table below shows a brief description of the covered gift and its value threshold under current law and the bill for determining whether it is exempted under the codes.

**Table: Exempted Gift Thresholds Under Current Law and the Bill**

| *Gift* | *Current Exempted Gift Value* | *Exempted Gift Value Under the Bill* |
|---|---|---|
| Certificate, plaque, or other ceremonial award | Less than $100 | Less than $250 |
| Food and beverages per recipient, per year, consumed at an occasion attended by the person paying for the food and beverages | Less than $50 | Less than $100 |
| Food and beverages per person consumed at a publicly noticed legislative reception for all legislators, or those from a particular state region, hosted once per year by a lobbyist or business organization | Less than $50 | Less than $100 |
| Gifts, including food and beverages, from someone who is not a family member to | $1,000 or less | $1,500 or less |

| *Gift* | *Current Exempted Gift Value* | *Exempted Gift Value Under the Bill* |
|---|---|---|
| celebrate a major life event | | |
| Total gifts or food and beverages provided at a hospitality suite at a meeting or conference of an interstate legislative association, by someone who is not a registered lobbyists or doing business with Connecticut | Less than $100 | Less than $250 |
| Anything with a certain value | Less than $10 for individual items and less than $50 total value for all things provided by a donor to a recipient in a calendar year | Less than $20 for individual items and less than $100 total value for all things provided by a donor to a recipient in a calendar year |

### *Other Prohibitions, Requirements, and Conditions (§§ 3, 5 & 7-12)*

The bill also increases the financial thresholds that trigger various prohibitions, requirements, or other additional conditions. These include, for example, the value of a contract that a public official cannot enter into without an open and public process, or expenditure amounts that trigger certain reporting requirements. The table below shows the bill's threshold increases and a brief description of the applicable provision.

**Table: Thresholds for Other Prohibitions, Requirements, and Conditions**

| *Bill Section* | *Threshold Increase Under the Bill* | *Provision* |
|---|---|---|
| 3 | From at least $100 to at least $250 | The value of most contracts that public officials and state employees (and members of their immediate families and associated businesses) cannot enter unless awarded through an open and public process |
| 3 | From greater than $10 to greater than $20 | The value of anything given to a public official or state employee that must be reported if it was given by a person (1) doing business, or seeking to, with the official's or employee's agency or (2) engaged in activities regulated by the agency |
| 5 | From at least $50 to at least $100 | The annual cost of an "expenditure" under the code for lobbyists if it is (1) paid communications on pending administrative or legislative action or (2) solicitations of another person to communicate with public officials or state employees to influence a legislative or administrative act (by law, expenditures are subject to various reporting requirements (for |

| Bill Section | Threshold Increase Under the Bill | Provision |
|---|---|---|
| | | example, see CGS § 1-96)) |
| 7 | From less than $50 to less than $100 | The amount that someone may spend to benefit a public official in the legislative or executive branch without being considered a lobbyist (as long as they are not paid or reimbursed specifically for lobbying and spend five hours or less lobbying) |
| 8 | From up to $100 to up to $250 | The monthly amount that a client lobbyist registrant that attempts to influence legislative action may spend or agree to spend for lobbying without having to file an interim monthly report on its lobbying activities during regular legislative session |
| 9 | From at least $10 to at least $20 | The value of each expenditure per person to benefit a legislative or executive branch public official that must be reported on client lobbyist registrant financial reports |
| 9 | From less than $30 to less than $60 | The amount of expenditures per person that do not have to be reported if they (1) benefit General Assembly members at an event open to all legislators or members of a particular region or (2) are personally and directly received by a public official or state employee at a charitable or civic event where they participate in their official capacity |
| 10 | From at least $10 to at least $20 | The amount of each expenditure to benefit a public official that a former registrant must report if it occurs within six months after the end of their registration |
| 11 | From at least $10 to at least $20 | The value of each expenditure to benefit a public official for which registrants must keep records for three years |
| 11 | From at least $50 to at least $100 | The value of all other expenditures for which registrants must keep records for three years |
| 12 | From at least $10 to at least $20 | The amount a registrant paid or reimbursed to a public official or state employee that triggers a requirement to file a statement with OSE |

## 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 Bill*

sSB 323 (File 349), reported favorably by the Government Oversight Committee, contains substantially similar provisions concerning statements of financial interest and the CEAB quorum requirement.

## COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable
Yea 18 Nay 0 (03/20/2026)