



Senate

General Assembly

File No. 349

February Session, 2026

Substitute Senate Bill No. 323

Senate, April 2, 2026

The Committee on Government Oversight reported through SEN. GADKAR-WILCOX of the 22nd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE OFFICE OF STATE ETHICS FOR REVISIONS TO THE STATE CODES OF ETHICS.

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

1 Section 1. Subsection (d) of section 1-80 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (d) The board shall elect a chairperson who shall, except as provided
5 in subsection (b) of section 1-82 and subsection (b) of section 1-93,
6 preside at meetings of the board and a vice-chairperson to preside in the
7 absence of the chairperson. [Six] Five members of the board shall
8 constitute a quorum. Except as provided in subdivision (3) of subsection
9 (a) of section 1-81, subsections (a) and (b) of section 1-82, subsection (b)
10 of section 1-88, subsection (e) of section 1-92, subsections (a) and (b) of
11 section 1-93 and subsection (b) of section 1-99, a majority vote of the
12 members shall be required for action of the board. The chairperson or
13 any three members may call a meeting.

14 Sec. 2. Subsections (a) and (b) of section 1-83 of the general statutes
15 are repealed and the following is substituted in lieu thereof (*Effective*
16 *October 1, 2026*):

17 (a) (1) All state-wide elected officers, members of the General
18 Assembly, department heads and their deputies, members or directors
19 of each quasi-public agency, members of the Investment Advisory
20 Council and such other members of the Executive Department and such
21 employees of quasi-public agencies as the Governor shall require, shall
22 file electronically with the Office of State Ethics using the software
23 created by the office, under penalty of false statement, a statement of
24 financial interests for the preceding calendar year on or before the May
25 first next in any year in which they hold such an office or position. If, in
26 any year, May first falls on a weekend or legal holiday, such statement
27 shall be filed not later than the next business day. Any such individual
28 who leaves his or her office or position shall file electronically a
29 statement of financial interests covering that portion of the year during
30 which such individual held his or her office or position. The Office of
31 State Ethics shall notify such individuals of the requirements of this
32 subsection not later than sixty days after their departure from such
33 office or position. Such individuals shall file such statement
34 electronically not later than sixty days after receipt of the notification.

35 (2) Each state agency, department, board and commission shall
36 develop and implement, in cooperation with the Office of State Ethics,
37 an ethics statement as it relates to the mission of the agency, department,
38 board or commission. The executive head of each such agency,
39 department, board or commission shall be directly responsible for the
40 development and enforcement of such ethics statement and shall file a
41 copy of such ethics statement with the Office of State Ethics.

42 (b) (1) The statement of financial interests, except as provided in
43 subdivision (2) of this subsection, shall include the following
44 information for the preceding calendar year in regard to the individual
45 required to file the statement and the individual's spouse and
46 dependent children residing in the individual's household: (A) The

47 names of all businesses with which associated; (B) all sources of income,
48 including the name of each employer, with a description of the type of
49 income received, in excess of one thousand dollars, without specifying
50 amounts of income; (C) the name of securities in excess of five thousand
51 dollars at fair market value owned by such individual, spouse or
52 dependent children or held in the name of a corporation, partnership or
53 trust for the benefit of such individual, spouse or dependent children;
54 (D) the existence of any known blind trust and the names of the trustees;
55 (E) all real property and its location, whether owned by such individual,
56 spouse or dependent children or held in the name of a corporation,
57 partnership or trust for the benefit of such individual, spouse or
58 dependent children; (F) the names and addresses of creditors to whom
59 the individual, the individual's spouse or dependent children,
60 individually, owed debts of more than ten thousand dollars; (G) any
61 leases or contracts with the state or a quasi-public agency held or
62 entered into by the individual or a business with which he or she was
63 associated; and (H) the name of any of the following that is a partner or
64 owner of, or has a similar business affiliation with, the business included
65 under subparagraph (A) of this subdivision: (i) Any lobbyist, (ii) any
66 person the individual filing the statement knows or has reason to know
67 is doing business with or seeking to do business with the state or is
68 engaged in activities that are directly regulated by the department or
69 agency in which the individual is employed, or (iii) any business with
70 which such lobbyist or person is associated.

71 (2) In the case of securities in excess of five thousand dollars at fair
72 market value held within (A) a retirement savings plan, as described in
73 Section 401 of the Internal Revenue Code of 1986, or any subsequent
74 corresponding internal revenue code of the United States, as amended
75 from time to time, (B) a tax-sheltered annuity retirement plan, as
76 described in Section 403 of said Internal Revenue Code, (C) a payroll
77 deduction individual retirement account plan, as described in Section
78 408 or 408A of said Internal Revenue Code, [(C)] (D) a governmental
79 deferred compensation plan, as described in Section 457 of said Internal
80 Revenue Code, or [(D)] (E) an education savings plan, as described in
81 Section 529 of said Internal Revenue Code, the names of such securities

82 shall not be required to be disclosed in any statement of financial
83 interests and only the name of such retirement savings plan, tax-
84 sheltered annuity retirement plan, individual retirement account plan,
85 deferred compensation plan or education savings plan holding such
86 securities shall be required.

87 Sec. 3. Subsections (a) to (c), inclusive, of section 1-84 of the 2026
88 supplement to the general statutes are repealed and the following is
89 substituted in lieu thereof (*Effective October 1, 2026*):

90 (a) No public official or state employee shall, while serving as such,
91 have any financial interest in, or engage in, any business, employment,
92 transaction or professional activity, which is in substantial conflict with
93 the proper discharge of [his] such official's or employee's duties or
94 employment in the public interest and of [his] such official's or
95 employee's responsibilities as prescribed in the laws of this state, as
96 defined in section 1-85, as amended by this act.

97 (b) No public official or state employee shall accept other
98 employment which will either impair [his] such official's or employee's
99 independence of judgment as to [his] such official's or employee's
100 official duties or employment or require [him, or induce him] or induce
101 such official or employee, to disclose confidential information acquired
102 by [him] such official or employee in the course of and by reason of [his]
103 such official's or employee's official duties.

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

115 Sec. 4. Section 1-85 of the general statutes is repealed and the
116 following is substituted in lieu thereof (*Effective October 1, 2026*):

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

120 (2) A public official, including an elected state official, or state
121 employee has an interest which is in substantial conflict with the proper
122 discharge of [his] such official's or employee's duties or employment in
123 the public interest and of [his] such official's or employee's
124 responsibilities as prescribed in the laws of this state, if [he] such official
125 or employee has reason to believe or expect that [he, his] any of the
126 following persons will derive a direct monetary gain or suffer a direct
127 monetary loss, as the case may be, by reason of such official's or
128 employee's official activity: The official or employee, or such official's or
129 employee's spouse, [a] dependent child, or [a business with which he is
130 associated will derive a direct monetary gain or suffer a direct monetary
131 loss, as the case may be, by reason of his official activity] nonstate
132 employer or the nonstate employer of the official's or employee's
133 spouse, or a business with which the public official or state employee is
134 associated, except as provided in subdivision (3) of this subsection.

135 (3) In the case of an elected state official, such official only has a
136 substantial conflict regarding a matter concerning such elected official's
137 nonstate employer or the nonstate employer of such official's spouse or
138 a business with which the official is associated, if such official has actual
139 knowledge, rather than has reason to believe or expect, that such
140 nonstate employer or business will derive a direct monetary gain or
141 suffer a direct monetary loss, as the case may be, by reason of the official
142 activity of such official.

143 (4) A public official, including an elected state official, or state
144 employee does not have an interest which is in substantial conflict with
145 the proper discharge of [his] such official's or employee's duties in the
146 public interest and of [his] such official's or employee's responsibilities
147 as prescribed by the laws of this state, if any benefit or detriment accrues

148 to [him, his] such official or employee, such official's or employee's
149 spouse, [a] dependent child [,] or nonstate employer, the nonstate
150 employer of the official's or employee's spouse or a business with which
151 [he, his spouse or such dependent child] the public official or state
152 employee is associated as a member of a profession, occupation or
153 group to no greater extent than any other member of such profession,
154 occupation or group. [A] Except as provided in subsection (b) of this
155 section and subdivision (5) of subsection (a) of section 1-86, as amended
156 by this act, a public official, including an elected state official or state
157 employee who has a substantial conflict may not take official action on
158 the matter.

159 (b) If an elected state official has a substantial conflict regarding a
160 matter that concerns a direct monetary gain or direct monetary loss for
161 the nonstate employer of such official or the nonstate employer of such
162 official's spouse, such official shall either excuse himself or herself from
163 the matter or, prior to taking official action on the matter, prepare a
164 written statement, on a form prescribed by the Office of State Ethics and
165 signed under penalty of false statement, describing the matter requiring
166 action, the nature of the conflict and explaining why, despite the
167 conflict, such official is able to vote or otherwise participate fairly,
168 objectively and in the public interest in such matter. Such official shall
169 submit a copy of such statement to the Office of State Ethics and enter a
170 copy of the statement in the journal or minutes of the state agency to
171 which such official has been elected, or, if such agency does not have a
172 journal or minutes, submit the copy to such agency.

173 Sec. 5. Subsection (a) of section 1-86 of the general statutes is repealed
174 and the following is substituted in lieu thereof (*Effective October 1, 2026*):

175 (a) (1) For purposes of this section, "business with which such public
176 official or employee is associated" has the same meaning as "business
177 with which he is associated", as provided in section 1-79.

178 [(a)] (2) Any public official or state employee, other than an elected
179 state official, who, in the discharge of such official's or employee's
180 official duties, would be required to take an action that would affect a

181 financial interest of such official or employee, such official's or
182 employee's spouse, parent, brother, sister, child, [or] the spouse of a
183 child, nonstate employer, nonstate employer of the official's or
184 employee's spouse or a business with which such official or employee is
185 associated, other than an interest of a de minimis nature, an interest that
186 is not distinct from that of a substantial segment of the general public or
187 an interest in substantial conflict with the performance of official duties,
188 as defined in section 1-85, as amended by this act, has a potential conflict
189 of interest.

190 [Under such circumstances, such official or employee shall, if] (3) If
191 such official or employee is a member of a state regulatory agency, such
192 official or employee shall either excuse himself or herself from the
193 matter or, prior to taking official action on the matter, prepare a written
194 statement on a form prescribed by the Office of State Ethics and signed
195 under penalty of false statement, describing the matter requiring action
196 and the nature of the potential conflict and explaining why despite the
197 potential conflict, such official or employee is able to vote [and] or
198 otherwise participate fairly, objectively and in the public interest in such
199 matter. Such public official or state employee shall [deliver] submit a
200 copy of the statement to the Office of State Ethics and enter a copy of the
201 statement in the journal or minutes of the agency or, if such agency does
202 not have a journal or minutes, submit the copy to such agency.

203 (4) If such official or employee is not a member of a state regulatory
204 agency, [such official or employee shall,] in the case of either a
205 substantial or potential conflict [,] that would affect a financial interest
206 of such official or employee, such official's or employee's spouse, parent,
207 brother, sister, child or the spouse of a child or a business with which
208 such official or employee is associated, such official or employee shall
209 prepare a written statement signed under penalty of false statement
210 describing the matter requiring action and the nature of the conflict and
211 [deliver] submit a copy of the statement to such official's or employee's
212 immediate [superior] supervisor, if any, who shall assign the matter to
213 another employee, or if such official or employee has no immediate
214 [superior] supervisor, such official or employee shall take such steps as

215 the Office of State Ethics shall prescribe or advise.

216 (5) In the case of either a substantial or potential conflict that would
 217 affect a financial interest of the official's or employee's nonstate
 218 employer, or the nonstate employer of the official's or employee's
 219 spouse, such official or employee shall either (A) excuse himself or
 220 herself from the matter, or (B) prior to taking official action on the
 221 matter, prepare a written statement on a form prescribed by the Office
 222 of State Ethics and signed under penalty of false statement, describing
 223 the matter requiring action and the nature of the conflict and either (i)
 224 explaining why despite the conflict, such official or employee is able to
 225 vote or otherwise participate fairly, objectively and in the public interest
 226 in such matter, (ii) stating that the official or employee has been directed
 227 to continue work on the matter by such official's or employee's
 228 supervisor in the agency after disclosing the substantial or potential
 229 conflict to such supervisor, or (iii) both. Such official or employee shall
 230 submit a copy of the statement in the journal or minutes of the agency
 231 or, if such agency does not have a journal or minutes, submit the copy
 232 to such agency.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	1-80(d)
Sec. 2	<i>October 1, 2026</i>	1-83(a) and (b)
Sec. 3	<i>October 1, 2026</i>	1-84(a) to (c)
Sec. 4	<i>October 1, 2026</i>	1-85
Sec. 5	<i>October 1, 2026</i>	1-86(a)

Statement of Legislative Commissioners:

In Section 3(b), "his" was changed to "such official's or employee's" for consistency.

GOS *Joint Favorable Subst.*

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 27 \$	FY 28 \$
State Ethics, Off.	GF - Potential Revenue Gain	Minimal	Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill expands existing conflict of interest provisions under the State Code of Ethics and the types of financial holdings that must be disclosed by public officials, resulting in a potential minimal revenue gain to the General Fund from fines associated with these expansions beginning in FY 27. It is anticipated that few, if any, additional individuals will be charged under this bill¹.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the amount of any fines associated with the bill.

¹ Between FY 22 and FY 25, \$5,950 was collected in fines for false statements under CGS Sec. 53a-157b.

OLR Bill Analysis**sSB 323*****AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE OFFICE OF STATE ETHICS FOR REVISIONS TO THE STATE CODES OF ETHICS.*****SUMMARY**

This bill makes several changes to the state Code of Ethics for Public Officials (see BACKGROUND). Primarily, it 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 non-state employer or spouse's non-state employer (§§ 4 & 5). It also reduces (1) the quorum requirement from six to five for the nine-member Citizen's Ethics Advisory Board (the Office of State Ethics' (OSE) governing body) (§ 1) and (2) amends filing requirements for certain tax-sheltered annuity retirement plans (§ 2).

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 non-state employer, is associated with, the official must have actual knowledge (rather than just reason to believe or expect) that the business or non-state 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 non-state employer is no greater than the gain or loss realized by any other member of the same profession, occupation, or group.

The bill also makes technical and conforming changes.

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

§ 2 — STATEMENTS OF FINANCIAL INTERESTS

State 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 submit statements of financial interest with OSE.

By law, 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 (known as 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 (for example, 401(k) retirement savings plans and 529 education savings plans).

§§ 4 & 5 — CONFLICTS OF INTEREST

Substantial Conflicts of Interest (§ 4)

Current law prohibits public officials and state employees from taking official action on a matter for which they have a substantial or potential 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 non-state 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 non-state 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 non-state employer, the bill requires them to either (1) excuse themselves from the matter or (2) prepare a written statement on an OSE-provided form 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).

The bill also establishes procedures for these substantial conflicts involving all other public officials and state employees (see below).

Potential Conflicts of Interest (§ 5)

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 non-state employer.

As under the existing law for addressing potential conflicts of interest regarding family members, 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 signed under penalty of false statement. The bill further requires that this statement be (1) prepared before taking official action, (2) on an OSE-prepared form, and (3) 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 and have potential conflicts regarding family member 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, to take steps that the office prescribes or advises.

For substantial or potential conflicts involving a covered non-state employer, all officials and employees other than state elected officials must generally comply with the procedures established for state regulatory agency officials and employees described above (regarding either excusing themselves or preparing a written statement before taking action). However, the official's or employee's statement may additionally indicate that the official's or employee's supervisor directed them to continue working on the matter after the conflict was disclosed.

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 Substitute

Yea 12 Nay 0 (03/17/2026)