Senate

General Assembly

File No. 532

January Session, 2025

Substitute Senate Bill No. 1168

Senate, April 7, 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 substitute bill ought to pass.

AN ACT CONCERNING ONLINE POLITICAL FUNDRAISING PLATFORMS AND RESTRICTING AUTOMATICALLY RECURRING CONTRIBUTIONS.

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

Section 1. Subsection (b) of section 9-601a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) As used in this chapter and chapter 157, "contribution" does not mean:

(1) A loan of money made in the ordinary course of business by a national or state bank;

(2) Any communication made by a corporation, organization or association solely to its members, owners, stockholders, executive or administrative personnel, or their families;

(3) Nonpartisan voter registration and get-out-the-vote campaigns by any corporation, organization or association aimed at its members, owners, stockholders, executive or administrative personnel, or their families;

(4) Uncompensated services provided by individuals volunteering their time on behalf of a party committee, political committee, slate committee or candidate committee, including any services provided for the benefit of nonparticipating and participating candidates under the Citizens' Election Program and any unreimbursed travel expenses made by an individual who volunteers the individual's personal services to any such committee. For purposes of this subdivision, an individual is a volunteer if such individual is not receiving compensation for such services regardless of whether such individual received compensation in the past or may receive compensation for similar services that may be performed in the future;

(5) The use of real or personal property, a portion or all of the cost of invitations and the cost of food or beverages, voluntarily provided by an individual to a candidate, including a nonparticipating or participating candidate under the Citizens' Election Program, or to a party, political or slate committee, in rendering voluntary personal services at the individual's residential premises or a community room in the individual's residence facility, to the extent that the cumulative value of the invitations, food or beverages provided by an individual on behalf of any candidate or committee does not exceed four hundred dollars with respect to any single event or does not exceed eight hundred dollars for any such event hosted by two or more individuals, provided at least one such individual owns or resides at the residential premises, and further provided the cumulative value of the invitations, food or beverages provided by an individual on behalf of any such candidate or committee does not exceed eight hundred dollars with respect to a calendar year or single election, as the case may be;

(6) The sale of food or beverage for use by a party, political, slate or candidate committee, including those for a participating or

nonparticipating candidate, at a discount, if the charge is not less than the cost to the vendor, to the extent that the cumulative value of the discount given to or on behalf of any single candidate committee does not exceed four hundred dollars with respect to any single primary or election, or to or on behalf of any party, political or slate committee, does not exceed six hundred dollars in a calendar year;

(7) The display of a lawn sign by a human being or on real property;

(8) The payment, by a party committee or slate committee of the costs of preparation, display, mailing or other distribution incurred by the committee or individual with respect to any printed slate card, sample ballot or other printed list containing the names of three or more candidates;

(9) The donation of any item of personal property by an individual to a committee for a fund-raising affair, including a tag sale or auction, or the purchase by an individual of any such item at such an affair, to the extent that the cumulative value donated or purchased does not exceed one hundred dollars;

(10) (A) The purchase of advertising space which clearly identifies the purchaser, in a program for a fund-raising affair sponsored by the candidate committee of a candidate for an office of a municipality, provided the cumulative purchase of such space does not exceed two hundred fifty dollars from any single such candidate or the candidate's committee with respect to any single election campaign if the purchaser is a business entity or fifty dollars for purchases by any other person;

(B) The purchase of advertising space which clearly identifies the purchaser, in a program for a fund-raising affair or on signs at a fund-raising affair sponsored by a party committee or a political committee, other than an exploratory committee, provided the cumulative purchase of such space does not exceed two hundred fifty dollars from any single party committee or a political committee, other than an exploratory committee, in any calendar year if the purchaser is a business entity or fifty dollars for purchases by any other person. Notwithstanding the

provisions of this subparagraph, the following may not purchase advertising space in a program for a fund-raising affair or on signs at a fund-raising affair sponsored by a party committee or a political committee, other than an exploratory committee: (i) A communicator lobbyist, (ii) a member of the immediate family of a communicator lobbyist, (iii) a state contractor, (iv) a prospective state contractor, or (v) a principal of a state contractor or prospective state contractor. As used in this subparagraph, "state contractor", "prospective state contractor" and "principal of a state contractor or prospective state contractor" have the same meanings as provided in subsection (f) of section 9-612;

(11) The payment of money by a candidate to the candidate's candidate committee, provided the committee is for a nonparticipating candidate;

(12) The donation of goods or services by a business entity to a committee for a fund-raising affair, including a tag sale or auction, to the extent that the cumulative value donated does not exceed two hundred dollars;

(13) The advance of a security deposit by an individual to a telephone company, as defined in section 16-1, for telecommunications service for a committee or to another utility company, such as an electric distribution company, provided the security deposit is refunded to the individual;

(14) The provision of facilities, equipment, technical and managerial support, and broadcast time by a community antenna television company, as defined in section 16-1, for community access programming pursuant to section 16-331a, unless (A) the major purpose of providing such facilities, equipment, support and time is to influence the nomination or election of a candidate, or (B) such facilities, equipment, support and time are provided on behalf of a political party;

(15) The sale of food or beverage by a town committee to an individual at a town fair, county fair, local festival or similar mass gathering held within the state, to the extent that the cumulative

payment made by any one individual for such items does not exceed fifty dollars;

(16) An organization expenditure by a party committee, legislative caucus committee or legislative leadership committee;

(17) The donation of food or beverage by an individual for consumption at a slate, candidate, political committee or party committee meeting, event or activity that is not a fund-raising affair to the extent that the cumulative value of the food or beverages donated by an individual for a single meeting or event does not exceed fifty dollars;

(18) The value associated with the de minimis activity on behalf of a party committee, political committee, slate committee or candidate committee, including for activities including, but not limited to, (A) the creation of electronic or written communications or digital photos or video as part of an electronic file created on a voluntary basis without compensation, including, but not limited to, the creation and ongoing content development and delivery of social media on the Internet or telephone, including, but not limited to, the sending or receiving of electronic mail or messages, (B) the posting or display of a candidate's name or group of candidates' names at a town fair, county fair, local festival or similar mass gathering by a party committee, (C) the use of personal property or a service that is customarily attendant to the occupancy of a residential dwelling, or the donation of an item or items of personal property that are customarily used for campaign purposes, by an individual, to a candidate committee, provided the cumulative fair market value of such use of personal property or service or items of personal property does not exceed one hundred dollars in the aggregate for any single election or calendar year, as the case may be;

(19) The use of offices, telephones, computers and similar equipment provided by a party committee, legislative caucus committee or legislative leadership committee that serve as headquarters for or are used by such party committee, legislative caucus committee or legislative leadership committee;

(20) A communication, as described in subdivision (7) of subsection (b) of section 9-601b, as amended by this act;

(21) An independent expenditure, as defined in section 9-601c;

(22) A communication containing an endorsement on behalf of a candidate for nomination or election to the office of Governor, Lieutenant Governor, Secretary of the State, State Treasurer, State Comptroller, Attorney General, state senator or state representative, from a candidate for the office of Governor, Lieutenant Governor, Secretary of the State, State Treasurer, State Comptroller, Attorney General, state senator or state representative, provided the candidate (A) making the endorsement is unopposed at the time of the communication, and (B) being endorsed paid for such communication;

(23) A communication that is sent by mail to addresses in the district for which a candidate being endorsed by another candidate pursuant to this subdivision is seeking nomination or election to the office of state senator or state representative, containing an endorsement on behalf of such candidate for such nomination or election from a candidate for the office of state senator or state representative, provided the candidate (A) making the endorsement is not seeking election to the office of state senator or state representative for a district that contains any geographical area shared by the district for the office to which the endorsed candidate is seeking nomination or election, and (B) being endorsed paid for such communication; **[**or**]**

(24) Campaign training events provided to multiple individuals by a legislative caucus committee and any associated materials, provided the cumulative value of such events and materials does not exceed six thousand dollars in the aggregate for a calendar year; or

(25) With respect to an online platform that collects any contribution from a contributor and transmits such contribution to a committee, a voluntary payment made by such contributor to such online platform, which is (A) in addition to such contribution, and (B) used by such online platform to conduct its operations.

Sec. 2. Subsection (b) of section 9-601b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) The term "expenditure" does not mean:

(1) A loan of money, made in the ordinary course of business, by a state or national bank;

(2) A communication made by any corporation, organization or association solely to its members, owners, stockholders, executive or administrative personnel, or their families;

(3) Nonpartisan voter registration and get-out-the-vote campaigns by any corporation, organization or association aimed at its members, owners, stockholders, executive or administrative personnel, or their families;

(4) Uncompensated services provided by individuals volunteering their time on behalf of a party committee, political committee, slate committee or candidate committee, including any services provided for the benefit of nonparticipating and participating candidates under the Citizens' Election Program and any unreimbursed travel expenses made by an individual who volunteers the individual's personal services to any such committee. For purposes of this subdivision, an individual is a volunteer if such individual is not receiving compensation for such services regardless of whether such individual received compensation in the past or may receive compensation for similar services that may be performed in the future;

(5) Any news story, commentary or editorial distributed through the facilities of any broadcasting station, newspaper, magazine or other periodical, unless such facilities are owned or controlled by any political party, committee or candidate;

(6) The use of real or personal property, a portion or all of the cost of invitations and the cost of food or beverages, voluntarily provided by an individual to a candidate, including a nonparticipating or

participating candidate under the Citizens' Election Program, or to a party, political or slate committee, in rendering voluntary personal services at the individual's residential premises or a community room in the individual's residence facility, to the extent that the cumulative value of the invitations, food or beverages provided by an individual on behalf of any candidate or committee does not exceed four hundred dollars with respect to any single event or does not exceed eight hundred dollars for any such event hosted by two or more individuals, provided at least one such individual owns or resides at the residential premises, and further provided the cumulative value of the invitations, food or beverages provided by an individual on behalf of any such candidate or committee does not exceed eight hundred dollars with respect to a calendar year or single election, as the case may be;

(7) A communication described in subdivision (2) of subsection (a) of this section that includes speech or expression made (A) prior to the ninety-day period preceding the date of a primary or an election at which the clearly identified candidate or candidates are seeking nomination to public office or position, that is made for the purpose of influencing any legislative or administrative action, as defined in section 1-91, or executive action, or (B) during a legislative session for the purpose of influencing legislative action;

(8) An organization expenditure by a party committee, legislative caucus committee or legislative leadership committee;

(9) A commercial advertisement that refers to an owner, director or officer of a business entity who is also a candidate and that had previously been broadcast or appeared when the owner, director or officer was not a candidate;

(10) A communication containing an endorsement on behalf of a candidate for nomination or election to the office of Governor, Lieutenant Governor, Secretary of the State, State Treasurer, State Comptroller, Attorney General, state senator or state representative, from a candidate for the office of Governor, Lieutenant Governor, Secretary of the State, State Treasurer, State Comptroller, Attorney

General, state senator or state representative, shall not be an expenditure attributable to the endorsing candidate, if the candidate making the endorsement is unopposed at the time of the communication;

(11) A communication that is sent by mail to addresses in the district for which a candidate being endorsed by another candidate pursuant to the provisions of this subdivision is seeking nomination or election to the office of state senator or state representative, containing an endorsement on behalf of such candidate for such nomination or election, from a candidate for the office of state senator or state representative, shall not be an expenditure attributable to the endorsing candidate, if the candidate making the endorsement is not seeking election to the office of state senator or state representative for a district that contains any geographical area shared by the district for the office to which the endorsed candidate is seeking nomination or election;

(12) Campaign training events provided to multiple individuals by a legislative caucus committee and any associated materials, provided the cumulative value of such events and materials does not exceed six thousand dollars in the aggregate for a calendar year;

(13) A lawful communication by any charitable organization which is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended;

(14) The use of offices, telephones, computers and similar equipment provided by a party committee, legislative caucus committee or legislative leadership committee that serve as headquarters for or are used by such party committee, legislative caucus committee or legislative leadership committee; **[**or**]**

(15) An expense or expenses incurred by a human being acting alone in an amount that is two hundred dollars or less, in the aggregate, that benefits a candidate for a single election; or

(16) With respect to an online platform that collects any contribution from a contributor and transmits such contribution to a committee, the use of such online platform to request a voluntary payment made by such contributor to such online platform, which is (A) in addition to such contribution, and (B) used by such online platform to conduct its operations.

Sec. 3. (NEW) (*Effective from passage*) An online platform that collects a contribution, as defined in section 9-601a of the general statutes, as amended by this act, from a contributor and transmits such contribution to a committee, as defined in section 9-601 of the general statutes, shall not allow for automatically recurring contributions to be made from a contributor without the affirmative consent of such contributor. Passive action or inaction on the part of a contributor, such as failure to uncheck a prechecked box authorizing an automatically recurring contribution, shall not satisfy the requirement of affirmative consent under this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*from passage*	9-601a(b)
Sec. 2	*from passage*	9-601b(b)
Sec. 3	*from passage*	New section

GAE *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: None

Municipal Impact: None

Explanation

The bill excludes any voluntary payment made to an online payment processer passing on the donation to a campaign committee from the definition of "contribution", and "expenditure", and prohibits contributions to be made without affirmative consent resulting in no fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis

sSB 1168

AN ACT CONCERNING ONLINE POLITICAL FUNDRAISING PLATFORMS AND RESTRICTING AUTOMATICALLY RECURRING CONTRIBUTIONS.

SUMMARY

Under existing practice, certain online platforms collect and transmit contributions from individuals to candidate, party, and political committees. This bill amends certain state campaign finance definitions to allow or exempt certain activities of these online platforms.

The bill also requires these platforms to receive affirmative consent from an individual before enrolling him or her in automatically recurring contributions. The bill specifies that passive action or inaction, such as failing to uncheck a prechecked box, does not satisfy the bill's requirement.

EFFECTIVE DATE: Upon passage

ONLINE PLATFORM CONTRIBUTIONS

The bill adds a new exemption to the state's campaign finance law's definitions of "contribution" and "expenditure." Generally, the definitions include, with specified exceptions, anything of value that promotes either the success or defeat of a candidate, referendum, or political party.

The bill exempts from the definition of "contribution" voluntary payments to an online platform by the contributor that are (1) in addition to the contribution and (2) used by the platform to conduct its operations. The bill adds a parallel exemption to the definition of "expenditure" for using the platform to request these voluntary payments.

Generally, state law subjects contributions to, and expenditures by, candidate committees, party committees, and political committees to campaign finance reporting requirements. It also places limits on contributions made to benefit these committees. Exempted items or services do not need to be reported as contributions or expenditures.

BACKGROUND

Related Bills

SB 1406, reported favorably by the Government Oversight Committee, includes these provisions, as well as an additional provision allowing these platforms to suggest other candidates or committees to which a contributor may donate.

sHB 7128, reported favorably by the Government Administration and Elections Committee, contains identical language.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute
Yea 14 Nay 5 (03/19/2025)