OLR Bill Analysis

SB 260

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

SUMMARY

This bill expands what constitutes a substantial conflict of interest under the state Code of Ethics for Public Officials to include actions taken by a public official (including an elected state official) or state employee that result in a direct monetary gain or loss to his or her outside employer (i.e., other than the state) or spouse's employer. In doing so, it generally prohibits those who have this conflict from taking certain official actions, but it allows elected state officials who have this conflict 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 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 his or her outside employer or spouse's employer, other than one of a minimal nature or that is not distinct from that of a substantial segment of the general public. 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.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2024

PROCEDURE IF CONFLICT EXISTS

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 taken by a public official (including an elected state elected official) or state employee that result in a direct monetary gain or loss to an outside employer or spouse's employer as a substantial conflict of interest, the bill prohibits officials and employees from taking these actions, with one exception.

The bill's exception applies to substantial conflicts involving an elected state official's or spouse's outside employer. Specifically, if an elected state official has this type of conflict, he or she must either (1) recuse himself or herself from the matter or (2) prepare a written statement under penalty of false statement before acting on the matter. 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, false statement is a class A misdemeanor, punishable by up to one year in prison, a fine of up to $2,000, or both (CGS § 53a-157b).

Potential Conflict

The bill requires officials and employees (other than elected state officials) who have a potential conflict of interest involving an outside employer to follow procedures in 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.

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.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable
Yea 19 Nay 0 (03/15/2024)