



General Assembly

**Amendment**

February Session, 2000

LCO No. 3237

Offered by:

REP. MCDONALD, 148<sup>th</sup> Dist.

To: Subst. House Bill No. 5884

File No. 155

Cal. No. 164

***"An Act Concerning The Authority Of The Treasurer  
Regarding Investment Of State Trust Funds."***

1 In line 69, strike out "brokers" and insert in lieu thereof "broker-  
2 dealers"

3 Strike out lines 71 to 76, inclusive, in their entirety and insert in lieu  
4 thereof "guidelines. A"

5 In line 86, after "appropriate", insert ", with the approval of a  
6 majority of the members appointed to said council. If a majority of the  
7 members appointed to said council fail to approve such statement, said  
8 majority shall provide the reasons for its failure to approve to the  
9 Treasurer who may submit an amended proposed statement at a  
10 subsequent regular or special meeting of said council. Such revised  
11 proposed statement shall be made available to the public in accordance  
12 with the provisions of the Freedom of Information Act, as defined in  
13 section 1-200"

14 In line 99, strike out "may be" and insert in lieu thereof "the  
15 Treasurer deems"

16 In line 100, after "review", insert "and such other information as may  
17 be requested by the council. The Treasurer shall provide a report at  
18 each regularly scheduled meeting of the Investment Advisory Council  
19 as to the status of the trust funds and any significant changes which  
20 may have occurred or which may be pending with regard to the  
21 funds."

22 In line 140, strike out "All", and insert in lieu thereof "On and after  
23 January 1, 2001, or on and after the first adoption of an Investment  
24 Policy Statement under section 3-13b of the general statutes, as  
25 amended by this act, whichever is later, all"

26 In line 167, after "2001," insert "or on and after the first adoption of  
27 an Investment Policy Statement under section 3-13b of the general  
28 statutes, as amended by this act, whichever is later,"

29 In line 185, strike out "or execute a"

30 Strike line 186 in its entirety

31 In line 187, strike out "in section 3-13c of the general statutes,"

32 In line 195, strike out "of said" and insert in lieu thereof "of the"

33 Strike out lines 198 to 200, inclusive, in their entirety and insert in  
34 lieu thereof "the Treasurer."

35 Strike out lines 211 to 214, inclusive, in their entirety and insert in  
36 lieu thereof "available for public inspection in accordance with the  
37 Freedom of Information Act, as defined in section 1-200 of the general  
38 statutes."

39 In line 222, strike out "regulations" and insert in lieu thereof  
40 "procedures"

41 In line 223, strike out "54" and insert in lieu thereof "12"

42 Strike out lines 226 to 229, inclusive, in their entirety and insert in  
43 lieu thereof "available for public inspection in accordance with the

44 Freedom of Information Act, as defined in section 1-200 of the general  
45 statutes."

46 After line 233, insert the following:

47 "(d) Any person who violates any provision of this section shall be  
48 liable for a civil penalty not to exceed two thousand dollars for each  
49 violation.

50 (1) The Attorney General, upon complaint of the Treasurer, may  
51 bring an action in the superior court for the judicial district of Hartford  
52 to recover such penalty for a violation of this section which affects a  
53 fund of the state. Any penalty imposed under this section for a  
54 violation which affects any such fund shall be paid to the Treasurer  
55 who shall deposit such moneys in such fund.

56 (2) Any quasi-public agency, as defined in section 1-120 of the  
57 general statutes, may bring an action in the superior court to recover  
58 such penalty for a violation of this section which affects any fund  
59 under the control of such agency. Any penalty imposed under this  
60 section for a violation which affects any such fund shall be paid to such  
61 agency which shall deposit such moneys in such fund."

62 In lines 244 and 246, after "involving the state", insert ", any quasi-  
63 public agency, as defined in section 1-120 of the general statutes,"

64 In line 256, strike out "(A)", and after "compensation" insert "(A) (i)"

65 In line 258, strike out "(B)" and insert in lieu thereof "or for acting as  
66 a real estate broker or real estate sales person under the provisions of  
67 section 20-312 of the general statutes, or (ii)"

68 In line 262, strike out "or (C)" and insert in lieu thereof "and (B)"

69 In lines 266 and 283, strike out "investors" and insert in lieu thereof  
70 "funds"

71 In line 275, strike out "investor" and insert in lieu thereof "fund"

72 Strike out lines 284 and 285 in their entirety and insert the following  
73 in lieu thereof "than one transaction in the preceding twelve months or  
74 (C) is licensed under section 20-312 of the general statutes."

75 After line 285, insert the following:

76 "(c) Any person who violates any provision of this section shall be  
77 liable for a civil penalty of not less than the amount of the fee paid or  
78 received in violation of this section and not more than three times said  
79 amount.

80 (1) The Attorney General, upon complaint of the Treasurer, may  
81 bring an action in the superior court for the judicial district of Hartford  
82 to recover such penalty for a violation of this section which affects a  
83 fund of the state. Any penalty imposed under this section for a  
84 violation which affects any such fund shall be paid to the Treasurer  
85 who shall deposit such moneys in such fund.

86 (2) Any political subdivision of the state may bring an action in the  
87 superior court to recover such penalty for a violation of this section  
88 which affects any fund under the control of such subdivision. Any  
89 penalty imposed under this section for a violation which affects any  
90 such fund shall be paid to such subdivision which shall deposit such  
91 moneys in such fund.

92 (3) Any quasi-public agency, as defined in section 1-120 of the  
93 general statutes, may bring an action in the superior court to recover  
94 such penalty for a violation of this section which affects any fund  
95 under the control of such agency. Any penalty imposed under this  
96 section for a violation which affects any such fund shall be paid to such  
97 agency which shall deposit such moneys in such fund."

98 Delete section 8 in its entirety and renumber the remaining sections  
99 accordingly.

100 In line 374, strike out "a pension fund investment officer" and insert  
101 in lieu thereof "a chief investment officer for the Connecticut

102 retirement pension and trust funds"

103 In line 383, strike out the opening bracket and place an opening  
104 bracket before "He" and strike out "and shall report to the Treasurer on  
105 a"

106 Strike out lines 384 to 391, inclusive, in their entirety

107 In line 392, strike out "computer network."

108 In line 394, after "may", insert an opening bracket

109 In line 395, after the comma, insert a closing bracket

110 In line 396, strike out "pension fund" and insert in lieu thereof  
111 "chief"

112 After section 15, insert the following and renumber the remaining  
113 section accordingly:

114 "Sec. 16. Section 1-84b of the general statutes is amended by adding  
115 subsection (j) as follows:

116 (NEW) (j) No Treasurer who authorizes, negotiates or renegotiates a  
117 contract for investment services valued at an amount of fifty thousand  
118 dollars or more shall negotiate for, seek or accept employment with a  
119 party to the contract prior to one year after the end of the Treasurer's  
120 term of office within which such contract for investment services was  
121 authorized, negotiated or renegotiated by such Treasurer.

122 Sec. 17. Subsection (k) of section 1-79 of the general statutes, as  
123 amended by public act 99-56, is repealed and the following is  
124 substituted in lieu thereof:

125 (k) "Public official" means any state-wide elected officer, any  
126 member or member-elect of the General Assembly, any person  
127 appointed to any office of the legislative, judicial or executive branch  
128 of state government by the Governor or an appointee of the Governor,  
129 with or without the advice and consent of the General Assembly, any

130 public member or representative of the teachers' unions or state  
131 employees' unions appointed to the Investment Advisory Council  
132 pursuant to subsection (a) of section 3-13b, as amended by this act, any  
133 sheriff or deputy sheriff, any person appointed or elected by the  
134 General Assembly or by any member of either house thereof, and any  
135 member or director of a quasi-public agency, but shall not include a  
136 member of an advisory board, a judge of any court either elected or  
137 appointed or a senator or representative in Congress.

138 Sec. 18. Subsection (a) of section 1-83 of the general statutes is  
139 repealed and the following is substituted in lieu thereof:

140 (a) (1) All state-wide elected officers, members of the General  
141 Assembly, department heads and their deputies, members of the  
142 Gaming Policy Board, the executive director of the Division of Special  
143 Revenue within the Department of Revenue Services, members or  
144 directors of each quasi-public agency, members of the Investment  
145 Advisory Council, sheriffs and deputy sheriffs and such members of  
146 the Executive Department and such employees of quasi-public  
147 agencies as the Governor shall require, shall file, under penalty of false  
148 statement, a statement of financial interests for the preceding calendar  
149 year with the commission on or before the May first next in any year in  
150 which they hold such a position. Any such individual who leaves his  
151 or her office or position shall file a statement of financial interests  
152 covering that portion of the year during which [he] such individual  
153 held his or her office or position. The commission shall notify such  
154 individuals of the requirements of this subsection within thirty days  
155 after their departure from such office or position. Such individuals  
156 shall file such statement within sixty days after receipt of the  
157 notification.

158 (2) Each state agency, department, board and commission shall  
159 develop and implement, in cooperation with the Ethics Commission,  
160 an ethics statement as it relates to the mission of the agency,  
161 department, board or commission. The executive head of each such  
162 agency, department, board or commission shall be directly responsible

163 for the development and enforcement of such ethics statement and  
164 shall file a copy of such ethics statement with the Department of  
165 Administrative Services and the Ethics Commission.

166 Sec. 19. Subsection (f) of section 9-333n of the general statutes is  
167 repealed and the following is substituted in lieu thereof:

168 (f) (1) As used in this subsection, "investment services" means legal  
169 services, investment banking services, investment advisory services,  
170 underwriting services, financial advisory services or brokerage firm  
171 services.

172 (2) No individual who is an owner of a firm which provides  
173 investment services and to which the Treasurer pays compensation,  
174 expenses or fees or issues a contract, and no individual who is  
175 employed by such a firm as a manager, officer, director, partner or  
176 employee with managerial or discretionary responsibilities to invest,  
177 manage funds or provide investment services for brokerage,  
178 underwriting and financial advisory activities which are in the  
179 statutory and constitutional purview of the Treasurer, shall make a  
180 contribution on or after October 1, 1995, to, or solicit contributions on  
181 or after said date on behalf of, an exploratory committee or candidate  
182 committee established by a candidate for nomination or election to the  
183 office of Treasurer during the term of office of the Treasurer which  
184 pays compensation, expenses or fees or issues a contract to such firm.

185 (3) Neither the Treasurer, any candidate for the office of Treasurer  
186 nor any member of the Investment Advisory Council established  
187 under section 3-13b may solicit contributions on behalf of an  
188 exploratory committee or candidate committee established by a  
189 candidate for nomination or election to any public office, from any  
190 individual who is an owner of a firm which provides investment  
191 services and to which the Treasurer pays compensation, expenses or  
192 fees or issues a contract, or from any individual who is employed by  
193 such a firm as a manager, officer, director, partner or employee with  
194 managerial or discretionary responsibilities to invest, manage funds or

195 provide investment services for brokerage, underwriting and financial  
196 advisory activities which are in the statutory and constitutional  
197 purview of the Treasurer.

198 (4) No member of the Investment Advisory Council appointed  
199 under section 3-13b, as amended by this act, shall make a contribution  
200 to, or solicit contributions on behalf of, an exploratory committee or  
201 candidate committee established by a candidate for nomination or  
202 election to the office of Treasurer."