



General Assembly

**Amendment**

February Session, 2000

LCO No. 3185

Offered by:

REP. MCDONALD, 148th 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  
17 requested by the council. The Treasurer shall provide a report at each  
18 regularly scheduled meeting of the Investment Advisory Council as to  
19 the status of the trust funds, any significant changes which may have  
20 occurred or which may be pending with regard to the funds."

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

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

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

29 Strike line 186 in its entirety

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

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

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

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

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

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

41 Strike out lines 226 to 229, inclusive, in their entirety and insert in  
42 lieu thereof "available for public inspection in accordance with the  
43 Freedom of Information Act, as defined in section 1-200 of the general

44 statutes."

45 After line 233, insert the following:

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

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

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

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

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

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

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

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

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

71 Strike out lines 284 and 285 in their entirety and insert the following

72 in lieu thereof "than one transaction in the preceding twelve months or  
73 (C) is licensed under section 20-312 of the general statutes."

74 After line 285, insert the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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195 advisory activities which are in the statutory and constitutional  
196 purview of the Treasurer.

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