
OLR Bill Analysis

sHB 5422

AN ACT CONCERNING CHANGES TO STATUTES ADMINISTERED BY THE STATE TREASURER.

SUMMARY:

This bill changes the deadline for the state treasurer and the Board of Regents for Higher Education (BOR) to submit to specified legislative committees an annual evaluation of the Connecticut Higher Education Trust (CHET) and any recommendations for improving the program. CHET is the state's tax-deferred college savings plan.

The bill moves the deadline from within six months of CHET's "annual report" to December 31, annually. The "annual report" presumably refers to the CHET financial report the treasurer must submit to the governor and the CHET Advisory Committee by December 31 each year.

The bill also (1) requires the treasurer and the BOR to submit the evaluation and recommendations to the Higher Education Committee, in addition to the Education and Finance committees, which receives them under current law and (2) expands the CHET Advisory Committee to add the chairpersons and ranking members of the Higher Education Committee or their designees.

Lastly, the bill updates the statutory definition of an "investment professional" for purposes of qualifying for an exemption from the statutory ban on paying or receiving finder's fees in connection with investment transactions involving the state, a quasi-public agency, or a political subdivision. Under current law, one way a broker-dealer qualifies for the exemption is if he or she is licensed by or registered with the National Association of Securities Dealers (NASD). Under the bill, such a broker-dealer is exempt if he or she is, instead, licensed or registered with the Financial Industry Regulatory Authority (FINRA)

or its successor organization (see BACKGROUND).

EFFECTIVE DATE: July 1, 2012 for the updated definition; October 1, 2012 for the CHET provisions.

BACKGROUND

Financial Industry Regulatory Authority

FINRA is the NASD's successor, having been formed in 2007 by a merger between NASD and NYSE Regulation, Inc., the New York Stock Exchange's regulatory and enforcement arm.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 50 Nay 0 (04/03/2012)