



# House of Representatives

General Assembly

**File No. 693**

January Session, 2023

House Bill No. 6930

*House of Representatives, May 3, 2023*

The Committee on Finance, Revenue and Bonding reported through REP. HORN of the 64th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

***AN ACT CONCERNING THE DEVELOPMENT OF BEST PRACTICES FOR GOVERNANCE STRUCTURES OF MUNICIPAL RETIREMENT PLANS.***

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

1 Section 1. (*Effective from passage*) (a) Not later than November 1, 2023,  
2 each municipality shall provide to the Comptroller, in a form and  
3 manner prescribed by the Comptroller, (1) a statement of whether the  
4 municipality has formally adopted an investment policy statement, and  
5 (2) the following information concerning each retirement plan such  
6 municipality offers to its employees:

7 (A) Whether the plan is a defined benefit or defined contribution  
8 plan;

9 (B) The funded ratio of such plan;

10 (C) The form and governance structure of the municipal entity, if any,  
11 that provides management or oversight of the plan;

12 (D) Whether the municipality uses a third-party advisor or  
13 administrator to provide management or oversight of the plan;

14 (E) The estimated fees paid by the municipality in the previous fiscal  
15 year for investments under the plan; and

16 (F) A description of other investment products used by the  
17 municipality, including, but not limited to, private equity funds, hedge  
18 funds, real estate or other investments not publicly traded and the  
19 estimated fees paid by the municipality in the previous fiscal year for  
20 each such investment product.

21 (b) (1) The Comptroller, the Treasurer and the Secretary of the Office  
22 of Policy and Management shall jointly develop (A) best practices for  
23 governance structures of municipal retirement plans; and (B) training  
24 resources to assist municipalities to implement or improve the  
25 governance structures of their retirement plans.

26 (2) The Comptroller, the Treasurer and the Secretary of the Office of  
27 Policy and Management may consult with retirement associations,  
28 research organizations and any other individuals or entities said  
29 individuals deem desirable or necessary to carry out the provisions of  
30 this subsection.

31 (c) Not later than February 1, 2024, the Comptroller shall submit a  
32 report, in accordance with the provisions of section 11-4a of the general  
33 statutes, to the joint standing committee of the General Assembly  
34 having cognizance of matters relating to finance, revenue and bonding  
35 and local governments of the best practices and training resources  
36 developed pursuant to subsection (b) of this section and any  
37 recommendations for legislative changes to assist municipalities with  
38 implementing or utilizing such best practices or training resources.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

**FIN** Joint Favorable

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:**

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Comptroller	GF - Potential Cost	Less than 50,000	None

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill requires (1) municipalities to submit certain retirement information to the Office of the State Comptroller (OSC); (2) the OSC to work with the Office of Policy and Management (OPM) and the Office of the State Treasurer (OTT), to develop best practices and training materials for municipalities to improve the structure of their retirement plans; and (3) OSC to submit a report by February 1, 2024. This results in a potential, one-time cost to the Office of the State Comptroller in FY 24 of less than \$50,000 to pay for a consultant to analyze municipal retirement plans for the report. There is no fiscal impact to municipalities, OPM or OTT as they have the resources necessary to fulfill these requirements.

**The Out Years**

There is no effect on the out years since the consulting service is only required for FY 24.

---

**OLR Bill Analysis**

**HB 6930**

***AN ACT CONCERNING THE DEVELOPMENT OF BEST PRACTICES FOR GOVERNANCE STRUCTURES OF MUNICIPAL RETIREMENT PLANS.***

**SUMMARY**

The Office of Legislative Research does not analyze Special Acts.

**COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 44    Nay 7    (04/18/2023)