



General Assembly

Amendment

February Session, 2024

LCO No. 5040



Offered by:

SEN. HARDING, 30th Dist.

SEN. KELLY, 21st Dist.

SEN. MARTIN, 31st Dist.

SEN. KISSEL, 7th Dist.

SEN. FAZIO, 36th Dist.

SEN. SEMINARA, 8th Dist.

To: Subst. Senate Bill No. 393

File No. 431

Cal. No. 267

**"AN ACT IMPLEMENTING THE TREASURER'S
RECOMMENDATIONS CONCERNING UNCLAIMED PROPERTY."**

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. (NEW) (*Effective from passage*) (a) (1) Not later than January
4 1, 2025, the Office of Legislative Management shall issue a request for
5 proposals for the services of a private advisory firm with demonstrated
6 expertise in asset management and financial services, to conduct an
7 annual independent review of the investment performance of the state's
8 pensions funds. Any advisory firm with a conflict of interest shall be
9 disqualified from submitting a proposal. For purposes of this section, a
10 conflict of interest exists if the advisory firm (A) has an existing contract
11 with the office of the Treasurer or for investment management of the
12 state's pension funds, (B) has accepted any fees for work related to the
13 management of the state's pension funds, (C) employs an employee or
14 employees who are affiliated with or connected to the management of

15 the state's pension funds, or (D) is likely to engage in contract work
16 related to the management of the state's pension funds within twelve
17 months of the date a proposal is submitted.

18 (2) The Office of Legislative Management shall contract with an
19 advisory firm not later than January 1, 2026, and shall notify the
20 following of the firm selected: The speaker of the House of
21 Representatives, the president pro tempore of the Senate, the minority
22 leaders of the House of Representatives and the Senate, the chairpersons
23 and ranking members of the joint standing committee of the General
24 Assembly having cognizance of matters relating to finance, revenue and
25 bonding and the office of the Treasurer. If the Office of Legislative
26 Management is unable to enter into a contract by said date, said office
27 shall inform the chairpersons of said committee and shall provide a
28 projected date by which said office expects to enter into such contract.

29 (3) Any such contract shall include a provision that if any of the
30 conditions described under subparagraphs (A) to (D), inclusive, of
31 subdivision (1) of this subsection become applicable to the advisory
32 firm, the contract shall be terminated in accordance with an agreed-
33 upon timeframe. In the event a claim of a conflict of interest is raised
34 against such firm, the joint standing committee of the General Assembly
35 having cognizance of matters relating to finance, revenue and bonding
36 may examine the nature of the condition alleged to give rise to such
37 claim and provide to the Office of Legislative Management said
38 committee's conclusion of whether said committee believes any
39 condition exists that would be likely to unduly influence such advisory
40 firm or give an appearance of impropriety or bias.

41 (4) No advisory firm that contracts with the Office of Legislative
42 Management, or any employee of such firm in a decision-making
43 capacity related to asset management, may enter into a contract with,
44 receive any payments from or perform any work for the office of the
45 Treasurer or the state's pension funds for a period of two years
46 following the termination of a contract under this section with the Office
47 of Legislative Management.

48 (b) The advisory firm shall submit a report annually to the joint
 49 standing committee of the General Assembly having cognizance of
 50 matters relating to finance, revenue and bonding, in accordance with the
 51 provisions of section 11-4a of the general statutes, for each year such
 52 firm is providing services under the contract executed pursuant to
 53 subsection (a) of this section. Such report shall include, but need not be
 54 limited to, (1) a comparative analysis of the state's investment
 55 performance, benchmarked against the performance of at least fifty peer
 56 state public pension funds across aggregate performance, individual
 57 asset class performance and short-term and long-term time periods, (2)
 58 a comparison of the state's investment performance for each asset class
 59 against commonly accepted financial benchmark indices used by a
 60 majority of other states, and (3) any recommendations for
 61 improvements in the investment management practices and processes
 62 of the state's pension funds."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	<i>from passage</i>	New section