

NOTICE OF INTENT TO AMEND REGULATIONS

Pursuant to Section 4-168 of the Connecticut General Statutes, as amended, the Office of the Treasurer hereby gives notice that it proposes to amend the Regulations of Connecticut State Agencies (“RCSA”) concerning the Office of the Treasurer. A description of the proposed regulations; a statement of the purposes for and the authority under which they are proposed; information concerning when, where and how interested parties may present views on the proposed regulations and obtain copies of the small business impact and regulatory flexibility analyses required pursuant to Conn. Gen. Stat. Section 4-168a, if any, is provided below.

(a) **Description of the proposed regulations.**

The full text of the proposed regulation is posted on the eRegulations System, as required by Section 4-168 of the general statutes.

(b) **Authorizing CGS Section(s), Public Act(s) and/or other.**

- Section 3-13l of the Connecticut General Statutes.
- Section 3-22h of the Connecticut General Statutes.
- Sections 3-27a and 3-27b of the Connecticut General Statutes.
- Section 3-31b of the Connecticut General Statutes.
- Section 3-66a of the Connecticut General Statutes.
- Section 4-167 of the Connecticut General Statutes.
- Section 4-196 of the Connecticut General Statutes.

(c) **Statement of Purpose.**

Section 1 of the proposed regulations amends sections 3-11-1 to 3-11-5, inclusive, of the RCSA, Organization of Agency, to reflect the current organization of the Office of the Treasurer. The number of divisions and the responsibilities assigned to them have changed over time, and the proposed regulations reflect an up-to-date description of such duties and the division to which they are assigned. Statutory authority: Section 4-167 of the Connecticut General Statutes.

Sections 2 and 3 of the proposed regulations amend sections 3-11-27 to 3-11-28, inclusive of the RCSA, to reflect current operations with respect to collection and maintenance of personal data by the Office of the Treasurer, including the types of data that are maintained, the current location of records (a satellite office of the agency has been closed), and the electronic storage of information. Statutory authority: Section 4-196 of the Connecticut General Statutes.

Sections 4 and 5 of the proposed regulations amend sections 3-11-30(b) and 3-11-32(c)(1), respectively, of the RCSA, each relating to the agency’s disclosure of

personal data, to update statutory references, and to reflect current employment titles and division names. Statutory authority: Section 4-196 of the Connecticut General Statutes.

Sections 6 and 7 of the proposed regulations amend sections 3-13j-1 and 3-13j-2 of the RCSA, Disclosure of Third Party Fees, in several ways: (1) third party fee disclosures are filed by prospective contractors during a procurement process and by individuals or firms that are parties to investment services contracts with the Office of the Treasurer. The proposed amendment omits ambiguous language, clarifying that annual disclosures are due only from persons who are a party to a contract for investment services with the Office of the Treasurer; (2) it modifies the disclosure form in a manner that allows the same form to be used both for disclosures from prospective contractors and from persons who have a contract with the Office of the Treasurer. This is for the administrative ease of the agency; (3) it clarifies that the Treasurer may seek additional information regarding services actually performed by disclosed third party service providers of contractors or prospective contractors (not limited to obtaining a copy of their contract) in order to perform her duties under the statute; and (4) it changes from sixty (60) days to thirty (30) days the time period for contractors to update changes to previously-made disclosures, which will allow the Treasurer to more quickly investigate problematic disclosures, and will align this disclosure to the time frame for disclosures under Conn. Gen. Stat. § 4a-81, as amended by Conn. Public Act 11-229, sec. 5. The two statutes provide for disclosure of similar information, and should be collected simultaneously to reduce the administrative burden on contractors. Statutory authority: Section 3-13l of the Connecticut General Statutes.

Section 8 of the proposed regulations repeals an obsolete effective date section. Statutory authority: Section 3-13l of the Connecticut General Statutes.

Section 9 of the proposed regulations amends sections 3-27a-1a to 3-27a-8a, inclusive, of the RCSA, to clarify the operations of the Short-Term Investment Fund, particularly in the event of large market losses affecting the value of the Fund, and to reflect current reporting practices. Statutory authority: Sections 3-27a and 3-27b of the Connecticut General Statutes.

Section 10 repeals an obsolete effective date section. Statutory authority: Sections 3-27a and 3-27b of the Connecticut General Statutes.

Section 11 of the proposed regulations amends sections 3-31b-1 to 3-31b-11, inclusive, of the RCSA, to reflect current operations of the combined investment funds. Among the changes are: (1) the addition of combined investment funds now in use by the Pension Funds Management division but not included in current regulations, and the removal of references to funds no longer in use; (2) reference to additional types of securities or investments held by the funds; and

(3) clarification of the valuation method used for investments for which there is not an established market. Statutory authority: Section 3-31b of the Connecticut General Statutes.

Section 12 of the proposed regulations amends sections 3-22h-1 to 3-22h-8, inclusive, of the RCSA, to reflect current operations of the Connecticut Higher Education Trust, the State's qualified tuition program under section 529 of the Internal Revenue Code. Among the changes are: (1) revised terminology to better align with the terms used under federal law and regulations; (2) terms to reflect the existence of multiple programs in the Trust (the second program, the CHET Advisor Plan, was established in 2010); and (3) additional terms to reflect the use of third parties to perform administrative and investment advisory duties. Statutory authority: Section 3-22h of the Connecticut General Statutes.

(d) **Procedure for submitting comments.**

All interested persons are invited to express their views on the proposed regulations by submitting comments in writing no later than 4:30 p.m. on Wednesday, May 18, 2016, either by post to the Office of the Treasurer, 55 Elm Street, Hartford, CT 06106, Attention: Christine Shaw, or by electronic mail to Christine.shaw@ct.gov.

(e) **Deadline for submitting comments.**

Wednesday, May 18, 2016, by 4:30 p.m.

(f) **Procedure for obtaining copies of the small business impact and regulatory flexibility analysis, if required pursuant to Conn. Gen. Stat. § 4-168a.**

The proposed regulations, small business impact and regulatory flexibility analysis and fiscal note are available on the website for the Office of the Treasurer, www.ct.gov/ott, or may be obtained from Christine Shaw at the above address, or by phone at (860) 702-3211.

(g) **Other statutorily required information, if any.**

Notice of these proposed regulations has been posted on the Secretary of State's eRegulations System.

(h) **Additional Notes. (If any)**

Not applicable.