



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2010

PRINTERS NO. 3056

PRIME SPONSOR: Ryan

COST / (SAVINGS)

FUND	FY 2021/22	FY 2022/23
General Fund	\$0	See fiscal impact

SUMMARY: House Bill 2010, printer's number 3056, amends Title 20 (Decedents, Estates and Fiduciaries) providing for the training of public pension fund and state fund fiduciaries.

ANALYSIS: This legislation adds a new chapter to Title 20 requiring a trustee, board member, or other appointed or elected official (including a designee thereof) who stands in a fiduciary relationship to the members and beneficiaries of a state fund or a fund of a public pension system to complete training in fiduciary law. The training shall include two hours of fiduciary law training for new fiduciaries, and one hour of annual training for both new and existing fiduciaries.

For members of the Public School Employees' Retirement (PSERS) and State Employees' Retirement (SERS) boards, training requirements of the systems may be applied to the requirements of this legislation.

Annual training shall, at a minimum, cover updates and case studies related to the topics required by the initial training requirements. Initial training shall include the following:

- The definition of fiduciary.
- Conflicts of interest.
- The prudent expert standard.
- Self-dealing.

A fiduciary, or a designee thereof, is entitled to have expenses reasonably incurred in defending a threatened, pending, or completed legal action against the individual in their capacity as a trustee, board member, or other appointed or elected official of the Commonwealth agency or public pension system paid by the Commonwealth agency or public pension system, as applicable, during and after the individual's tenure, and continuing through the period of time established in any applicable statute of limitations. Payment of expenses shall be prohibited if a court of competent jurisdiction finds that the conduct of the individual constituted a criminal offense, willful misconduct, or self-dealing.

This act shall take effect December 31, 2021, or immediately, whichever is later.

FISCAL IMPACT: According to the Independent Fiscal Office (IFO) this legislation has no material actuarial cost impact. The bill allows for the payment of reasonably incurred legal expenses of a fiduciary under the aforementioned circumstances. Any potential legal expenses as described are estimated to be absorbed within existing funding levels.

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House Appropriations Committee (R)

DATE: June 21, 2022

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.