

# Washington Update



## HATCH INTRODUCES PUERTO RICO ASSISTANCE BILL WITH STATE PENSION PLAN REPORTING REQUIREMENTS

Sen. Orrin Hatch (R-UT), along with co-sponsors Sen. Chuck Grassley (R-IA) and Sen. Lisa Murkowski (R-AK), has introduced S. 2381, a bill that would provide assistance and support to the commonwealth of Puerto Rico related to its strained financial situation.

The bill also contains a section unrelated to Puerto Rico on state pension plan reporting. Below is an excerpt from the unrelated section:

The plan sponsor of a state or local government employee pension benefit plan shall file with the Secretary of the Treasury a report for each plan year beginning on or after

January 1, 2017, which includes a schedule of funding status (current liability of the plan, plan assets available to meet that liability, the amount of the net unfunded liability), and the funding percentage of the plan. The report will also have to include a schedule of contributions by the plan sponsor and each contributing employer for the plan year, as well as the amount of pension obligation bonds outstanding.

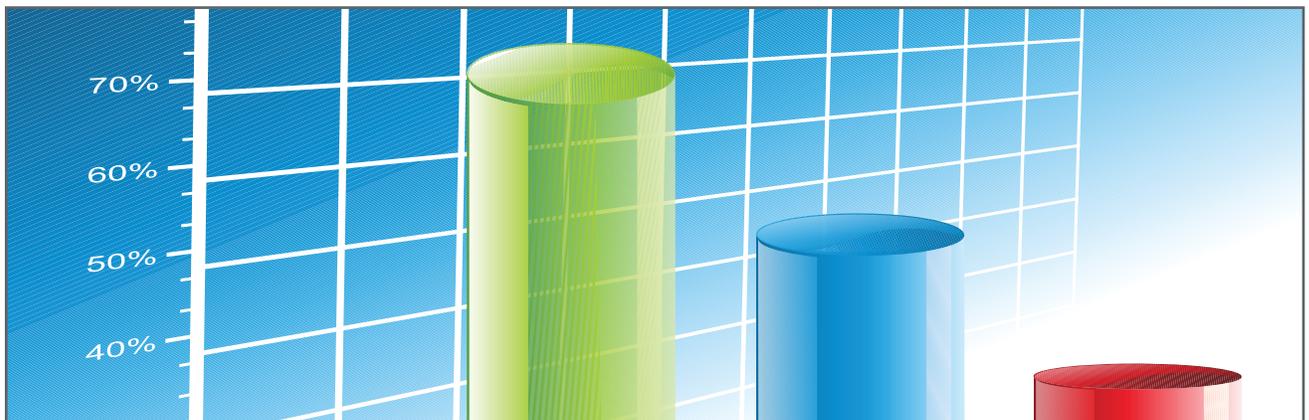
This language is very similar to the Public Employee Pension Transparency Act, which was introduced by Rep. Devin Nunes (R-CA) in 2011 and 2013.

Sen. Hatch's bill can be found at [www.finance.senate.gov/newsroom/chairman/release/?id=f7d9983f-6a56-48d4-a551-db98f8de36f2](http://www.finance.senate.gov/newsroom/chairman/release/?id=f7d9983f-6a56-48d4-a551-db98f8de36f2).

## SEC CHAIR AGAIN CALLS FOR A "SINGLE SET OF HIGH-QUALITY, GLOBALLY ACCEPTED ACCOUNTING STANDARDS"

Speaking before the 2015 American Institute of Certified Public Accountants National Conference last week, U.S. Securities and Exchange Commission Chair Mary Jo White gave the keynote speech entitled "Maintaining High-Quality, Reliable Financial Reporting: A Shared and Weighty Responsibility." In her speech, she outlined several items that the SEC is currently working on:

- Disclosure effectiveness review.
- Concept release on audit committee disclosure.
- The status of the Commission's consideration of the further use of international financial reporting standards, or IFRS.



She noted the responsibility of auditors in the financial reporting process, saying that “investor confidence in audited financial statements and independent auditors is high.” In addition, she noted, “The positive signs are attributable, at least in part, to improvements in audit quality and the enhanced role that auditors generally now discharge in providing an essential check in the financial reporting process.”

Another item of interest in her speech was her renewed call for U.S. public companies to begin using some form of IFRS reporting:

“FASB has also worked jointly with the International Accounting Standards Board to develop converged, high-quality globally accepted accounting standards. While several priority projects did not result in a common standard, the two boards have made significant progress in converging GAAP and IFRS in several major areas and are continuing to cooperate on other important projects. Too often, these successes are not sufficiently recognized, with the public discussion emphasizing instead the differences between GAAP and IFRS.”

Full text of her speech can be found at [www.sec.gov/news/speech/keynote-2015-aicpa-white.html](http://www.sec.gov/news/speech/keynote-2015-aicpa-white.html).

## ICMA, SLGE INTRODUCE NEW PUBLIC PLANS DATABASE

The International City/County Management Association and the Center for State and Local Government Excellence have announced a new publicly accessible online database of financial, actuarial, and governance data for local and state pension plans. The site is designed to guide state and local pension plan administrators, finance officers, actuaries, and other state and local officials through the vast amounts of data, with a specific focus on how state and local governments can put pension data into context. The Public Plans Database can be used for benchmarking, making informed policy decisions, and comparing benefits across plans.

The Public Plans Database can be found at [www.publicplansdata.org](http://www.publicplansdata.org).

## HOUSE HEARING EXAMINES STATE’S ABILITIES TO MONITOR AND ENFORCE INTERNET GAMBLING LAWS

With recent announcements that some states wish to begin running their own online fantasy sports gambling websites, last Wednesday the House Committee on Oversight and Government Reform held a hearing entitled “A Casino in Every Smartphone – Law Enforcement Implications.” In the hearing announcement, the committee expressed concerns that states have a sovereign right to determine gambling policy within their borders, but that the Internet is borderless in nature and threatens states’ ability to regulate gambling transactions within its jurisdiction. In addition, federal law enforcement officials have expressed concerns that online gambling is vulnerable to being used for money laundering, terrorist financing, fraud and other criminal activity.

Panelist Alan Wilson, attorney general of South Carolina, addressed the technology explosion that will allow fantasy sports sites to be accessed anywhere, at any time, regardless of his state’s laws:

“Legalized gambling in this country has always been tightly controlled, requiring travel to a brick-and-mortar destination. Internet gambling represents a fundamental change. As a result of the DOJ opinion and subsequent green lights to Internet casinos in Delaware, New Jersey, and Nevada, it is almost impossible for parents to protect their children from accessing virtual casino games on their smartphones, tablets and laptops. Now, casinos are almost ubiquitous on every street corner in America as the virtual clouds and mobile devices operate anywhere at every hour of the day.”

Hearing video and testimony from all panelists can be found at <https://oversight.house.gov/hearing/a-casino-in-every-smartphone-law-enforcement-implications>.

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