



**Senate Fiscal Agency**  
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BILL ANALYSIS



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House Bill 5187 (Substitute S-1 as reported by the Committee of the Whole)  
Sponsor: Representative Michael Hanley  
House Committee: Urban Policy  
Senate Committee: Financial Services

### **CONTENT**

The bill would amend the Uniform Budgeting and Accounting Act to require that a local unit's annual financial report include statements indicating whether there were derivative instruments or products in the local unit's nonpension investment portfolio or pension investment portfolio at fiscal year end. If either statement were affirmative, the annual report would have to include an accurate schedule reporting the cost and fiscal year end market value of derivative investments or products in the local unit's nonpension investment portfolio or pension investment portfolio at fiscal year end.

The information required under the bill would have to be reported on an aggregate basis and itemized by issuer and type of derivative instrument or product. Investments of defined contribution plans and deferred compensation plans that were chosen by a participating employee would be excluded from the information reported for pension investment portfolios.

The bill would define "derivative instrument or product", and specifies that the term would not mean a fund created under the Surplus Funds Investment Pool Act.

The bill is tie-barred to House Bill 5224.

MCL 141.422b & 141.424

Legislative Analyst: S. Margules

### **FISCAL IMPACT**

Local governments currently provide annual financial data; therefore, there would be no fiscal impact.

Date Completed: 9-17-96

Fiscal Analyst: B. Bowerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.