



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5188 (Substitute S-1 as reported by the Committee of the Whole)
Sponsor: Representative Greg Kaza
House Committee: Urban Policy
Senate Committee: Financial Services

CONTENT

The bill would create the "Good Government Financial Report Disclosure Act" to require a local unit or a State department, institution, or office to obtain and retain a copy of any financial report pertaining to it. A local unit or State department, institution, or office, including the State Treasurer or Auditor General, would have to make an annual financial report prepared, owned, used, in the possession of, or retained by it available for public inspection under the Freedom of Information Act. Investments of defined contribution plans and deferred compensation plans that were chosen by a participating employee could not be made available to the public.

"Financial report" would include an audit report or other report for a local unit showing the cost and fiscal year end market value of derivative instruments or products in the local unit's pension or nonpension investment portfolio or nonpension investment portfolio at fiscal year end reported on an aggregate basis and itemized by issuer and type of derivative instrument or product, including an annual report made under the Uniform Budgeting and Accounting Act.

"Financial report" also would include an audit report or other report for a State department, institution, or office showing, for each State pension system, the following: 1) the cost and fiscal year end market value for each item in each of the following categories in the State pension system's investment portfolio at fiscal year end: U.S. government or agency obligations; commercial paper; U.S. government or agency repurchase agreements; U.S. bank bankers' acceptances; mutual funds; corporate bonds; real estate; mortgages; derivative instruments or products; and other pension investments; and 2) the total cost and fiscal year end market value for each category of investments described above in the State pension system's investment portfolio at fiscal year end, as well as on an aggregate basis.

In addition, "financial report" would include an audit report or other report for a State department, institution, or agency showing the cost and fiscal year end market value of derivative instruments or products in the department's, institution's, or office's nonpension portfolio at fiscal year end reported on an aggregate basis and itemized by issuer and type of derivative instrument or product.

"Local unit" would mean an entity required to make an annual financial report under the Uniform Budgeting and Accounting Act (a village, city, or township, or an authority or commission established by a county, village, city, or township ordinance or charter), or a county.

Legislative Analyst: S. Margules

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 9-17-96

Fiscal Analyst: R. Ross
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