



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 5223 (Substitute S-1 as reported by the Committee of the Whole)
Sponsor: Representative Roland Jersevic
House Committee: Urban Policy
Senate Committee: Financial Services

CONTENT

The bill would amend the Uniform Budgeting and Accounting Act to provide that, if a local unit failed to report investments in derivative instruments or products as required under House Bill 5187, the State Treasurer could determine that the local unit could not report the investments without his or her assistance, advice, or instruction. The State Treasurer would have to submit a written statement of the findings and recommendations to the legislative body of the local unit. Within 90 days after receiving this statement, the local unit would have to retain a certified public accountant or the State Treasurer to report the investments and would have to notify, by resolution of the legislative body, the State Treasurer of this action. If the local unit failed to respond within the 90-day period, the State Treasurer would have to report the investments.

The State Treasurer would have to charge reasonable and necessary expenses, including per diem and travel expenses, to the local unit for services performed under these provisions, and the local unit would have to pay the State Treasurer for these expenses. The Treasurer would be required either to execute a contract with the local unit or to bill the local unit on a monthly basis.

Under the Act, every audit report must disclose any fiscal irregularities, defalcations, misfeasance, nonfeasance, or malfeasance that came to the auditor's attention. The bill specifies that the irregularities would include, but not be limited to, any deviations from the requirements of the Act concerning annual financial reports.

The bill is tie-barred to House Bill 5187.

MCL 141.428 et al.

Legislative Analyst: S. Margules

FISCAL IMPACT

Local governments in which the State Treasurer reported the investments would be charged reasonable and necessary expenses for services performed by the State Treasurer.

Date Completed: 9-17-96

Fiscal Analyst: R. Ross