



HOUSE BILL No. 5188

October 3, 1995, Introduced by Rep. Kaza and referred to the Committee on Urban Policy.

A bill to provide for the disclosure of certain state and local financial records.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "good government financial report disclosure act".

3 Sec. 2. As used in this act:

4 (a) "Derivative" means a financial instrument whose value is
5 derived from or based on an underlying security, asset, or
6 index. Derivative includes, but is not limited to, financial
7 instruments known as collateralized mortgage obligations, certifi-
8 cates of accrual on treasuries, easy growth treasury receipts,
9 call options, put options, futures, and inverse floaters. The
10 department of treasury shall periodically review this definition
11 and report to the legislature its recommendations for amendments

1 to this definition in response to changing conditions in the
2 financial markets.

3 (b) "Financial report" means any of the following:

4 (i) A report for a local unit showing, for the local unit's
5 fiscal year, the value, gain, loss, and return for each of the
6 following:

7 (A) Each individual investment in the pension investment
8 portfolio.

9 (B) Each category of investments in the pension investment
10 portfolio, including, but not limited to, short-term investments,
11 government securities, mortgages, corporate bonds and preferred
12 stock, convertible bonds, common stock, real estate, interna-
13 tional investments, and derivatives.

14 (C) Cumulatively, the entire pension investment portfolio.

15 (ii) A report for a local unit showing, for the local unit's
16 fiscal year, the value, gain, loss, and return for each of the
17 following:

18 (A) Each individual investment in derivatives in the nonpen-
19 sion investment portfolio.

20 (B) Cumulatively, all investments in derivatives in the non-
21 pension investment portfolio.

22 (iii) An annual report for a department, institution, or
23 office of state government or for a county showing for each state
24 pension system or for the county pension investment portfolio,
25 the value, gain, loss, and return for each of the following:

26 (A) Each individual investment in the state pension system
27 or the county pension investment portfolio.

1 (B) Each category of investments in the state pension system
2 or the county pension investment portfolio, including, but not
3 limited to, short-term investments, government securities, mort-
4 gages, corporate bonds and preferred stock, convertible bonds,
5 common stock, real estate, international investments, and
6 derivatives.

7 (C) Cumulatively, the entire state pension system or county
8 pension investment portfolio.

9 (iv) An annual report for a department, institution, or
10 office of state government or for a county showing the value,
11 gain, loss, and return for each of the following:

12 (A) Each individual investment in derivatives in the nonpen-
13 sion investment portfolio.

14 (B) Cumulatively, all investments in derivatives in the non-
15 pension investment portfolio.

16 (c) "Local unit" means an entity required to make an annual
17 financial report under section 4 of Act No. 2 of the Public Acts
18 of 1968, being section 141.424 of the Michigan Compiled Laws.

19 Sec. 3. Under the freedom of information act, Act No. 442
20 of the Public Acts of 1976, being sections 15.231 to 15.246 of
21 the Michigan Compiled Laws, a public body shall make available to
22 the public a financial report prepared, owned, used, in posses-
23 sion of, or retained by the public body.

24 Sec. 4. This act shall not take effect unless all of the
25 following bills of the 88th Legislature are enacted into law:

26 (a) Senate Bill No. _____ or House Bill No. 5187

27 (request no. 05176'95).

1 (b) Senate Bill No. _____ or House Bill No. _____
2 (request no. 05177'95).

3 (c) Senate Bill No. _____ or House Bill No. _____
4 (request no. 05179'95).

5 (d) Senate Bill No. _____ or House Bill No. _____
6 (request no. 05180'95).