



# HOUSE BILL No. 5256

October 12, 1995, Introduced by Reps. Brater, Kukuk, Kaza, Brewer, Jaye, Hanley, Cherry, Scott and Vaughn and referred to the Committee on Urban Policy.

A bill to amend the title and sections 4 and 9 of Act No. 71 of the Public Acts of 1919, entitled as amended

"An act to provide for the formulation and establishment of a uniform system of accounting and reporting in the ~~several~~ departments, offices, and institutions of the state government, and in ~~all~~ county offices; to provide for the examination of the books and accounts of each state department, office, and institution, and of each county office; to provide for financial reports from all such departments, institutions, and offices, and for the tabulation and publication of comparative financial statistics relating thereto; to provide for the administration of this act; to provide penalties; to provide for meeting the expense authorized by this act, and to repeal ~~certain~~ acts and parts of acts,"

being sections 21.44 and 21.49 of the Michigan Compiled Laws; and to add section 14.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and sections 4 and 9 of Act No. 71 of  
2 the Public Acts of 1919, being sections 21.44 and 21.49 of the

1 Michigan Compiled Laws, are amended and section 14 is added to  
2 read as follows:

3 TITLE

4 An act to provide for the formulation and establishment of a  
5 uniform system of accounting and reporting in the ~~several~~  
6 departments, offices, and institutions of the state government,  
7 and in ~~all~~ county offices; to provide for the examination of  
8 the books and accounts of each state department, office, and  
9 institution, and of each county office; to provide for financial  
10 reports from ~~all such~~ STATE departments, institutions, and  
11 offices, and for the tabulation and publication of comparative  
12 financial statistics relating thereto; to provide for the admin-  
13 istration of this act; to provide penalties; TO PROVIDE CIVIL  
14 SANCTIONS; to provide for meeting the expense authorized by this  
15 act; ~~and~~ and to repeal ~~certain~~ acts and parts of acts.

16 Sec. 4. (1) ~~It shall be the duty of each~~ EACH department,  
17 institution, and office of the state government, and THE FISCAL  
18 OFFICER OF each county, ~~office, to~~ SHALL make an annual finan-  
19 cial report in accordance with forms prescribed by the auditor  
20 general OR THE DEPARTMENT OF TREASURY, RESPECTIVELY, which shall  
21 be uniform for all accounts of the same class. ~~Said reports~~ A  
22 REPORT shall be made in duplicate, 1 copy of which shall ~~and~~  
23 ~~within 30 days after the close of each fiscal year,~~ be filed  
24 ~~in~~ WITH the office of the auditor general OR THE DEPARTMENT OF  
25 TREASURY, RESPECTIVELY, and 1 copy with the governor. ~~and~~ A  
26 REPORT FOR A DEPARTMENT, INSTITUTION, OR OFFICE OF STATE  
27 GOVERNMENT SHALL BE FILED WITHIN 30 DAYS AFTER THE CLOSE OF THE

1 STATE FISCAL YEAR. A REPORT FOR A COUNTY SHALL BE FILED WITHIN  
2 THE PERIOD REQUIRED UNDER ACT NO. 174 OF THE PUBLIC ACTS OF 1943,  
3 BEING SECTIONS 45.201 TO 45.203 OF THE MICHIGAN COMPILED LAWS. A  
4 REPORT shall contain an accurate statement ~~in summarized form~~  
5 showing, for each fiscal year ~~ending June 30, the amount of all~~  
6 ~~collections and receipts~~ ALL OF THE FOLLOWING:

7 (A) IN SUMMARIZED FORM, THE AMOUNT OF REVENUES from all  
8 sources ~~—~~ and their disposition, all accounts due the public  
9 treasury but not collected, the amount of expenditures for  
10 ~~every~~ EACH purpose and by what authority authorized, the amount  
11 of indebtedness, the cost of operation of all industrial activi-  
12 ties and financial results obtained therefrom, ~~balance of funds~~  
13 ~~on hand~~ THE FUND BALANCES at the close of ~~each fiscal period,~~  
14 ~~together with such other information as may be~~ THE FISCAL YEAR,  
15 AND ANY OTHER INFORMATION required by the auditor general OR THE  
16 DEPARTMENT OF TREASURY, RESPECTIVELY.

17 (B) FOR EACH STATE PENSION SYSTEM OR FOR THE COUNTY PENSION  
18 INVESTMENT PORTFOLIO, THE VALUE, GAIN, LOSS, AND RETURN FOR EACH  
19 OF THE FOLLOWING:

20 (i) EACH INDIVIDUAL INVESTMENT IN THE STATE PENSION SYSTEM  
21 OR THE COUNTY PENSION INVESTMENT PORTFOLIO.

22 (ii) EACH CATEGORY OF INVESTMENTS IN THE STATE PENSION  
23 SYSTEM OR THE COUNTY PENSION INVESTMENT PORTFOLIO, INCLUDING, BUT  
24 NOT LIMITED TO, SHORT-TERM INVESTMENTS, GOVERNMENT SECURITIES,  
25 MORTGAGES, CORPORATE BONDS AND PREFERRED STOCK, CONVERTIBLE  
26 BONDS, COMMON STOCK, REAL ESTATE, INTERNATIONAL INVESTMENTS, AND  
27 DERIVATIVES.

1 (iii)) CUMULATIVELY, THE ENTIRE STATE PENSION SYSTEM OR  
2 COUNTY PENSION INVESTMENT PORTFOLIO.

3 (2) The substance of these reports shall be arranged by the  
4 auditor general OR THE DEPARTMENT OF TREASURY, RESPECTIVELY, and  
5 published at the expense of the state in an annual volume of com-  
6 parative statistics, and shall be in such form as shall show the  
7 comparative receipts from the various sources of revenue and the  
8 comparative costs of the several branches of the state and county  
9 governments. ~~A sufficient number of copies of said volume shall~~  
10 ~~be published~~ THE AUDITOR GENERAL OR THE DEPARTMENT OF TREASURY  
11 SHALL PUBLISH ENOUGH COPIES to furnish a copy to each member of  
12 the legislature, a copy to each state department, institution,  
13 and office, a copy to each county office, and 200 copies for gen-  
14 eral distribution.

15 Sec. 9. (1) The governor shall, ~~have the power, and he is~~  
16 ~~hereby directed~~ upon a finding of guilt, ~~to~~ remove from office  
17 the officer of any branch of the state government, or AN OFFICER  
18 OF county government, who refuses or ~~wilfully~~ WILLFULLY  
19 neglects to keep the accounts of his OR HER office in the manner  
20 and form prescribed by the auditor general OR THE DEPARTMENT OF  
21 TREASURY, RESPECTIVELY, or to make the reports ~~herein provided~~  
22 REQUIRED BY THIS ACT, or who refuses or neglects to comply with  
23 any other requirements of this act. It shall be the duty of the  
24 auditor general OR THE DEPARTMENT OF TREASURY, RESPECTIVELY, to  
25 promptly report to the governor ~~—~~ each such refusal or neglect  
26 and thereupon the governor ~~—, before taking final action thereon,~~

1 ~~shall summons~~ SHALL SUMMON the officer complained against to  
2 make answer why he OR SHE should not be removed from office.

3 (2) IF THE FISCAL OFFICER OF A COUNTY VIOLATES SECTION 4, HE  
4 OR SHE IS GUILTY OF A MISDEMEANOR PUNISHABLE BY A FINE OF NOT  
5 MORE THAN \$500.00 OR IMPRISONMENT FOR NOT MORE THAN 90 DAYS, OR  
6 BOTH.

7 (3) IF THE FISCAL OFFICER OF A COUNTY VIOLATES SECTION 4, .  
8 THE COUNTY IS LIABLE FOR A CIVIL FINE OF \$10,000.00. THE AMOUNT  
9 OF THE FINE SHALL BE SET OFF AGAINST REVENUE SHARING OR OTHER  
10 PAYMENTS TO BE MADE BY THIS STATE TO THE COUNTY.

11 SEC. 14. AS USED IN THIS ACT:

12 (A) "DERIVATIVE" MEANS A FINANCIAL INSTRUMENT WHOSE VALUE IS  
13 DERIVED FROM OR BASED ON AN UNDERLYING SECURITY, ASSET, OR  
14 INDEX. DERIVATIVE INCLUDES, BUT IS NOT LIMITED TO, FINANCIAL  
15 INSTRUMENTS KNOWN AS COLLATERALIZED MORTGAGE OBLIGATIONS, CERTIF-  
16 ICATES OF ACCRUAL ON TREASURIES, EASY GROWTH TREASURY RECEIPTS,  
17 CALL OPTIONS, PUT OPTIONS, FUTURES, AND INVERSE FLOATERS. THE  
18 DEPARTMENT OF TREASURY SHALL PERIODICALLY REVIEW THIS DEFINITION  
19 AND REPORT TO THE LEGISLATURE ITS RECOMMENDATIONS FOR AMENDMENTS  
20 TO THIS DEFINITION.

21 (B) "FISCAL OFFICER" MEANS THAT TERM AS DEFINED IN THE UNI-  
22 FORM BUDGETING AND ACCOUNTING ACT, ACT NO. 2 OF THE PUBLIC ACTS  
23 OF 1968, BEING SECTIONS 141.421 TO 141.440A OF THE MICHIGAN  
24 COMPILED LAWS.