

SENATE SUBSTITUTE FOR

HOUSE BILL NO. 5729

(As passed the Senate, December 11, 2002)

A bill to amend 1968 PA 2, entitled
"Uniform budgeting and accounting act,"
by amending section 4 (MCL 141.424), as amended by 2002 PA 250.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) The chief administrative officer of each local
2 unit shall make an annual financial report (local unit fiscal
3 report) which shall be uniform for all local units of the same
4 class.

5 (2) The annual financial report shall contain for each
6 fiscal year, all of the following:

7 (a) An accurate statement in summarized form, showing the
8 amount of all revenues from all sources, the amount of expendi-
9 tures for each purpose, the amount of indebtedness, the fund
10 balances at the close of each fiscal year, and any other
11 information as may be required by law.

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1 (b) A statement indicating whether there are derivative
2 instruments or products in the local unit's nonpension investment
3 portfolio at fiscal year end.

4 (c) If the statement under subdivision (b) is affirmative,
5 an accurate schedule reporting the cost and fiscal year end
6 market value of derivative instruments or products in the local
7 unit's nonpension investment portfolio at fiscal year end. The
8 information required under this subdivision shall be reported
9 both on an aggregate basis and itemized by issuer and type of
10 derivative instrument or product.

11 (d) A statement indicating whether there are derivative
12 instruments or products in the local unit's pension investment
13 portfolio at fiscal year end. Investments of defined contribu-
14 tion plans and deferred compensation plans that are chosen by the
15 employee participating in the plan shall be excluded from the
16 information reported under this subdivision.

17 (e) If the statement under subdivision (d) is affirmative,
18 an accurate schedule reporting the cost and fiscal year end
19 market value of derivative instruments or products in the local
20 unit's pension investment portfolio at fiscal year end. The
21 information required under this subdivision shall be reported
22 both on an aggregate basis and itemized by issuer and type of
23 derivative instrument or product. Investments of defined contri-
24 bution plans and deferred compensation plans that are chosen by
25 the employee participating in the plan shall be excluded from the
26 information reported under this subdivision.

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1 (3) One copy of the annual financial report required by
2 subsection (1) shall be filed with the state treasurer within 6
3 months after the end of the fiscal year of the local unit. The
4 state treasurer shall prescribe the forms to be used by local
5 units for preparation of the financial reports. THE STATE TREA-
6 SURER MAY REQUIRE THAT AN ANNUAL FINANCIAL REPORT BY THE PENSION
7 SYSTEM FOR ANY DEFINED BENEFIT PLAN OF THE LOCAL UNIT BE SUBMIT-
8 TED IN ELECTRONIC FORMAT AFTER TIMELY NOTICE BY THE STATE
9 TREASURER. The chief administrative officer of a local unit may
10 request an extension of the filing date from the state treasurer,
11 and the state treasurer may grant the request for reasonable
12 cause. If the local unit of government requests an extension of
13 the filing deadline, then the local unit of government must pro-
14 vide to the department of treasury the unadjusted year end trial
15 balance reports, in a form and manner as prescribed by the
16 department of treasury, to the department of treasury at the time
17 the local unit of government requests the extension. The depart-
18 ment of treasury shall post these unadjusted year end trial
19 reports on the department's internet website if the extension is
20 granted.

21 (4) This section does not authorize a local unit to make
22 investments not otherwise authorized by law.

23 (5) For purposes of this section, "pension" includes a
24 public employee health care fund as defined in the public
25 employee health care investment fund act, 1999 PA 149,
26 MCL 38.1211 to 38.1216.