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BILL ANALYSIS

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Senate Bill 1032 (Substitute S-1 as reported)
Sponsor: Senator Valde Garcia
Committee: Commerce and Labor

CONTENT

This bill would amend the Confidential Research Information Act to protect from disclosure under the Freedom of Information Act (FOIA) certain confidential investment information received by a public university or college that had been provided by an investment fiduciary or portfolio company, if the university or college provided a public report of its investment activities at least annually. The bill also would rename the Act the "Confidential Research and Investment Information Act".

Under the bill, an exemption from FOIA would exist for a record received, prepared, used, or retained by an investment fiduciary in connection with an investment or a potential investment of a public university or college that related to investment information pertaining to a portfolio company in which the investment fiduciary had invested or had considered an investment that was considered by the portfolio company and acknowledged by the investment fiduciary as confidential. The bill also would exempt from FOIA investment information, whether prepared by or for the investment fiduciary, regarding loans and assets directly owned by the investment fiduciary and acknowledged by the fiduciary as confidential.

The exemption would apply only if the public university or college, at least annually, provided to its governing board and made available to the public a report of its investment activities that included: the name of the portfolio company in which the institution had invested; the aggregated amount of money invested in portfolio companies during the period reporting period; the rate of return realized during the reporting period; and the source of any public funds invested by the institution during the reporting period.

If a record described above were an agreement or instrument to which an investment fiduciary was a party, the FOIA exemption would not cover those parts that did not contain investment information.

MCL 390.1551 & 390.1552

Legislative Analyst: J.P. Finet

FISCAL IMPACT

The bill would have no fiscal impact on State government but could result in minimal increased costs for State universities and local governments (community colleges) due to the report requirement.

Date Completed: 3-19-04

Fiscal Analyst: Ellen Jeffries

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Analysis available @ <http://www.michiganlegislature.org>

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