



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 875 (as introduced 11-9-05)
Sponsor: Senator Bill Hardiman
Committee: Local, Urban and State Affairs

Date Completed: 3-10-06

CONTENT

The bill would amend Public Act 20 of 1943 (which regulates the investments of public corporations) to allow the governing body of a public corporation, by resolution, to authorize its investment officer to pool or coordinate the funds to be invested with the funds of other public corporations.

(Under the Act, "public corporation" means a county, city, village, township, port district, drainage district, special assessment district, or metropolitan district of the State, or a board, commission, or another authority or agency created by or under an act of the Legislature. "Investment officer" means the treasurer or other person designated by statute or charter of a public corporation to act as the investment officer; in the absence of a statutory or charter designation, the governing body of a public corporation must designate the investment officer.)

MCL 129.91

Legislative Analyst: J.P. Finet

FISCAL IMPACT

The bill would have no effect on State revenue or expenditures or local expenditures. The bill would affect local revenue of public corporations by an unknown amount depending on how the bill affected the rate of return on investments of affected public corporations. Presumably, pooling or coordinating investments would produce higher rates of return and thus increase public corporation revenue from such investments.

This analysis is preliminary and will be revised as new information becomes available.

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.