

HOUSE BILL No. 4728

May 1, 1989, Introduced by Reps. Sikkema, Bennett, Martin, Sparks, Leland, Dolan and Law and referred to the Committee on Senior Citizens and Retirement.

A bill to amend Act No. 314 of the Public Acts of 1965, entitled as amended

"An act to authorize the investment of assets of public employee retirement systems or plans created and established by the state or any political subdivision; to provide for the payment of certain costs and investment expenses; to authorize investment in variable rate interest loans; to define and limit the investments which may be made by an investment fiduciary with the assets of a public employee retirement system; and to prescribe the powers and duties of investment fiduciaries and certain state departments and officers,"

as amended, being sections 38.1132 to 38.1140i of the Michigan Compiled Laws, by adding sections 12a and 13d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 314 of the Public Acts of 1965, as
2 amended, being sections 38.1132 to 38.1140i of the Michigan
3 Compiled Laws, is amended by adding sections 12a and 13d to read
4 as follows:

1 SEC. 12A. THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE
2 "PUBLIC EMPLOYEE RETIREMENT SYSTEM INVESTMENT ACT".

3 SEC. 13D. (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
4 ACT, AN INVESTMENT FIDUCIARY FOR A RETIREMENT SYSTEM SHALL NOT
5 INVEST RETIREMENT SYSTEM ASSETS IN LEVERAGED BUY OUT ACTIVITY.

6 (2) AS USED IN THIS SECTION:

7 (A) "LEVERAGED BUY OUT" MEANS THE PURCHASE OF ASSETS OR
8 STOCK OF A COMPANY WITH FUNDS THAT ARE BORROWED.

9 (B) "RETIREMENT SYSTEM" MEANS 1 OR MORE OF THE FOLLOWING:

10 (i) THE STATE EMPLOYEES' RETIREMENT SYSTEM CREATED BY THE
11 STATE EMPLOYEES' RETIREMENT ACT, ACT NO. 240 OF THE PUBLIC ACTS
12 OF 1943, BEING SECTIONS 38.1 TO 38.47 OF THE MICHIGAN COMPILED
13 LAWS.

14 (ii) THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
15 CREATED BY THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979,
16 ACT NO. 300 OF THE PUBLIC ACTS OF 1980, BEING SECTIONS 38.1301 TO
17 38.1407 OF THE MICHIGAN COMPILED LAWS.

18 (iii) THE STATE OF MICHIGAN JUDGES' RETIREMENT SYSTEM CRE-
19 ATED BY THE JUDGES' RETIREMENT ACT, ACT NO. 198 OF THE PUBLIC
20 ACTS OF 1951, BEING SECTIONS 38.801 TO 38.831 OF THE MICHIGAN
21 COMPILED LAWS.

22 (iv) THE STATE OF MICHIGAN PROBATE JUDGES RETIREMENT SYSTEM
23 CREATED BY THE PROBATE JUDGES RETIREMENT ACT, ACT NO. 165 OF THE
24 PUBLIC ACTS OF 1954, BEING SECTIONS 38.901 TO 38.933 OF THE
25 MICHIGAN COMPILED LAWS.

26 (v) THE MICHIGAN LEGISLATIVE RETIREMENT SYSTEM CREATED BY
27 THE MICHIGAN LEGISLATIVE RETIREMENT SYSTEM ACT, ACT NO. 261 OF

1 THE PUBLIC ACTS OF 1957, BEING SECTIONS 38.1001 TO 38.1060 OF THE
2 MICHIGAN COMPILED LAWS.

3 (vi) THE MICHIGAN STATE POLICE RETIREMENT SYSTEM CREATED BY
4 THE STATE POLICE RETIREMENT ACT OF 1986, ACT NO. 182 OF THE
5 PUBLIC ACTS OF 1986, BEING SECTIONS 38.1601 TO 38.1648 OF THE
6 MICHIGAN COMPILED LAWS.