

PROTECTING LOCAL GOVERNMENT RETIREMENT AND BENEFITS ACT (EXCERPT)
Act 202 of 2017

38.2807 Municipal stability board; creation; powers, duties, and functions; membership; appointment by governor; qualifications; terms; vacancy; chairperson; quorum; meetings; bylaws; contract for professional services; travel and expenses; ethics policy; oath of office; "professional services" defined.

Sec. 7. (1) The municipal stability board is created within the department of treasury. Except as otherwise provided in this act, the board shall exercise its powers, duties, and functions independently of the state treasurer. The budgeting, procurement, and related management functions of the board must be performed under the direction and supervision of the state treasurer. The department of treasury shall provide administrative support to the board.

(2) Subject to subsection (3), the board consists of all of the following members appointed by the governor:

(a) One resident of this state representing state officials.

(b) One resident of this state representing local officials.

(c) One resident of this state representing employees and retirees.

(3) Members appointed under subsection (2) must have knowledge, skill, or experience in accounting, actuarial science, retirement systems, retirement health benefits, or government finance.

(4) Of the members initially appointed by the governor under subsection (2), 1 member must be appointed for an initial term of 4 years, 1 member must be appointed for an initial term of 3 years, and 1 member must be appointed for an initial term of 2 years. After the initial terms, members appointed by the governor under subsection (2) must be appointed for terms of 4 years.

(5) A vacancy for an unexpired term must be filled in the same manner as the original appointment for the remainder of the term. After the expiration of a term, a member may continue to serve until a successor is appointed and qualified.

(6) The member of the board appointed under subsection (2)(a) shall serve as the chairperson of the board.

(7) A majority of the members of the board authorized to take an action constitute a quorum of the board for the transaction of business on that action. The board shall meet not less than quarterly and at the times and places within this state designated by the chairperson. An action of the board must be approved by a majority of the members authorized to take that action.

(8) The board shall adopt bylaws for governance of the board, which must, at a minimum, address the procedures for conducting meetings, including voting procedures, and the requirements of its members to attend meetings. Bylaws required by this section are not subject to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(9) The board may contract for professional services, as it requires, and shall determine the qualifications for persons providing those professional services it considers necessary.

(10) Members of the board serve without compensation but may receive reimbursement for travel and expenses incurred in the discharge of official duties. The members of the board and contractors or agents of the board are subject to 1968 PA 317, MCL 15.321 to 15.330, and 1968 PA 318, MCL 15.301 to 15.310.

(11) A member of the board, and any person the board contracts with, shall discharge the duties of his or her position in a nonpartisan manner, with good faith, and with that degree of diligence, care, and skill that an ordinarily prudent person would exercise under similar circumstances in a like position. The board shall adopt an ethics policy governing the conduct of board members and officers and employees of the board.

(12) Board members shall take and subscribe to the constitutional oath of office under section 1 of article XI of the state constitution of 1963. The oath must be filed with the secretary of state.

(13) As used in this section, "professional services" means services that require a high degree of intellectual skill, an advanced degree, or professional licensing or certification. Those providing the professional services must be distinguished based on their specialized knowledge, experience, and expertise. Professional services include, but are not limited to, accounting, actuarial, appraisal, auditing, investment advisor, and legal services.

History: 2017, Act 202, Imd. Eff. Dec. 20, 2017.