

Act No. 285  
Public Act of 1988  
Approved by the Governor  
August 1, 1988  
Filed by the Secretary of State  
August 1, 1988

**STATE OF MICHIGAN  
84TH LEGISLATURE  
REGULAR SESSION OF 1988**

Introduced by Senators Cropsey, Barcia, Mack, Schwarz, Shinkle, Posthumus, V. Smith, DiNello, Cruce, Binsfeld, Arthurhultz, Engler, Ehlers, Welborn, Dillingham, Gast and N. Smith

# **ENROLLED SENATE BILL No. 879**

AN ACT to amend the title of Act No. 20 of the Public Acts of 1943, entitled "An act relative to the investment of surplus funds of political subdivisions of the state; and to validate investments heretofore made," as amended, being sections 129.91 to 129.93 of the Michigan Compiled Laws; and to add section 4.

*The People of the State of Michigan enact:*

Section 1. The title of Act No. 20 of the Public Acts of 1943, as amended, being sections 129.91 to 129.93 of the Michigan Compiled Laws, is amended and section 4 is added to read as follows:

## **TITLE**

An act relative to the investment of surplus funds of political subdivisions of the state; and to validate certain investments.

Sec. 4. (1) As used in this section:

(a) "Eligible deferred compensation plan" means a deferred compensation plan established and maintained by a governing body, which plan meets the requirements of section 457 of the internal revenue code.

(b) "Financial institution" means a state or nationally chartered bank, a state or federally chartered savings bank, a state or federally chartered savings and loan association, or a state or federally chartered credit union, which financial institution is insured by an agency or instrumentality of the federal government.

(c) "Governing body" means the legislative or governing body of a county, city, village, township, or special assessment district, or an agency, board, or commission of a county, city, village, or township.

(2) The governing body, by resolution, may authorize its treasurer or chief fiscal officer to deposit funds received under an eligible deferred compensation plan in a financial institution authorized by law to do business in this state or with an authorized deferred compensation agent appointed by the governing body. Notwithstanding any other provision of this act, the treasurer or chief fiscal officer, as authorized by resolution of the governing body, may place funds accumulated under an eligible deferred compensation plan with a financial institution authorized to do business in this state, a state or federally licensed investment company or insurance company authorized to do business in this state, or trust established by public employers for the commingled investment of the amounts held under deferred compensation and retirement plans, which funds shall be invested by the financial institution, insurance company, investment company, or trust as directed by the governing body. The investment of eligible deferred compensation plan funds shall be in the manner and for the purposes described in section 457 of the internal revenue code.

(3) The investment of funds accumulated under an eligible deferred compensation plan of a governing body prior to the effective date of the amendatory act that added this section, which investments otherwise meet the requirements of this section, are ratified and validated.

This act is ordered to take immediate effect.

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Secretary of the Senate.

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Clerk of the House of Representatives.

Approved .....

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Governor.