

SUBSTITUTE FOR
SENATE BILL NO. 895

A bill to amend 2000 PA 489, entitled
"Michigan trust fund act,"
by amending sections 2 and 9 (MCL 12.252 and 12.259), section 2 as
amended and section 9 as added by 2005 PA 232, and by adding
section 11.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (A) "DETROIT PUBLIC SCHOOLS TRUST FUND" MEANS THE DETROIT
3 PUBLIC SCHOOLS TRUST FUND CREATED IN SECTION 11.

4 (B) ~~(a)~~—"Medicaid benefits trust fund" means the Michigan
5 ~~medicaid~~—MEDICAID benefits trust fund established in section 5.

6 (C) ~~(b)~~—"Medicaid program" means a program for medical
7 assistance established under title XIX of the social security act,
8 ~~chapter 531, 49 Stat. 620, 42 USC 1396 to 1396f, 1396g-1 to 1396r-~~
9 ~~6, and 1396r-8 to 1396v.~~ 1396W-5.

1 (D) ~~(e)~~—"Medicaid special financing payments" means the
2 ~~medicaid~~**MEDICAID** special adjustor payments each year authorized in
3 the department of community health appropriations act.

4 (E) ~~(d)~~—"Michigan merit award trust fund" means the Michigan
5 merit award trust fund established in section 9.

6 (F) ~~(e)~~—"Residual tobacco settlement revenue" means any
7 residual interests, as defined by the Michigan tobacco settlement
8 finance authority act, that are received by this state.

9 (G) ~~(f)~~—"Tobacco settlement revenue" means money received by
10 this state that is attributable to the master settlement agreement
11 incorporated into a consent decree and final judgment entered into
12 on December 7, 1998 in Kelly Ex Rel. Michigan v Philip Morris
13 Incorporated, et al., Ingham ~~county~~**COUNTY** circuit court, docket
14 no. 96-84281CZ, including any rights to receive money attributable
15 to the master settlement agreement that has been sold by this
16 state.

17 (H) ~~(g)~~—"21st century jobs trust fund" means the 21st century
18 jobs trust fund established in section 7.

19 Sec. 9. (1) The Michigan merit award trust fund is established
20 in the department of treasury. The Michigan merit award trust fund
21 shall consist only of interest and earnings from Michigan merit
22 award trust fund investments, donations of money made to the trust
23 fund from any source, and any money allocated as provided by law.

24 (2) Money in the Michigan merit award trust fund at the close
25 of a fiscal year shall remain in the Michigan merit award trust
26 fund and shall not revert to the general fund.

27 (3) The state treasurer shall direct the investment of the

1 Michigan merit award trust fund.

2 (4) Except as otherwise provided in ~~section 7(5)~~, **THIS ACT**,
3 each fiscal year, tobacco settlement revenue received by this state
4 that is not considered a TSR as that term is defined under the
5 Michigan tobacco settlement finance authority act, **2005 PA 226, MCL**
6 **129.261 TO 129.279**, shall be allocated to the Michigan merit award
7 trust fund.

8 **SEC. 11. (1) THE DETROIT PUBLIC SCHOOLS TRUST FUND IS CREATED**
9 **WITHIN THE STATE TREASURY.**

10 (2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM
11 ANY SOURCE FOR DEPOSIT INTO THE DETROIT PUBLIC SCHOOLS TRUST FUND.
12 THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE DETROIT
13 PUBLIC SCHOOLS TRUST FUND. THE STATE TREASURER SHALL CREDIT TO THE
14 DETROIT PUBLIC SCHOOLS TRUST FUND INTEREST AND EARNINGS FROM
15 DETROIT PUBLIC SCHOOLS TRUST FUND INVESTMENTS.

16 (3) MONEY IN THE DETROIT PUBLIC SCHOOLS TRUST FUND AT THE
17 CLOSE OF THE FISCAL YEAR SHALL REMAIN IN THE DETROIT PUBLIC SCHOOLS
18 TRUST FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

19 (4) THE DEPARTMENT OF TREASURY SHALL BE THE ADMINISTRATOR OF
20 THE DETROIT PUBLIC SCHOOLS TRUST FUND FOR AUDITING PURPOSES.

21 (5) THE DEPARTMENT OF TREASURY SHALL EXPEND MONEY FROM THE
22 DETROIT PUBLIC SCHOOLS TRUST FUND, UPON APPROPRIATION, AS PROVIDED
23 BY LAW.