

Senate Bill 797

A bill to amend 1946 (Ex Sess) PA 9, entitled

"An act to create the Michigan veterans' trust fund, and to define who shall be eligible to receive assistance therefrom; to provide for the disbursement of the income thereof and surplus therein; to create a board of trustees, and to prescribe its powers and duties; to provide for county and district committees, and their powers, duties, and expenses; to prescribe penalties; and to make appropriations to carry out the provisions of this act,"

by amending section 5 (MCL 35.605).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5. (1) The earnings of the Michigan veterans' trust
2 fund shall be allocated from time to time by the board of trust-
3 ees as follows:

4 (a) The operating expenses of the fund shall be approved
5 annually and funded from the surplus earnings.

6 (b) Fifty percent of the remaining surplus in and the
7 earnings of the fund shall be allocated for distribution to

1 county and district committees on the basis of need as determined
2 by the board.

3 (c) The balance of the surplus in and earnings of the trust
4 fund after allocations UNDER SUBDIVISIONS (a) and (b) shall be
5 allocated in part or in whole to the several county and district
6 committees on the basis of veteran population. The funds made
7 available to the board of trustees for distribution to county and
8 district committees on the basis of need as determined by the
9 board of trustees shall be disbursed only for the same purposes
10 of providing for needs of Michigan veterans as defined by ~~Act~~
11 ~~No. 190 of the Public Acts of 1965, as amended~~ 1965 PA 190,
12 MCL 35.61 TO 35.62, or their dependents as are the funds allo-
13 cated to county and district committees on the basis of veteran
14 population. ~~The state administrative board shall have full~~
15 ~~power to direct the investment of the trust fund in bonds or~~
16 ~~other obligations of the United States, this state, or of a~~
17 ~~county, city, village, or school district of this state, or of~~
18 ~~any other legally constituted taxing subdivision within this~~
19 ~~state, or in revenue bonds secured by property within this state,~~
20 ~~or in mortgage bonds or notes insured by the federal housing~~
21 ~~administrator, or debentures issued by that administrator, or in~~
22 ~~bonds, notes, debentures, or other obligations in which both~~
23 ~~principal and interest are insured or guaranteed by the federal~~
24 ~~government, or obligations of national mortgage associations cre-~~
25 ~~ated under the national housing act, or amendments thereto. All~~
26 ~~bonds or other obligations shall be purchased at current market~~

~~1 price and all purchases shall be authorized by a resolution~~
~~2 adopted by the state administrative board.~~

3 (2) The state treasurer shall ~~be custodian~~ DIRECT THE
4 INVESTMENT of the Michigan veterans' trust fund. THE STATE TREA-
5 SURER SHALL HAVE THE SAME AUTHORITY TO INVEST THE ASSETS OF THE
6 TRUST FUND AS IS GRANTED TO AN INVESTMENT FIDUCIARY UNDER THE
7 PUBLIC EMPLOYEE RETIREMENT SYSTEM INVESTMENT ACT, 1965 PA 314,
8 MCL 38.1132 TO 38.1140/. The trust fund shall be considered state
9 funds and shall be protected by the official bond of the state
10 treasurer.

11 (3) THE STATE TREASURER SHALL ANNUALLY PREPARE AN ACCOUNTING
12 OF REVENUES AND EXPENDITURES FROM THE TRUST FUND. THIS ACCOUNT-
13 ING SHALL SPECIFICALLY IDENTIFY THE INTEREST AND EARNINGS OF THE
14 TRUST FUND, SHALL DESCRIBE HOW THE AMOUNT OF INTEREST AND EARN-
15 INGS HAS BEEN AFFECTED BY THE EXPANDED INVESTMENT OPTIONS PRO-
16 VIDED FOR IN SUBSECTION (2), AND SHALL IDENTIFY HOW THE INCREASED
17 INTEREST AND EARNINGS, IF ANY, HAVE BEEN EXPENDED. THIS ACCOUNT-
18 ING SHALL BE PROVIDED TO THE SENATE AND HOUSE OF REPRESENTATIVES
19 APPROPRIATIONS COMMITTEES.

20 Enacting section 1. This amendatory act does not take
21 effect unless Senate Joint Resolution _____ or House Joint
22 Resolution _____ (request no. 00563'01 **) becomes a part of the
23 state constitution of 1963 as provided in section 1 of article
24 XII of the state constitution of 1963.