

HOUSE SUBSTITUTE FOR SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5109

A bill to amend 2000 PA 489, entitled
"Michigan trust fund act,"
by amending the title and section 2 (MCL 12.252) and by adding
sections 7, 8, 9, and 10; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

2 An act to create certain funds; to provide for the **ALLOCATION**
3 **OF CERTAIN REVENUES AMONG CERTAIN FUNDS AND FOR THE** operation,
4 investment, and expenditure of certain funds; and to impose certain
5 duties and requirements on certain state officials.

6 Sec. 2. As used in this act:

7 (a) "Medicaid benefits trust fund" means the Michigan medicaid
8 benefits trust fund established in section 5.

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

(c) "Medicaid special financing payments" means the medicaid special adjustor payments each year authorized in the department of community health appropriations act.

(D) "MICHIGAN MERIT AWARD TRUST FUND" MEANS THE MICHIGAN MERIT AWARD TRUST FUND ESTABLISHED IN SECTION 9.

(E) "RESIDUAL TOBACCO SETTLEMENT REVENUE" MEANS ANY RESIDUAL INTERESTS, AS DEFINED BY THE MICHIGAN TOBACCO SETTLEMENT FINANCE AUTHORITY ACT, THAT ARE RECEIVED BY THIS STATE.

(F) ~~(d)~~ "Tobacco settlement revenue" means money received by this state that is attributable to the master settlement agreement incorporated into a consent decree and final judgment entered into on December 7, 1998 in Kelly Ex Rel. Michigan v Philip Morris Incorporated, et al., Ingham county circuit court, docket no. 96-84281CZ, INCLUDING ANY RIGHTS TO RECEIVE MONEY ATTRIBUTABLE TO THE MASTER SETTLEMENT AGREEMENT THAT HAS BEEN SOLD BY THIS STATE.

~~—— (e) "Tobacco settlement trust fund" means the Michigan tobacco settlement trust fund established in section 3.~~

(G) "21ST CENTURY JOBS TRUST FUND" MEANS THE 21ST CENTURY JOBS TRUST FUND ESTABLISHED IN SECTION 7.

SEC. 7. (1) THE 21ST CENTURY JOBS TRUST FUND IS ESTABLISHED IN THE DEPARTMENT OF TREASURY. THE 21ST CENTURY JOBS TRUST FUND SHALL CONSIST OF DONATIONS OF MONEY MADE TO THE 21ST CENTURY JOBS TRUST FUND FROM ANY SOURCE AND THE NET PROCEEDS OF THE SALE OF TOBACCO

1 SETTLEMENT REVENUES TO THE TOBACCO SETTLEMENT FINANCE AUTHORITY.

2 (2) THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE
3 21ST CENTURY JOBS TRUST FUND, WHICH MAY BE INVESTED AS PART OF THE
4 COMMON CASH OF THIS STATE UNDER 1967 PA 55, MCL 12.51 TO 12.53, BUT
5 SHALL BE SEPARATELY ACCOUNTED FOR BY THE STATE TREASURER. THE STATE
6 TREASURER MAY INVEST THE FUNDS OR ASSETS OF THE 21ST CENTURY JOBS
7 TRUST FUND IN ANY INVESTMENT AUTHORIZED UNDER 1855 PA 105, MCL
8 21.141 TO 21.147, FOR SURPLUS FUNDS OF THIS STATE, IN OBLIGATIONS
9 ISSUED BY ANY STATE OR POLITICAL SUBDIVISION OR INSTRUMENTALITY OF
10 THE UNITED STATES, OR IN ANY OBLIGATION ISSUED, ASSUMED, OR
11 GUARANTEED BY A SOLVENT ENTITY CREATED OR EXISTING UNDER THE LAWS
12 OF THE UNITED STATES OR OF ANY STATE, DISTRICT, OR TERRITORY OF THE
13 UNITED STATES, WHICH ARE NOT IN DEFAULT AS TO PRINCIPAL OR
14 INTEREST.

15 (3) EXCEPT AS PROVIDED IN SUBSECTION (4), MONEY IN THE 21ST
16 CENTURY JOBS TRUST FUND AT THE CLOSE OF A FISCAL YEAR SHALL REMAIN
17 IN THE 21ST CENTURY JOBS TRUST FUND AND SHALL NOT REVERT TO THE
18 GENERAL FUND.

19 (4) INTEREST AND EARNINGS FROM INVESTMENT OF THE 21ST CENTURY
20 JOBS TRUST FUND SHALL BE DEPOSITED IN THE GENERAL FUND.

21 (5) BEGINNING IN FISCAL YEAR 2008 AND THROUGH FISCAL YEAR
22 2015, EACH YEAR \$75,000,000.00 OF THE TOBACCO SETTLEMENT REVENUE
23 RECEIVED BY THIS STATE THAT IS NOT CONSIDERED A TSR AS THAT TERM IS
24 DEFINED UNDER THE MICHIGAN TOBACCO SETTLEMENT FINANCE AUTHORITY ACT
25 SHALL BE DEPOSITED INTO THE 21ST CENTURY JOBS TRUST FUND.

26 SEC. 8. UPON REQUEST FROM THE FUND BOARD AS DEFINED IN SECTION
27 88A OF THE MICHIGAN STRATEGIC FUND ACT, 1984 PA 270, MCL 125.2088A,

1 THE STATE TREASURER SHALL TRANSFER AND DISBURSE APPROPRIATED FUNDS
2 FROM THE 21ST CENTURY JOBS TRUST FUND ONLY FOR THE PURPOSE OF
3 CARRYING OUT AND AT THE SPECIFIED TIME AND AS NECESSARY TO
4 IMPLEMENT CHAPTER 8A OF THE MICHIGAN STRATEGIC FUND ACT, 1984 PA
5 270, MCL 125.2088 TO 125.2088P.

6 SEC. 9. (1) THE MICHIGAN MERIT AWARD TRUST FUND IS ESTABLISHED
7 IN THE DEPARTMENT OF TREASURY. THE MICHIGAN MERIT AWARD TRUST FUND
8 SHALL CONSIST ONLY OF INTEREST AND EARNINGS FROM MICHIGAN MERIT
9 AWARD TRUST FUND INVESTMENTS, DONATIONS OF MONEY MADE TO THE TRUST
10 FUND FROM ANY SOURCE, AND ANY MONEY ALLOCATED AS PROVIDED BY LAW.

11 (2) MONEY IN THE MICHIGAN MERIT AWARD TRUST FUND AT THE CLOSE
12 OF A FISCAL YEAR SHALL REMAIN IN THE MICHIGAN MERIT AWARD TRUST
13 FUND AND SHALL NOT REVERT TO THE GENERAL FUND.

14 (3) THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE
15 MICHIGAN MERIT AWARD TRUST FUND.

16 (4) EXCEPT AS OTHERWISE PROVIDED IN SECTION 7(5), EACH FISCAL
17 YEAR, TOBACCO SETTLEMENT REVENUE RECEIVED BY THIS STATE THAT IS NOT
18 CONSIDERED A TSR AS THAT TERM IS DEFINED UNDER THE MICHIGAN TOBACCO
19 SETTLEMENT FINANCE AUTHORITY ACT SHALL BE ALLOCATED TO THE MICHIGAN
20 MERIT AWARD TRUST FUND.

21 SEC. 10. UPON APPROPRIATION, THE STATE TREASURER SHALL
22 DISBURSE FUNDS FROM THE MICHIGAN MERIT AWARD TRUST FUND FOR 1 OR
23 MORE OF THE FOLLOWING PURPOSES:

24 (A) MICHIGAN MERIT AWARD SCHOLARSHIPS UNDER THE MICHIGAN MERIT
25 AWARD SCHOLARSHIP ACT, 1999 PA 94, MCL 390.1451 TO 390.1459, OR TO
26 A SUCCESSOR TO THAT PROGRAM.

27 (B) EXPENSES PROPERLY INCURRED IN THE ADMINISTRATION OF THE

1 MICHIGAN MERIT AWARD SCHOLARSHIPS AND THE TEST BY WHICH AWARDEES OF
2 THE MICHIGAN MERIT AWARD SCHOLARSHIPS ARE DETERMINED.

3 (C) FUNDING OF THE TUITION INCENTIVE PROGRAM AS DESCRIBED IN
4 SECTION 310 OF 1998 PA 271 OR A SUCCESSOR TO THAT PROGRAM.

5 (D) FUNDING OF THE MICHIGAN NURSING SCHOLARSHIP PROGRAM AS
6 DESCRIBED IN THE MICHIGAN NURSING SCHOLARSHIP ACT, 2002 PA 591, MCL
7 390.1181 TO 390.1189.

8 (E) OTHER EXPENDITURES AS DETERMINED BY LAW.

9 Enacting section 1. (1) Sections 3 and 5 of the Michigan merit
10 award scholarship act, 1999 PA 94, MCL 390.1453 and 390.1455, are
11 repealed.

12 (2) Sections 3 and 4 of the Michigan trust fund act, 2000 PA
13 489, MCL 12.253 and 12.254, are repealed.

14 Enacting section 2. This amendatory act does not take effect
15 unless all of the following bills of the 93rd Legislature are
16 enacted into law:

17 (a) Senate Bill No. 533.

18 (b) House Bill No. 5047.

19 (c) House Bill No. 5048.