

Act No. 232
Public Acts of 2005
Approved by the Governor
November 21, 2005
Filed with the Secretary of State
November 21, 2005
EFFECTIVE DATE: November 21, 2005

**STATE OF MICHIGAN
93RD LEGISLATURE
REGULAR SESSION OF 2005**

Introduced by Rep. Baxter

ENROLLED HOUSE BILL No. 5109

AN ACT to amend 2000 PA 489, entitled "An act to create certain funds; to provide for the operation, investment, and expenditure of certain funds; and to impose certain duties and requirements on certain state officials," 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:

TITLE

An act to create certain funds; to provide for the allocation of certain revenues among certain funds and for the operation, investment, and expenditure of certain funds; and to impose certain duties and requirements on certain state officials.

Sec. 2. As used in this act:

- (a) "Medicaid benefits trust fund" means the Michigan medicaid 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 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) "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.
- (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 settlement revenues to the tobacco settlement finance authority.

(2) The state treasurer shall direct the investment of the 21st century jobs trust fund, which may be invested as part of the common cash of this state under 1967 PA 55, MCL 12.51 to 12.53, but shall be separately accounted for by the state treasurer. The state treasurer may invest the funds or assets of the 21st century jobs trust fund in any investment authorized under 1855 PA 105, MCL 21.141 to 21.147, for surplus funds of this state, in obligations issued by any state or political subdivision or instrumentality of the United States, or in any obligation issued, assumed, or guaranteed by a solvent entity created or existing under the laws of the United States or of any state, district, or territory of the United States, which are not in default as to principal or interest.

(3) Except as provided in subsection (4), money in the 21st century jobs trust fund at the close of a fiscal year shall remain in the 21st century jobs trust fund and shall not revert to the general fund.

(4) Interest and earnings from investment of the 21st century jobs trust fund shall be deposited in the general fund.

(5) Beginning in fiscal year 2008 and through fiscal year 2015, each year \$75,000,000.00 of the tobacco settlement revenue received by this state that is not considered a TSR as that term is defined under the Michigan tobacco settlement finance authority act shall be deposited into the 21st century jobs trust fund.

Sec. 8. Upon request from the fund board as defined in section 88a of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088a, the state treasurer shall transfer and disburse appropriated funds from the 21st century jobs trust fund only for the purpose of carrying out and at the specified time and as necessary to implement chapter 8A of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088 to 125.2088p.

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

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

(3) The state treasurer shall direct the investment of the Michigan merit award trust fund.

(4) Except as otherwise provided in section 7(5), each fiscal year, tobacco settlement revenue received by this state that is not considered a TSR as that term is defined under the Michigan tobacco settlement finance authority act shall be allocated to the Michigan merit award trust fund.

Sec. 10. Upon appropriation, the state treasurer shall disburse funds from the Michigan merit award trust fund for 1 or more of the following purposes:

(a) Michigan merit award scholarships under the Michigan merit award scholarship act, 1999 PA 94, MCL 390.1451 to 390.1459, or to a successor to that program.

(b) Expenses properly incurred in the administration of the Michigan merit award scholarships and the test by which awardees of the Michigan merit award scholarships are determined.

(c) Funding of the tuition incentive program as described in section 310 of 1998 PA 271 or a successor to that program.

(d) Funding of the Michigan nursing scholarship program as described in the Michigan nursing scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189.

(e) Other expenditures as determined by law.

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

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

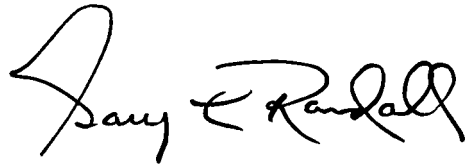
Enacting section 2. This amendatory act does not take effect unless all of the following bills of the 93rd Legislature are enacted into law:

(a) Senate Bill No. 533.

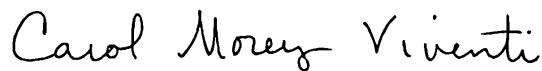
(b) House Bill No. 5047.

(c) House Bill No. 5048.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor