

HOUSE BILL No. 6679

November 19, 2008, Introduced by Rep. Alma Smith and referred to the Committee on Tax Policy.

A bill to amend 2000 PA 489, entitled
"Michigan trust fund act,"
by amending sections 9 and 10 (MCL 12.259 and 12.260), as added by
2005 PA 232; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

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

3 (4) Except as otherwise provided in section 7(5), each fiscal
4 year, tobacco settlement revenue received by this state **BEFORE**
5 **AUGUST 1, 2007** that is not considered a TSR as that term is defined
6 under the Michigan tobacco settlement finance authority act, ~~shall~~
7 ~~be~~ **2005 PA 226, MCL 129.261 TO 129.279, IS** allocated to the
8 Michigan merit award trust fund.

9 **(5) ON SEPTEMBER 30, 2007, MONEY IN THE MICHIGAN MERIT AWARD**
10 **TRUST FUND OR OTHER MONEY HELD BY THE STATE TREASURER FOR PURPOSES**
11 **OF THIS SECTION OR SECTION 10 SHALL REVERT TO THE GENERAL FUND.**

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

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

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

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

23 (d) Funding of the Michigan nursing scholarship program as
24 described in the Michigan nursing scholarship act, 2002 PA 591, MCL
25 390.1181 to 390.1189.

26 (e) Other expenditures as determined by law.

27 **(2) THE STATE TREASURER SHALL NOT DISBURSE FUNDS FROM THE**

1 MICHIGAN MERIT AWARD TRUST FUND UNDER THIS SECTION IN THE 2007-2008
2 ACADEMIC YEAR OR ANY SUBSEQUENT ACADEMIC YEAR.

3 (3) IF THE STATE TREASURER INCURS AN OBLIGATION TO DISBURSE
4 FUNDS FROM THE MICHIGAN MERIT AWARD TRUST FUND UNDER THIS SECTION
5 BEFORE THE 2007-2008 ACADEMIC YEAR, AND THAT OBLIGATION OR ANY PART
6 OF THE OBLIGATION IS UNPAID AS OF SEPTEMBER 15, 2007, THE
7 OBLIGATION OR REMAINING PART OF THE OBLIGATION IS VOID AND
8 UNENFORCEABLE AND THE STATE TREASURER SHALL NOT DISBURSE FUNDS FOR
9 THAT UNPAID AMOUNT.

10 (4) BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
11 ADDED THIS SUBSECTION, THE STATE TREASURER SHALL NOTIFY EACH PERSON
12 TO WHICH THE STATE TREASURER OWES AN OBLIGATION OF ANY PART OF AN
13 OBLIGATION, OR TO WHICH THE STATE TREASURER INCURS AN OBLIGATION,
14 TO DISBURSE FUNDS FROM THE MICHIGAN MERIT AWARD TRUST FUND UNDER
15 THIS SECTION OF THE PENDING REPEAL OF THIS SECTION AND SECTION 9
16 AND THE TIMETABLES DESCRIBED IN SUBSECTIONS (2) AND (3).

17 (5) AS USED IN THIS SECTION, "ACADEMIC YEAR" MEANS THE PERIOD
18 FROM AUGUST 1 OF A CALENDAR YEAR TO JULY 31 OF THE NEXT CALENDAR
19 YEAR.

20 Enacting section 1. Sections 9 and 10 of the Michigan trust
21 fund act, 2000 PA 489, MCL 12.259 and 12.260, are repealed
22 effective October 1, 2007.

23 Enacting section 2. This amendatory act does not take effect
24 unless Senate Bill No.____ or House Bill No. 6680(request no.
25 01102'07) of the 94th Legislature is enacted into law.