

Act No. 193
Public Acts of 2016
Approved by the Governor
June 21, 2016
Filed with the Secretary of State
June 21, 2016
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**STATE OF MICHIGAN
98TH LEGISLATURE
REGULAR SESSION OF 2016**

Introduced by Reps. Price, Garcia, Poleski and Pscholka

ENROLLED HOUSE BILL No. 5383

AN ACT to amend 2000 PA 489, entitled “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,” 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 12.

The People of the State of Michigan enact:

Sec. 2. As used in this act:

- (a) “Community district education trust fund” means the community district education trust fund created in section 12.
- (b) “Medicaid benefits trust fund” means the Michigan Medicaid benefits trust fund established in section 5.
- (c) “Medicaid program” means a program for medical assistance established under title XIX of the social security act, 42 USC 1396 to 1396w-5.
- (d) “Medicaid special financing payments” means the Medicaid special adjustor payments each year authorized in the department of community health appropriations act.
- (e) “Michigan merit award trust fund” means the Michigan merit award trust fund established in section 9.
- (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. 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) and section 12(6), 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. 12. (1) The community district education trust fund is created within the state treasury.

(2) The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the community district education trust fund. The state treasurer shall credit to the community district education trust fund interest and earnings from community district education trust fund investments.

(3) Money in the community district education trust fund at the close of the fiscal year shall remain in the community district education trust fund and shall not lapse to the general fund.

(4) The department of treasury shall be the administrator of the community district education trust fund for auditing purposes.

(5) The department of treasury shall expend money from the community district education trust fund, upon appropriation, only to offset, directly or indirectly, the absence of local school operating revenue in a community district in the funding of the state portion of foundation allowances under section 22b of the state school aid act of 1979, 1979 PA 94, MCL 388.1622b. As used in this subsection, "community district" means that term as defined in section 3 of the revised school code, 1976 PA 451, MCL 380.3.

(6) Subject to the limitation in this subsection, beginning in fiscal year 2017 and each fiscal year thereafter, \$72,000,000.00 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, 2005 PA 226, MCL 129.261 to 129.279, shall be deposited into the community district education trust fund to be used only as provided in subsection (5). The total amount deposited into the community district education trust fund pursuant to this subsection shall not exceed \$617,000,000.00.

(7) To the extent that the amount deposited into the community district education trust fund pursuant to subsection (6) is less than the amount necessary to offset the absence of local school operating revenue in a community district in the funding of the state portion of foundation allowances under section 22b of the state school aid act of 1979, 1979 PA 94, MCL 388.1622b, and for as long as that community district is prohibited under section 386 of the revised school code, 1976 PA 451, MCL 380.386, from levying a school operating tax, the general fund shall reimburse the school aid fund.

Enacting section 1. This amendatory act does not take effect unless House Bill No. 5384 of the 98th Legislature is enacted into law.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor