

SENATE BILL NO. 1063

November 07, 2024, Introduced by Senators DALEY, HERTEL and CHERRY and referred to the Committee on Housing and Human Services.

A bill to amend 1982 PA 249, entitled

"An act to establish the state children's trust fund in the department of treasury; and to provide certain powers and duties of the department of treasury with respect to the trust fund,"

by amending section 1 (MCL 21.171), as amended by 2014 PA 306.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) The children's trust fund is created as a
2 charitable and educational endowment fund in the department of
3 treasury. The fund ~~shall~~**must** be expended only as provided in this
4 section.

5 (2) The state treasurer shall credit to the trust fund all

1 amounts appropriated for this purpose under section 475 of the
2 income tax act of 1967, 1967 PA 281, MCL 206.475, any amounts
3 received under section 811j of the Michigan vehicle code, 1949 PA
4 300, MCL 257.811j, and section 8 of the child abuse and neglect
5 prevention act, 1982 PA 250, MCL 722.608, and any amounts received
6 from civil fines imposed under the playground equipment safety act,
7 1997 PA 16, MCL 408.681 to 408.687.

8 (3) The state treasurer shall direct the investment of the
9 trust fund. The state treasurer ~~shall have~~ **has** the same authority
10 to invest the assets of the trust fund as is granted to an
11 investment fiduciary under the public employee retirement system
12 investment act, 1965 PA 314, MCL 38.1132 to 38.1141. The state
13 treasurer shall comply with the divestment from terror act, 2008 PA
14 234, MCL 129.291 to 129.301, in making investments under this act.

15 (4) Beginning in fiscal year 2015 and continuing through
16 fiscal year 2017, all money contributed to the fund that year, plus
17 4.25% of the 12-quarter rolling average of the fund, including
18 unrealized gains and losses, ~~shall be~~ **is** available for disbursement
19 upon the authorization of the state board as provided in section 9
20 of the child abuse and neglect prevention act, 1982 PA 250, MCL
21 722.609.

22 (5) Except as otherwise provided in this subsection, on
23 October 1, 2017, provided that the rolling average of the fund for
24 the previous 12 quarters, including unrealized gains and losses, is
25 at least \$23,500,000.00, then, beginning with fiscal year 2018, up
26 to 5% of the 12-quarter rolling average ~~shall~~ **must** be available for
27 disbursement as specified in this subsection. On October 1, 2017,
28 if the rolling average of the fund for the previous 12 quarters,
29 including unrealized gains and losses, is less than \$23,500,000.00,

1 then, beginning with fiscal year 2018, up to 4.25% of the 12-
 2 quarter rolling average, including unrealized gains and losses,
 3 ~~shall must~~ continue to be available for disbursement. **Beginning**
 4 **with the fiscal year 2025, up to 8% of the 12-quarter rolling**
 5 **average must be available for disbursement as specified in this**
 6 **subsection.**

7 (6) Money granted or received as gifts or donations to the
 8 trust fund ~~shall be~~ **is** available for disbursement upon
 9 appropriation under section 8 of the child abuse and neglect
 10 prevention act, 1982 PA 250, MCL 722.608, and funds authorized for
 11 expenditure ~~shall are~~ not be considered assets of the trust fund
 12 for the purposes of subsection (4).

13 (7) The state treasurer shall annually prepare an accounting
 14 of revenues and expenditures from the trust fund. ~~This The~~
 15 accounting ~~shall of revenues and expenditures prepared under this~~
 16 **subsection must** specifically identify the interest and earnings of
 17 the trust fund, ~~shall~~ describe how the amount of interest and
 18 earnings has been affected by the expanded investment options
 19 provided for ~~in under~~ subsection (3), and ~~shall~~ identify how the
 20 increased interest and earnings, if any, have been expended. ~~This~~
 21 **The accounting shall of revenues and expenditures prepared under**
 22 **this subsection must** be provided to the senate and house of
 23 representatives appropriations committees.

24 (8) As used in this section, "trust fund" means the children's
 25 trust fund created in subsection (1).