

MICHIGAN TRUST FUND ACT

Act 489 of 2000

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.

History: 2000, Act 489, Imd. Eff. Jan. 11, 2001;—Am. 2005, Act 232, Imd. Eff. Nov. 21, 2005.

The People of the State of Michigan enact:

12.251 Short title.

Sec. 1. This act shall be known and may be cited as the "Michigan trust fund act".

History: 2000, Act 489, Imd. Eff. Jan. 11, 2001.

12.252 Definitions.

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 adjutor 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.

History: 2000, Act 489, Imd. Eff. Jan. 11, 2001;—Am. 2005, Act 232, Imd. Eff. Nov. 21, 2005.

12.253, 12.254 Repealed. 2005, Act 232, Imd. Eff. Nov. 21, 2005.

Compiler's note: The repealed sections pertained to establishment of Michigan tobacco settlement trust fund and expenditure of revenues.

12.255 Michigan medicaid benefits trust fund.

Sec. 5. (1) The Michigan medicaid benefits trust fund is established in the department of treasury. The medicaid benefits trust fund shall consist only of the following:

(a) Interest and earnings from medicaid benefits trust fund investments.

(b) Donations of money made to the medicaid benefits trust fund from any source.

(c) Unexpended state restricted revenues and local revenues received by the department of community health as a result of additional medicaid special financing payments above the level assumed in the appropriations for the fiscal years 2000, 2001, and 2002.

(2) The state budget director shall provide a report to the senate, the house of representatives, and the senate and house fiscal agencies 10 days after the issuance of the comprehensive annual financial report of each year that details the amount of funds that are being transferred to the medicaid benefits trust fund. The report shall also identify the amount of medicaid benefits trust fund investment earnings, expenditures, and the medicaid benefits trust fund balance during the last completed fiscal year.

(3) The state treasurer shall direct the investment of the medicaid benefits trust fund.

(4) Money in the medicaid benefits trust fund at the close of a fiscal year shall remain in the medicaid benefits trust fund and shall not revert to the general fund.

History: 2000, Act 489, Imd. Eff. Jan. 11, 2001.

12.256 Expenditure of medicaid benefits trust fund revenues.

Sec. 6. The legislature shall authorize the expenditure of medicaid benefits trust fund revenues through an appropriation act only for 1 or more of the following purposes:

(a) To finance a shortfall in the medicaid program due to a disallowance of medicaid payments from the federal government.

(b) To offset any decline in revenue caused by federal medicaid policy changes.

History: 2000, Act 489, Imd. Eff. Jan. 11, 2001.

12.257 21st century jobs trust fund; establishment; investment; money remaining at close of fiscal year; deposit of interest and earnings; Michigan tobacco settlement revenue; deposit.

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 both of the following:

(a) To the extent provided in section 8(1) of the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.268, the net proceeds of the sale of tobacco settlement revenues to the tobacco settlement finance authority under the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.261 to 129.279.

(b) Amounts appropriated from the general fund in section 89b(1) of the Michigan strategic fund act, 1984 PA 270, MCL 125.2089b.

(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. In addition, the state treasurer shall comply with the divestment from terror act, 2008 PA 234, MCL 129.291 to 129.301, in making investments under this section.

(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. For the fiscal year ending September 30, 2009 only, in addition to any interest and earnings deposited in the general fund under this subsection, \$42,000,000.00 of the funds in the 21st century jobs trust fund is transferred to and shall be deposited into the general fund.

(5) Beginning in fiscal year 2008 and through fiscal year 2019, each fiscal 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, 2005 PA 226, MCL 129.261 to 129.279, shall be deposited into the 21st century jobs trust fund.

(6) For the fiscal year ending September 30, 2010 only, \$9,000,000.00 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 used as provided in the state convention facility development act, 1985 PA 106, MCL 207.621 to 207.640.

(7) For the fiscal year ending September 30, 2010 only, \$37,500,000.00 of the funds in the 21st century jobs trust fund is transferred to and shall be deposited into the general fund.

(8) Beginning in fiscal year 2015 and through fiscal year 2035, each year \$17,500,000.00 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 countercyclical budget and economic stabilization fund created in section 351 of the management and budget act, 1984 PA 431, MCL 18.1351.

History: Add. 2005, Act 232, Imd. Eff. Nov. 21, 2005;—Am. 2007, Act 50, Imd. Eff. Aug. 14, 2007;—Am. 2008, Act 99, Imd. Eff. Apr. 18, 2008;—Am. 2008, Act 256, Imd. Eff. Aug. 4, 2008;—Am. 2009, Act 62, Imd. Eff. July 2, 2009;—Am. 2009, Act 183, Imd. Eff. Dec. 17, 2009;—Am. 2014, Act 186, Imd. Eff. June 20, 2014;—Am. 2014, Act 504, Imd. Eff. Jan. 14, 2015.

12.258 Transfer and disbursement of funds; purpose.

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 programs under chapter 8A, chapter 8B, and chapter 8C of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088 to 125.2090d.

History: Add. 2005, Act 232, Imd. Eff. Nov. 21, 2005;—Am. 2008, Act 102, Imd. Eff. Apr. 18, 2008;—Am. 2009, Act 183, Imd. Eff. Apr. 18, 2008;—Am. 2009, Act 183, Imd. Eff. Dec. 17, 2009;—Am. 2014, Act 186, Imd. Eff. June 20, 2014;—Am. 2014, Act 504, Imd. Eff. Jan. 14, 2015.

12.259 Michigan merit award trust fund; establishment; money remaining at close of fiscal year; investment; allocation of tobacco settlement revenue.

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.

History: Add. 2005, Act 232, Imd. Eff. Nov. 21, 2005.

12.260 Michigan merit award trust fund; disbursement of funds; purpose.

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.

History: Add. 2005, Act 232, Imd. Eff. Nov. 21, 2005.