

MICHIGAN TRUST FUND ACT (EXCERPT)
Act 489 of 2000

12.262 Community district education trust fund; creation; deposit of money or other assets; investment; money remaining at close of fiscal year; expenditures; "community district" defined; deposit of tobacco settlement revenue; limitation; reimbursement from general 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.

History: Add. 2016, Act 193, Imd. Eff. June 21, 2016