

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 861

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 2008 PA 238.

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 be expended only as provided in this
4 section.

5 (2) The state treasurer shall credit to the trust fund all
6 amounts appropriated for this purpose under section 475 of the
7 income tax act of 1967, 1967 PA 281, MCL 206.475, any amounts
8 received under section 811j of the Michigan vehicle code, 1949 PA

1 300, MCL 257.811j, and section 8 of the child abuse and neglect
2 prevention act, 1982 PA 250, MCL 722.608, and any amounts received
3 from civil fines imposed under the playground equipment safety act,
4 1997 PA 16, MCL 408.681 to 408.687.

5 (3) The state treasurer shall direct the investment of the
6 trust fund. The state treasurer shall have the same authority to
7 invest the assets of the trust fund as is granted to an investment
8 fiduciary under the public employee retirement system investment
9 act, 1965 PA 314, MCL 38.1132 to ~~38.1140m.~~ **38.1141**. The state
10 treasurer shall comply with the divestment from terror act, **2008 PA**
11 **234, MCL 129.291 TO 129.301**, in making investments under this act.

12 ~~(4) Not more than 1/2 of the money contributed to the trust~~
13 ~~fund each year, plus the interest and earnings, excluding~~
14 ~~unrealized gains and losses, credited to the trust fund during the~~
15 ~~previous fiscal year,~~ **BEGINNING IN FISCAL YEAR 2015 AND CONTINUING**
16 **THROUGH FISCAL YEAR 2017, ALL MONEY CONTRIBUTED TO THE FUND THAT**
17 **YEAR, PLUS 4.25% OF THE 12-QUARTER ROLLING AVERAGE OF THE FUND,**
18 **INCLUDING UNREALIZED GAINS AND LOSSES,** shall be available for
19 disbursement upon the authorization of the state board as provided
20 in section 9 of the child abuse and neglect prevention act, 1982 PA
21 250, MCL 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 BE AVAILABLE FOR**
27 **DISBURSEMENT AS SPECIFIED IN THIS SUBSECTION. ON OCTOBER 1, 2017,**

1 IF THE ROLLING AVERAGE OF THE FUND FOR THE PREVIOUS 12 QUARTERS,
2 INCLUDING UNREALIZED GAINS AND LOSSES, IS LESS THAN \$23,500,000.00,
3 THEN, BEGINNING WITH FISCAL YEAR 2018, UP TO 4.25% OF THE 12-
4 QUARTER ROLLING AVERAGE, INCLUDING UNREALIZED GAINS AND LOSSES,
5 SHALL CONTINUE TO BE AVAILABLE FOR DISBURSEMENT.

6 (6) ~~(5)~~—Money granted or received as gifts or donations to the
7 trust fund shall be available for disbursement upon appropriation
8 under section 8 of the child abuse and neglect prevention act, 1982
9 PA 250, MCL 722.608, and funds authorized for expenditure shall not
10 be considered assets of the trust fund for the purposes of
11 subsection (4).

12 (7) ~~(6)~~—The state treasurer shall annually prepare an
13 accounting of revenues and expenditures from the trust fund. This
14 accounting shall specifically identify the interest and earnings of
15 the trust fund, shall describe how the amount of interest and
16 earnings has been affected by the expanded investment options
17 provided for in subsection (3), and shall identify how the
18 increased interest and earnings, if any, have been expended. This
19 accounting shall be provided to the senate and house of
20 representatives appropriations committees.

21 (8) ~~(7)~~—As used in this section, "trust fund" means the
22 children's trust fund created in subsection (1).