

**SUBSTITUTE FOR
HOUSE BILL NO. 4606**

A bill to amend 2000 PA 489, entitled
"Michigan trust fund act,"
by amending section 2 (MCL 12.252), as amended by 2022 PA 83, and
by adding sections 11a and 11b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (a) "Community district education trust fund" means the
3 community district education trust fund created in section 12.

4 (b) "Flint settlement trust fund" means the Flint settlement
5 trust fund created in section 11.

6 (c) "Medicaid benefits trust fund" means the Michigan Medicaid
7 benefits trust fund established in section 5.

8 (d) "Medicaid program" means a program for medical assistance



1 established under title XIX of the social security act, 42 USC 1396
2 to 1396w-6.

3 (e) "Medicaid special financing payments" means the Medicaid
4 special adjutor payments each year authorized in the department of
5 health and human services appropriations act.

6 (f) "Michigan merit award trust fund" means the Michigan merit
7 award trust fund established in section 9.

8 (g) "Michigan opioid healing and recovery fund" means the
9 Michigan opioid healing and recovery fund created in section 3.

10 (h) **"Public safety and violence prevention fund" means the**
11 **public safety and violence prevention fund established in section**
12 **11a.**

13 (i) ~~(h)~~—"Strategic outreach and attraction reserve fund" means
14 the strategic outreach and attraction reserve fund created in
15 section 4.

16 (j) ~~(i)~~—"Tobacco settlement revenue" means money received by
17 this state that is attributable to the master settlement agreement
18 incorporated into a consent decree and final judgment entered into
19 on December 7, 1998 in *Kelly Ex Rel. Michigan v Philip Morris*
20 *Incorporated, et al.*, Ingham County Circuit Court, docket no. 96-
21 84281CZ, including any rights to receive money attributable to the
22 master settlement agreement that has been sold by this state.

23 (k) ~~(j)~~—"21st century jobs trust fund" means the 21st century
24 jobs trust fund established in section 7.

25 **Sec. 11a. (1) The public safety and violence prevention fund**
26 **is established in the department of treasury. The public safety and**
27 **violence prevention fund consists of 1 or more of the following:**

28 (a) **Money deposited in the public safety and violence**
29 **prevention fund as required by section 25 of the general sales tax**



1 act, 1933 PA 167, MCL 205.75.

2 (b) Donations of money made to the public safety and violence
3 prevention fund from any source.

4 (c) Interests and earnings from public safety and violence
5 prevention fund investments.

6 (2) The state treasurer shall direct the investment of the
7 public safety and violence prevention fund.

8 (3) Money in the public safety and violence prevention fund at
9 the close of the fiscal year remains in the public safety and
10 violence prevention fund and does not lapse to the general fund.

11 Sec. 11b. (1) By March 31, 2024, and on March 31 each year
12 thereafter, subject to appropriation, the state treasurer shall
13 distribute the revenues deposited in the public safety and violence
14 prevention fund in the preceding July through December in
15 accordance with subsection (3).

16 (2) By September 30, 2024, and on each September 30
17 thereafter, subject to appropriation, the state treasurer shall
18 distribute the revenues deposited in the public safety and violence
19 prevention fund in the preceding January through June in accordance
20 with subsection (3).

21 (3) A distribution under subsection (1) or (2) must be made to
22 each city, village, and township that provides or contracts to
23 provide police services in an amount that is at least proportional
24 to the city's, village's, or township's average share of the
25 reported statewide violent crimes, as determined by the 3 most
26 recent annual crime reports published by the department of state
27 police as of October 1 of the fiscal year of the distribution,
28 except as follows:

29 (a) A city, village, or township is not entitled to receive



1 more than 25% of the total distribution.

2 (b) For any distribution made between October 1, 2026 and
3 September 30, 2028, if a city's, village's, or township's rate of
4 violent crime, as determined by the most recent annual crime report
5 published by the department of state police, did not decrease by at
6 least 5% from the base crime level, the state treasurer must reduce
7 the city's, village's, or township's distribution amount by 5% and
8 proportionally reallocate the reduced amount to the cities,
9 villages, and townships whose distributions are not reduced under
10 this subdivision.

11 (c) For any distribution made after September 30, 2028, if a
12 city's, village's, or township's rate of violent crime, as
13 determined by the most recent annual crime report published by the
14 department of state police, did not decrease by at least 5% from
15 the base crime level, the state treasurer shall reduce the city's,
16 village's, or township's distribution amount by 10% and
17 proportionally reallocate the reduced amount to the cities,
18 villages, and townships whose distributions are not reduced under
19 this subdivision.

20 (4) Subject to subsection (5), a city, village, or township
21 that receives a distribution under this section, and a sheriff's
22 department of a county that is contracted by the city, village, or
23 township to provide police services, shall use the distribution for
24 the purposes of public safety and violence prevention.

25 (5) A city, village, or township that receives a distribution
26 under this section may not use the distribution to replace or
27 supplant its existing reoccurring resources for public safety and
28 violence prevention, unless there is a decline in the estimated
29 total general fund revenue of the city, village, or township from



1 the previous fiscal year and there is a reduction in the existing
2 reoccurring resources of the city, village, or township that is
3 proportional to the estimated decline in the general fund revenue.

4 (6) Money in the public safety and violence prevention fund
5 must not be transferred, expended, withdrawn, or otherwise
6 distributed except as otherwise provided in this section.

7 (7) For each state fiscal year that begins after September 30,
8 2024, the governor and the state budget director shall include in
9 the annual budget for that fiscal year submitted to the legislature
10 under section 18 of article V of the state constitution of 1963 an
11 appropriation directing the state treasurer to distribute funds
12 from the public safety and violence prevention fund as provided in
13 this section.

14 (8) As used in this section:

15 (a) "Base crime level" means the average of a city's,
16 village's, or township's 2 highest annual rates of violent crime,
17 as determined by the annual crime reports published by the
18 department of state police in the 3 calendar years immediately
19 preceding the calendar year in which the amendatory act that added
20 this section takes effect.

21 (b) "Existing reoccurring resources" does not include either
22 of the following:

23 (i) Funds that were provided by a voter-approved millage or
24 special assessment that has since expired or has otherwise not been
25 renewed.

26 (ii) A distribution described in this section.

27 Enacting section 1. This amendatory act does not take effect
28 unless House Bill No. 4605 of the 102nd Legislature is enacted into
29 law.

