

**SUBSTITUTE FOR
HOUSE BILL NO. 4606**

A bill to amend 2000 PA 489, entitled
"Michigan trust fund act,"
by amending the title and section 2 (MCL 12.252), the title as
amended by 2005 PA 232 and section 2 as amended by 2023 PA 174, and
by adding sections 11a and 11b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE
2 An act to create certain funds; to provide for the allocation
3 of certain revenues among certain funds and for the operation,
4 investment, and expenditure of certain funds; **to provide for the**
5 **creation and administration of certain grant programs;** and to
6 ~~impose certain~~ **provide for the powers and** duties and requirements
7 ~~en~~ ~~of certain state officials.~~ **and local governmental officers and**



1 **entities.**

2 Sec. 2. As used in this act:

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

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

7 (c) "Local government reimbursement fund" means the local
8 government reimbursement fund created in section 3a.

9 (d) "Medicaid benefits trust fund" means the Michigan Medicaid
10 benefits trust fund established in section 5.

11 (e) "Medicaid program" means a program for medical assistance
12 established under title XIX of the social security act, 42 USC 1396
13 to ~~1396w-6~~. **1396w-7**.

14 (f) "Medicaid special financing payments" means the Medicaid
15 special adjustor payments each year authorized in the department of
16 health and human services appropriations act.

17 (g) "Michigan merit award trust fund" means the Michigan merit
18 award trust fund established in section 9.

19 (h) "Michigan opioid healing and recovery fund" means the
20 Michigan opioid healing and recovery fund created in section 3.

21 **(i) "Public safety and violence prevention fund" means the**
22 **public safety and violence prevention fund established in section**
23 **11a.**

24 **(j) ~~(i)~~**—"Strategic outreach and attraction reserve fund" means
25 the strategic outreach and attraction reserve fund created in
26 section 4.

27 **(k) ~~(j)~~**—"Tobacco settlement revenue" means money received by
28 this state that is attributable to the master settlement agreement
29 incorporated into a consent decree and final judgment entered into



1 on December 7, 1998 in *Kelly Ex Rel. Michigan v Philip Morris*
2 *Incorporated, et al.*, Ingham County Circuit Court, docket no. 96-
3 84281CZ, including any rights to receive money attributable to the
4 master settlement agreement that has been sold by this state.

5 (l) ~~(k)~~—"21st century jobs trust fund" means the 21st century
6 jobs trust fund established in section 7.

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

10 (a) Money deposited in the public safety and violence
11 prevention fund as required by section 25 of the general sales tax
12 act, 1933 PA 167, MCL 205.75.

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

15 (c) Interests and earnings from public safety and violence
16 prevention fund investments.

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

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

22 **Sec. 11b. (1) By September 30, 2024 and March 31, 2025, and on**
23 **September 30 and March 31 each year thereafter, subject to**
24 **appropriation, the state treasurer shall distribute 6.5% of the**
25 **revenues deposited in the public safety and violence prevention**
26 **fund in the previous 2 quarters of the state fiscal year to the**
27 **department of health and human services to create and administer a**
28 **grant program to provide grants to cities, villages, townships, and**
29 **counties for the purpose of advancing public health and**



1 intervention solutions to community violence.

2 (2) From the revenue remaining in the public safety and
3 violence prevention fund after the distribution under subsection
4 (1), and subject to appropriation, the state treasurer shall do
5 both of the following:

6 (a) By September 30, 2024, and on September 30 each year
7 thereafter, distribute the revenues deposited in the public safety
8 and violence prevention fund in the preceding January through June
9 in accordance with subsection (3).

10 (b) By March 31, 2025, and on each March 31 thereafter,
11 distribute the revenues deposited in the public safety and violence
12 prevention fund in the preceding July through December in
13 accordance with subsection (3).

14 (3) Except as otherwise provided in subdivision (c), a
15 distribution under subsection (2) must be made as follows:

16 (a) If a county has a population of at least 90,000 as of the
17 most recent federal decennial census, to each city, village, and
18 township in the county that provides or contracts to provide police
19 services in an amount that is at least proportional to the city's,
20 village's, or township's average share of the reported statewide
21 violent crimes, as determined by the 3 most recent annual crime
22 reports published by the department of state police as of the first
23 day of the state fiscal year of the distribution, except as
24 follows:

25 (i) For a distribution under this subdivision made between
26 October 1, 2026 and September 30, 2028, if a city's, village's, or
27 township's rate of violent crime, as determined by the most recent
28 annual crime report published by the department of state police as
29 of the first day of the state fiscal year of the distribution, did



1 not decrease by at least 5% from the base crime level, the state
 2 treasurer must reduce the city's, village's, or township's
 3 distribution amount by 5% and proportionally reallocate the reduced
 4 amount to the cities, villages, and townships whose distributions
 5 are not reduced under this subparagraph.

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

16 (b) If a county has a population of less than 90,000 as of the
 17 most recent federal decennial census, to each city or village in
 18 the county that provides or contracts to provide police services,
 19 and to the county itself on behalf of a township that provides or
 20 contracts to provide police services, in an amount that is at least
 21 proportional to the city's, village's, or township's average share
 22 of the reported statewide violent crimes, as determined by the 3
 23 most recent annual crime reports published by the department of
 24 state police as of the first day of the state fiscal year of the
 25 distribution, except as follows:

26 (i) For any distribution made under this subdivision between
 27 October 1, 2026 and September 30, 2028, if a city's, village's, or
 28 township's rate of violent crime, as determined by the most recent
 29 annual crime report published by the department of state police as



1 of the first day of the state fiscal year of the distribution, did
2 not decrease by at least 5% from the base crime level, the state
3 treasurer must reduce the city's or village's distribution amount,
4 or the amount distributed to a county on behalf of a township, by
5 5% and proportionally reallocate the reduced amount to the cities,
6 villages, and counties whose distributions are not reduced under
7 this subparagraph.

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

19 (c) A city, village, or township, or a county on behalf of a
20 township, is not entitled to receive more than 25% of the total
21 distribution under this subsection.

22 (4) Both of the following apply to a city, village, township,
23 or county that receives a grant under subsection (1):

24 (a) The city, village, township, or county may not use the
25 grant to obtain a vehicle weighing more than 15,000 pounds that is
26 designed or used for a tactical police purpose.

27 (b) The city, village, township, or county may subgrant all or
28 part of the grant if the subgrant is used for the purpose described
29 in subsection (1).



1 (5) All of the following apply to a distribution under
2 subsection (3):

3 (a) Except as otherwise provided in subdivisions (b) and (c),
4 a city, village, township, or county that receives a distribution,
5 and a sheriff's department of a county that is contracted by the
6 city, village, or township to provide police services, shall use
7 the distribution for the purposes of public safety and violence
8 prevention.

9 (b) A city, village, township, or county that receives a
10 distribution may not use the distribution to replace or supplant
11 its existing reoccurring resources for public safety and violence
12 prevention, unless there is a decline in the estimated total
13 general fund revenue of the city, village, township, or county from
14 the previous fiscal year and there is a reduction in the existing
15 reoccurring resources of the city, village, township, or county
16 that is proportional to the estimated decline in the general fund
17 revenue.

18 (c) A city, village, township, or county may not use the
19 distribution to obtain a vehicle weighing more than 15,000 pounds
20 that is designed or used for a tactical police purpose.

21 (d) A city, village, township, or county may subgrant all or
22 part of the distribution if the subgrant is used for the purpose
23 described in subdivision (a).

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

27 (7) For each state fiscal year that begins after September 30,
28 2024, the governor and the state budget director shall include in
29 the annual budget for that fiscal year submitted to the legislature



1 under section 18 of article V of the state constitution of 1963 an
2 appropriation directing the state treasurer to distribute funds
3 from the public safety and violence prevention fund as provided in
4 this section.

5 (8) As used in this section:

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

12 (b) "Existing reoccurring resources" does not include either
13 of the following:

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

17 (ii) A distribution described in subsection (3).

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

