

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 adjutor 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 8.5% of the**
25 **revenues deposited in the public safety and violence prevention**
26 **fund in the previous 2 quarters of the state fiscal year as**
27 **follows:**

28 (a) Six point five percent of the revenues must be distributed
29 to the department of health and human services to create and

1 administer a grant program to provide grants to cities, villages,
2 townships, and counties for the purpose of advancing public health
3 and intervention solutions to community violence.

4 (b) Two percent of the revenues must be distributed to the
5 crime victim's rights fund created under section 4 of 1989 PA 196,
6 MCL 780.904.

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

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

15 (b) By March 31, 2025, and on each March 31 thereafter,
16 distribute the revenues deposited in the public safety and violence
17 prevention fund in the preceding July through December in
18 accordance with subsection (3).

19 (3) Except as otherwise provided in subdivision (b), a
20 distribution under subsection (2) must be made as follows:

21 (a) To each city or village that provides or contracts to
22 provide police services, to each township that provides or
23 contracts to provide police services, and to a county on behalf of
24 each township in that county that does not provide or contract to
25 provide police services, in an amount that is at least proportional
26 to the city's, village's, or township's average share of the
27 reported statewide violent crimes, as determined by the 3 most
28 recent annual crime reports published by the department of state
29 police as of the first day of the state fiscal year of the

1 distribution, except as follows:

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

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

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

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

29 (a) The city, village, township, or county may not use the

1 grant to obtain a vehicle weighing more than 15,000 pounds that is
2 designed or used for a tactical police purpose.

3 (b) The city, village, township, or county may subgrant all or
4 part of the grant if the subgrant is used for the purpose described
5 in subsection (1) (a).

6 (5) All of the following apply to a distribution under
7 subsection (3):

8 (a) Except as otherwise provided in subdivision (b), a city
9 police department, village police department, township police
10 department, or county sheriff that receives a distribution, and a
11 sheriff's department of a county that is contracted by the city,
12 village, or township to provide police services, shall use the
13 distribution only for operational and capital expenditures that
14 serve the purposes of public safety and violence prevention.

15 (b) A city, village, township, or county that receives a
16 distribution may not use the distribution to do any of the
17 following:

18 (i) Replace or supplant its existing reoccurring resources for
19 public safety and violence prevention, unless there is a decline in
20 the estimated total general fund revenue of the city, village,
21 township, or county from the previous fiscal year and there is a
22 reduction in the existing reoccurring resources of the city,
23 village, township, or county that is proportional to the estimated
24 decline in the general fund revenue.

25 (ii) Obtain a vehicle weighing more than 15,000 pounds that is
26 designed or used for a tactical police purpose.

27 (iii) Obtain or use facial recognition technology.

28 (iv) Obtain or use a chemical weapon.

29 (c) A city, village, township, or county may subgrant all or

1 part of the distribution if the subgrant is used for the purpose
2 described in subdivision (a).

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

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

13 (8) As used in this section:

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

20 (b) "Chemical weapon" means a munition or device that is
21 specifically designed to cause death or other harm through a toxic
22 chemical that would be released as a result of the employment of
23 the munition or device.

24 (c) "Existing reoccurring resources" does not include either
25 of the following:

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

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

1 (d) "Facial recognition technology" means an automated or
2 semiautomated technological process that assists in identifying or
3 verifying an individual based on the individual's face.

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