

Legislative Analysis



PUBLIC SAFETY AND VIOLENCE PREVENTION FUND

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4260 (H-1) as passed by the House
Sponsor: Rep. Mike Harris

Analysis available at
<http://www.legislature.mi.gov>

House Bill 4261 (H-2) as passed by the House
Sponsor: Rep. Alabas A. Farhat

Committee: Government Operations
Complete to 5-7-25

SUMMARY:

House Bills 4260 and 4261 would amend the General Sales Tax Act and the Michigan Trust Fund Act, respectively, to create a Public Safety and Violence Prevention Fund and annually allocate \$115.0 million of sales tax revenue to the fund for appropriation as follows, subject to limitations and requirements described below:

- \$1.5 million for crime victim compensation.
- \$1.5 million for grants to local units of government (cities, villages, townships, and counties) for intervention solutions to community violence.
- \$72.0 million to local units of government for public safety, violence prevention, or improving clearance rates.
- At least \$40.0 million (the balance of the fund) to applicant counties for violent crime reduction efforts.

House Bill 4260 would amend the General Sales Tax Act to require \$115.0 million from the sales tax imposed at the rate of 4% to be annually deposited in the Public Safety and Violence Prevention Fund proposed by HB 4261, beginning with the 2025-26 fiscal year.

MCL 205.75

House Bill 4261 would amend the Michigan Trust Fund Act to create the Public Safety and Violence Prevention Fund in the Department of Treasury. Beginning September 30, 2026, and on September 30 annually thereafter, the state treasurer would have to distribute the money in the fund, subject to appropriation, as follows:

- \$1.5 million to the Crime Victim's Rights Fund.¹
- \$1.5 million to the Department of Health and Human Services (DHHS) to create and administer a program to provide grants to cities, villages, townships, and counties for intervention solutions to community violence. A local unit of government receiving such a grant could not use it to obtain a vehicle that weighs over 15,000 pounds and is designed or used for a tactical police purpose. A local unit of government could subgrant all or part of a grant as long as the subgrant is used for intervention solutions to community violence.
- At least \$40.0 million (the balance of the fund after other distributions) to counties that apply for funding. The distribution would be proportionate to each county's *total*

¹ See <https://www.michigan.gov/mdhhs/safety-injury-prev/publicsafety/crimevictims/crime-victim-compensation/what-is-crime-victim-compensation>

number of employed law enforcement officers,² minus any amount the county received on behalf of a township from the \$72.0 million distribution described below. This funding would have to be used to enhance and not supplant funding allocated to a county sheriff's office for the purpose of engaging in law enforcement violent crime reduction efforts as identified by the sheriff.

- \$72.0 million to each city, village, and township that provides or contracts to provide police services—and to each county on behalf of any township in the county that does not do so—distributed proportionally to the city's, village's, or township's average share of reported statewide violent crimes as determined using the three most recent annual crime reports published by the Department of State Police (MSP) as of the preceding October 1.³ The funding share attributable to a city, village, or township that contracts for police services would go to the city, village, or township providing those services. This funding could be used only for operational and capital expenditures for public safety, violence prevention, or improving *clearance rates*. A local unit could subgrant all or part of a distribution as long as the subgrant is used for an allowed purpose. The following also would apply to these distributions:
 - No single local unit of government could receive more than \$18.0 million.
 - Distributions would be subject to the following adjustments:
 - For distributions made on September 30, 2027, or September 30, 2028, if the rate of violent crime in a city, village, or township has not decreased by at least 5% from its *base crime level* (as determined using the most recent MSP annual crime report as of the previous October 1), the state treasurer would have to reduce its allocation by 5% and proportionally reallocate that amount to cities, villages, townships, and counties whose allocations were not reduced under this provision.
 - For distributions made on or after September 30, 2029, if the rate of violent crime in a city, village, or township has not decreased by at least 5% from its base crime level (as determined using the most recent MSP annual crime report as of the previous October 1), the state treasurer would have to reduce its allocation by 10% for each state fiscal year for which the city's, township's, or village's rate of violent crime did not decrease by at least 5% and proportionally reallocate that amount to cities, villages, townships, and counties whose allocations were not reduced under this provision.
 - Distributions could *not* be used for any of the following:
 - To obtain a vehicle that weighs over 15,000 pounds and is designed or used for a tactical police purpose.
 - To obtain or use facial recognition technology (defined as an automated or semiautomated technological process that assists in identifying or verifying an individual based on their face).
 - To obtain or use a chemical weapon (a munition or device specifically designed to cause death or other harm through a toxic chemical released as a result of its use).

² *Total number of employed law enforcement officers* would mean the number of full-time equivalent law enforcement officers assigned to the county sheriff's office and identified in that office's annual report to the Michigan Commission on Law Enforcement Standards. It would be that number as of January 1, 2025, and be recalculated as of January 1 every five years thereafter.

³ These reports are available here: <https://www.michigan.gov/msp/divisions/cjic/micr/Annual-Reports>

- To cover the local unit’s existing reoccurring resources for public safety and violence prevention (not including funding under this distribution or funds provided by a voter-approved millage or special assessment that has expired or was otherwise not renewed). However, this limitation would not apply if there is a decline in the local unit’s estimated total general fund revenue from the previous year and a proportionate reduction in its existing reoccurring resources.

Clearance rate would mean the number of violent crimes “cleared” through either of the following circumstances, divided by the total number of violent crimes reported:

- Arrest (meaning that at least one individual was arrested, charged with a crime, and subject to a court for prosecution).
- Exceptional matters, including any of the following:
 - The death of the suspected offender.
 - The refusal of a victim to cooperate.
 - The denial of extradition because the suspected offender is being prosecuted in a different jurisdiction for another crime.

Base crime level would mean the average of the two highest annual rates of violent crime in a city, village, or township, determined using the annual crime reports published by MSP in the three calendar years immediately before the year in which the bill goes into effect.

Reports

At least annually, DHHS would have to submit a report to the Speaker of the House, the Senate Majority Leader, and the chairs of the Senate and House appropriations committees that describes who received grants under the bill, what programs the grants were used for, and what outcomes resulted from those programs.

A local unit of government that receives a distribution under the bill would have to annually submit a report to MSP of its clearance rates for homicides and other violent crimes, showing those cleared by arrest and those cleared by exceptional matters (as described above).

Other provisions

Money in the fund could not be transferred, expended, withdrawn, or otherwise disbursed from the fund except as authorized above. Money in the fund at the close of a fiscal year would remain in the fund and not lapse to the general fund.

All distributions made to a county under the bill would have to be made to the county sheriff’s department.

Beginning with the 2026-27 state fiscal year, the governor’s budget proposal would have to include an appropriation directing the above distributions.

MCL 12.252 and proposed MCL 12.261a and 12.261b

Each bill can take effect only if both bills are enacted.

BACKGROUND:

The bills are similar to House Bills 4605 and 4606 of the 2023-24 legislative session. The House and Senate passed different versions of those bills and did not reconcile them before adjourning.

BRIEF DISCUSSION:

Supporters of the bills argued that a specific revenue source dedicated to public safety will allow communities to use the funding how they best see fit to address their unique needs. Basing the disbursements on statewide data would ensure that the money is spent where it is needed most, and the performance-based portion of the formula would incentivize municipalities to pursue initiatives that actually reduce violent crime and promote safety.

Some felt that the bills should additionally include funding specifically directed toward providing no-cost service of process of personal protection orders (PPOs) by law enforcement, arguing that this would immediately and directly enhance the safety of victims who have already been found by a court to be in danger of violence.

FISCAL IMPACT:

House Bill 4260 would not directly alter state revenues, although it would reduce general fund revenue available for other purposes by the amount of the earmark. The bill would earmark \$115.0 million of sales tax revenue annually for the Public Safety and Violence Prevention Fund beginning in FY 2025-26.

House Bill 4261 would increase revenue for eligible local units of government by the amount of any distribution received from the fund. Under the provisions of the bill, \$72.0 million would be distributed to cities, villages, and townships based on the proportional share of the reported statewide violent crimes as determined by the three most recent annual crime reports published by the Department of State Police. The award could not exceed \$18.0 million for any individual entity (it is estimated that the city of Detroit would be the only local unit affected by this provision), and a county would receive revenue on behalf of a township that does not provide or contract to provide police services.

Beginning in FY 2028-29, a city, village, or township could have its funding reduced by 10% if the rate of violent crime did not decrease by at least 5% from the base crime level. Any forgone funding from this reduction would be proportionally reallocated to the cities, villages, townships, and counties whose distributions are not reduced.

The bill would allocate at least \$40.0 million for distribution to each county that applies for funding in an amount proportionate to the total number of employed law enforcement officers as of January 1, 2025. The grant to any individual county would be reduced by the amount received for a township under the initial \$72.0 million. It is not clear how any funding not distributed to counties due to a reduction in their award would be redistributed. Funds received by the county would have to be used to enhance and not supplant funding allocated to a county sheriff's office for the purpose of engaging in law enforcement violent crime reduction efforts.

The bill would increase revenue to the Department of Health and Human Services by an estimated \$3.0 million and would increase grant awards to local units of government for violence prevention by at least \$1.5 million. Under the bill, \$1.5 million must be allocated to the Crime Victim's Rights Fund, and \$1.5 million must be distributed to DHHS to create and administer a grant program for violence prevention in cities, villages, townships, and counties.

The bill would also create additional administrative costs for the Department of Treasury related to the creation, investment, and administration of the Public Safety and Violence Prevention Fund, as well as making disbursements to local units. An estimate of the increased costs is unknown at this time.

POSITIONS:

Representatives of the following entities testified in support of the bills (4-17-25):

- City of Taylor
- Crime Survivors for Safety and Justice
- Dearborn Police Department
- Detroit Friends and Family
- Detroit Police Department
- Force Detroit
- Michigan Sheriffs' Association
- Police Officers Association of Michigan

The following entities indicated support for the bills (4-17-25):

- City of Lansing
- Detroit Firefighters
- Detroit Police and Firefighters Retirement System
- Detroit Regional Chamber
- End Gun Violence Michigan
- Michigan Municipal League
- Michigan Townships Association
- Urban Core Mayors

A representative of the Michigan Association of Counties testified with no position on the bills. (4-17-25)

The Michigan Domestic and Sexual Violence Prevention and Treatment Board indicated no position on the bills. (4-17-25)

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.