

# SENATE BILL No. 1633

November 12, 2008, Introduced by Senators THOMAS and CLARK-COLEMAN and referred to the Committee on Commerce and Tourism.

A bill to amend 1987 PA 264, entitled "Health and safety fund act," by amending sections 3 and 5 (MCL 141.473 and 141.475), as amended by 1998 PA 529.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 3. (1) The health and safety fund is created in the state  
2 treasury.

3           (2) The state treasurer shall credit the health and safety  
4 fund with deposits of proceeds from the excise tax on cigarettes  
5 under section ~~12(3)(a)~~ 12(3) of the tobacco products tax act, 1993  
6 PA 327, MCL 205.432.

7           (3) **MONEY IN THE HEALTH AND SAFETY FUND AT THE CLOSE OF THE**  
8 **FISCAL YEAR SHALL REMAIN IN THE HEALTH AND SAFETY FUND AND SHALL**  
9 **NOT LAPSE TO THE GENERAL FUND.**

1           Sec. 5. The state treasurer shall cause to be distributed from  
2 the health and safety fund the following amounts in the 1988-89  
3 fiscal year and in each fiscal year after that:

4           (a) One-fourth of the collections deposited in the fund under  
5 section 3(2) shall be used for indigent volume adjusters for  
6 hospitals within the medicaid program.

7           (b) After the distribution in subdivision (a), \$16,000,000.00  
8 of the amount deposited in the fund under section 3(2) shall be  
9 distributed as follows:

10           (i) To a county that received a loan authorized under section  
11 3(2) or (3) of the emergency municipal loan act, 1980 PA 243, MCL  
12 141.933, to pay outstanding obligations of the county; for the  
13 repayment of principal and interest on any loans made to the county  
14 under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to  
15 141.942; and for the payment of principal, premium, if any, and  
16 interest due during a fiscal year on bonds issued by that county  
17 under the fiscal stabilization act, 1981 PA 80, MCL 141.1001 to  
18 141.1011. The distributions under this subparagraph shall be made  
19 as necessary and only to the extent necessary to satisfy the  
20 obligations of the county.

21           (ii) To the extent that \$16,000,000.00 is no longer necessary  
22 to satisfy the obligations under subparagraph (i), a portion of the  
23 amount not required for satisfaction of obligations shall be  
24 distributed to each county that receives or has received a loan  
25 authorized under section 3(2) or (3) of the emergency municipal  
26 loan act, 1980 PA 243, MCL 141.933, in an amount determined by  
27 multiplying the amount available for distribution under this

1 subparagraph by a fraction, the numerator of which is the  
2 population of the county receiving the distribution and the  
3 denominator of which is the total population of the state according  
4 to the ~~most recent 2000~~ decennial census. The distribution under  
5 this subparagraph shall be made at the same times and shall be  
6 used, subject to section 6, for the same purposes described in  
7 subdivision (c). The remaining amount available for distribution  
8 under this subparagraph shall be used on a per capita basis to  
9 offset the cost to the state of the assumption of the financing of  
10 the state court system in the counties not receiving a distribution  
11 under this subparagraph.

12 (c) The remaining amount deposited in the fund under section  
13 3(2) not distributed under subdivisions (a) and (b) shall be  
14 distributed to each county that does not receive and has never  
15 received a loan authorized under section 3(2) or (3) of the  
16 emergency municipal loan act, 1980 PA 243, MCL 141.933, on a per  
17 capita basis according to the ratio that the population of the  
18 county receiving the distribution under this subdivision, according  
19 to the ~~most recent 2000~~ decennial census, bears to the total  
20 population of all counties receiving distribution under this  
21 subdivision, according to the ~~most recent 2000~~ decennial census. A  
22 distribution under this subdivision shall be made each February,  
23 May, August, and November from the collections that were deposited  
24 in the fund under section 3(2) in the immediately preceding  
25 calendar quarter. Subject to section 6, 12/17 of the distribution  
26 under this subdivision shall be distributed to each local health  
27 department as defined in section 1105 of the public health code,

1 1978 PA 368, MCL 333.1105, in the county receiving the distribution  
2 on a per capita basis, based on the ~~most recent~~ 2000 decennial  
3 census, to be used only for public health prevention programs and  
4 services. This distribution is in addition to and is not intended  
5 as a replacement for any other state or county payments to these  
6 health departments. This distribution satisfies the requirements of  
7 former section 7a(3) of 1947 PA 265. The remaining 5/17 of the  
8 distribution shall be used only for 1 or more of the following:

9 (i) The operation, maintenance, or expansion of an existing  
10 county jail facility or juvenile facility.

11 (ii) The acquisition, construction, and equipping of a new jail  
12 facility or juvenile facility.

13 (iii) Court operations.