

SENATE 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 ~~on~~ **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 July 31, 2025, and on March 31 each fiscal**  
23 **year thereafter, upon appropriation, the state treasurer shall**  
24 **distribute the revenues available in the public safety and violence**  
25 **prevention fund as of December 31 of each year as provided under**  
26 **subsection (2) and, in addition, as follows:**

27 (a) Six point five percent of the revenues must be distributed  
28 to the department of health and human services to create and  
29 administer a grant program to provide grants to cities, villages,

1 and townships for the purpose of advancing public health and  
2 intervention solutions to community violence. The department of  
3 health and human services may promulgate rules to implement this  
4 subdivision and subsection (3).

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

8 (2) Except as otherwise provided in this section, and after  
9 distributions under subsection (1), the state treasurer shall  
10 distribute the revenue remaining in the public safety and violence  
11 prevention fund as follows:

12 (a) To each city, village, or township, an amount that is the  
13 product of each city's, village's, or township's proportional  
14 factor multiplied by the available revenue, except as follows:

15 (i) For a distribution made between October 1, 2028 and  
16 September 30, 2030, if a city's, village's, or township's violent  
17 crime rate, as certified by the department of state police, did not  
18 decrease by at least 1% from the base violent crime rate, the state  
19 treasurer shall reduce the city's, village's, or township's  
20 distribution amount under this subsection by 2% and the reduced  
21 amount to the cities, villages, and townships remains in the public  
22 safety and violence prevention fund for future distribution.

23 (ii) For a distribution made after September 30, 2030, if a  
24 city's, village's, or township's violent crime rate, as certified  
25 by the director of the department of state police, did not decrease  
26 by at least 2% from the base violent crime rate, the state  
27 treasurer shall reduce the city's, village's, or township's  
28 distribution amount under this subsection by 3% and the reduced  
29 amount to the cities, villages, and townships remains in the public

1 safety and violence prevention fund for future distribution.

2 (b) A city, village, or township is not entitled to receive  
3 more than 25% of the total distribution under this subsection. Any  
4 calculated distribution amount over 25% of the total distribution  
5 under this subsection to a city, village, or township remains in  
6 the public safety and violence prevention fund for future  
7 distribution.

8 (3) Both of the following apply to a city, village, or  
9 township that receives a grant under subsection (1)(a):

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

13 (b) The city, village, or township may subgrant all or part of  
14 the grant if the subgrant is used for the purpose described in  
15 subsection (1)(a).

16 (4) All of the following apply to a distribution made under  
17 subsection (2):

18 (a) Except as otherwise provided in subdivision (b), a city,  
19 village, or township that receives a distribution shall use the  
20 distribution only for operational and capital expenditures that  
21 serve the purposes of public safety and violence prevention.

22 (b) A city, village, or township that receives a distribution  
23 may not use the distribution to do any of the following:

24 (i) Replace or supplant its reoccurring resources for public  
25 safety and violence prevention, unless there is a decline in the  
26 estimated total general fund revenue of the city, village, or  
27 township from the previous fiscal year and there is a reduction in  
28 the reoccurring resources of the city, village, or township that is  
29 proportional to the estimated decline in the general fund revenue.

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

3 (iii) Obtain or use facial recognition technology.

4 (iv) Obtain or use a chemical weapon.

5 (c) A city, village, or township may subgrant all or part of  
6 the distribution if the subgrant is used for the purpose described  
7 in subdivision (a).

8 (5) Subject to subsections (6), (7), and (8), the director of  
9 the department of state police shall provide the department of  
10 treasury with a certified list that contains all of the following:

11 (a) Base violent crime rates.

12 (b) Current violent crime counts.

13 (c) Current violent crime rates, as determined by the director  
14 of the department of state police.

15 (6) The current violent crime data described in subsection  
16 (5) (b) and (c) mean the calendar year annual data, for each city,  
17 village, and township, received and finalized by the department of  
18 state police during the prior state fiscal year and the 2  
19 immediately preceding calendar years before the prior state fiscal  
20 year.

21 (7) The certified list under subsection  
22 (5) must include all violent crimes reported to the department of  
23 state police and must only represent the geographical areas of each  
24 county, village, and township. The certified list under subsection  
25 (5) must only include cities, villages, or townships.

26 (8) The certified list under subsection (5) must contain all  
27 cities, villages, and townships in this state and must report a  
28 zero for cities, villages, and townships that did not submit crime  
29 data.

1           (9) The department of state police shall create and certify  
2 the list under subsection (5) for 2023 by not later than March 31,  
3 2025 and, for subsequent years after 2023, by not later than  
4 November 30 each fiscal year. The creation and certification  
5 described in this subsection is required only once each fiscal  
6 year.

7           (10) As used in this section:

8           (a) "Base violent crime rate" means the violent crime rate of  
9 a city's, village's, or township's 2 highest violent crime rates,  
10 as certified by the director of the department of state police in  
11 the calendar years 2021, 2022, and 2023.

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

16           (c) "Facial recognition technology" means an automated or  
17 semiautomated technological process that assists in identifying or  
18 verifying an individual based on the individual's face.

19           (d) "Population" means the counts, as defined by the Federal  
20 Bureau of Investigation and used by the director of the department  
21 of state police, to determine the population for each city,  
22 village, and township.

23           (e) "Proportional factor" means the values for each city,  
24 village, and township, as determined by the state treasurer, using  
25 the certificated data reported by the director of the department of  
26 state police, calculated as follows:

27           (i) For each city, village, and township, the average of the  
28 highest 2 most recent 3 years of violent crime count data.

29           (ii) The value under subparagraph (i) for each city, village,

1 and township summed for a statewide total violent crime count.

2 (iii) Divide each city's, village's, and townships's value from  
3 subparagraph (i) by the statewide total violent crime count in  
4 subparagraph (ii) to obtain the proportional factor for each city,  
5 village, and township.

6 (f) "Reoccurring resources" does not include either of the  
7 following:

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

11 (ii) A distribution described in subsection (2).

12 (g) "Violent crime" means that term as defined by the director  
13 of the department of state police in accordance with the  
14 department's incident crime reporting program and the corresponding  
15 annual crime reports.

16 (h) "Violent crime count" means the number of violent crimes  
17 based on victim counts, as certified by the director of the  
18 department of state police. When a victim is connected to multiple  
19 offenses, the victim is counted under the highest-ranked offense,  
20 as defined by the director of the department of state police.

21 (i) "Violent crime rate" means the number of crimes per  
22 100,000 people, determined by dividing a particular city, village,  
23 or township violent crime count by the population, then multiplying  
24 by 100,000 and rounding to the nearest whole number.

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