

HOUSE BILL NO. 4274

March 14, 2023, Introduced by Reps. O'Neal, Tisdell, Kuhn, DeBoer, Schuette, Wozniak, Zorn, Greene, Steele, Aragona, Bierlein, Martin, Bezotte, Slagh, VanderWall, Shannon, Hoskins and Hope and referred to the Committee on Local Government and Municipal Finance.

A bill to amend 2000 PA 489, entitled
"Michigan trust fund act,"
by amending section 2 (MCL 12.252), as amended by 2022 PA 83, and
by adding sections 11a and 11b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 2. As used in this act:
- 2 (a) "Community district education trust fund" means the
- 3 community district education trust fund created in section 12.
- 4 (b) "Flint settlement trust fund" means the Flint settlement
- 5 trust fund created in section 11.
- 6 (c) "Medicaid benefits trust fund" means the Michigan Medicaid

1 benefits trust fund established in section 5.

2 (d) "Medicaid program" means a program for medical assistance
3 established under title XIX of the social security act, 42 USC 1396
4 to 1396w-6.

5 (e) "Medicaid special financing payments" means the Medicaid
6 special adjustor payments each year authorized in the department of
7 health and human services appropriations act.

8 (f) "Michigan merit award trust fund" means the Michigan merit
9 award trust fund established in section 9.

10 (g) "Michigan opioid healing and recovery fund" means the
11 Michigan opioid healing and recovery fund created in section 3.

12 **(h) "Revenue sharing trust fund" means the revenue sharing**
13 **trust fund established in section 11a.**

14 **(i)** ~~(h)~~—"Strategic outreach and attraction reserve fund" means
15 the strategic outreach and attraction reserve fund created in
16 section 4.

17 **(j)** ~~(i)~~—"Tobacco settlement revenue" means money received by
18 this state that is attributable to the master settlement agreement
19 incorporated into a consent decree and final judgment entered into
20 on December 7, 1998 in *Kelly Ex Rel. Michigan v Philip Morris*
21 *Incorporated, et al.*, Ingham County Circuit Court, docket no. 96-
22 84281CZ, including any rights to receive money attributable to the
23 master settlement agreement that has been sold by this state.

24 **(k)** ~~(j)~~—"21st century jobs trust fund" means the 21st century
25 jobs trust fund established in section 7.

26 **Sec. 11a. (1) The revenue sharing trust fund is established in**
27 **the department of treasury. The revenue sharing trust fund consists**
28 **of 1 or more of the following:**

29 **(a) Money deposited in the revenue sharing trust fund as**

1 required by section 25 of the general sales tax act, 1933 PA 167,
2 MCL 205.75.

3 (b) Donations of money made to the revenue sharing trust fund
4 from any source.

5 (c) Interest and earnings from revenue sharing trust fund
6 investments.

7 (2) The state treasurer shall direct the investment of the
8 revenue sharing trust fund.

9 (3) Money in the revenue sharing trust fund at the close of a
10 fiscal year remains in the revenue sharing trust fund and does not
11 lapse to the general fund.

12 Sec. 11b. (1) Beginning on October 15, 2023 and on the
13 fifteenth day of every other month thereafter, from the money
14 received by the revenue sharing trust fund under section 25 of the
15 general sales tax act, 1933 PA 167, MCL 205.75, upon appropriation,
16 the state treasurer shall transfer and disburse 16.66% of the
17 annual amount of \$528,026,200.00 to be distributed by the state
18 treasurer as follows:

19 (a) To cities, villages, and townships, at least
20 \$282,219,900.00 to be distributed to each city, village, or
21 township in the same proportion that each was eligible to receive
22 under section 952(1) of article 5 of 2022 PA 166.

23 (b) To counties, at least \$245,806,300.00 to be distributed to
24 each county in the same proportion that each was eligible to
25 receive under sections 952(2) and 955 of article 5 of 2022 PA 166.
26 If a county was eligible to receive payments under section 11 of
27 the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL
28 141.911, for only a partial fiscal year, the amount distributed to
29 the county under this subdivision must be adjusted to treat the

1 county as if it were eligible to receive the revenue sharing
2 payments for the entire fiscal year.

3 (2) For the 2023-2024 fiscal year and each fiscal year
4 thereafter, money received by the revenue sharing trust fund under
5 section 25 of the general sales tax act, 1933 PA 167, MCL 205.75,
6 in excess of \$528,026,200.00 must be apportioned by the state
7 legislature and distributed to cities, villages, townships, and
8 counties.

9 (3) Money in the revenue sharing trust fund must not be
10 transferred, expended, withdrawn, or otherwise disbursed from the
11 revenue sharing trust fund except as authorized in this section.

12 (4) For each state fiscal period that begins after September
13 30, 2023, the governor and the state budget director shall include
14 in the annual budget for that fiscal period submitted to the
15 legislature under section 18 of article V of the state constitution
16 of 1963 an appropriation directing the state treasurer to transfer
17 and disburse money from the revenue sharing trust fund as provided
18 in this section.

19 Enacting section 1. This amendatory act does not take effect
20 unless Senate Bill No.____ or House Bill No. 4275 (request no.
21 00123'23) of the 102nd Legislature is enacted into law.