

# HOUSE BILL NO. 4311

April 15, 2025, Introduced by Reps. O'Neal, Tisdell, Smit, Kunse, Borton, Kelly, Aragona, Martin, Frisbie and Bruck and referred to Committee on Government Operations.

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

~~impose certain~~ **provide for the powers and** duties and requirements  
~~on of~~ certain state officials **and local governmental officers and**  
**entities.**

Sec. 2. As used in this act:

(a) "Community district education trust fund" means the  
community district education trust fund created in section 12.

(b) "Flint settlement trust fund" means the Flint settlement  
trust fund created in section 11.

(c) "Local government reimbursement fund" means the local  
government reimbursement fund created in section 3a.

(d) "Medicaid benefits trust fund" means the Michigan Medicaid  
benefits trust fund established in section 5.

(e) "Medicaid program" means a program for medical assistance  
established under title XIX of the social security act, 42 USC 1396  
to ~~1396w-6~~ **1396w-7**.

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

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

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

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

~~(j)~~ **(j)** "Strategic outreach and attraction reserve fund" means  
the strategic outreach and attraction reserve fund created in  
section 4.

~~(k)~~ **(k)** "Tobacco settlement revenue" means money received by  
this state that is attributable to the master settlement agreement

1 incorporated into a consent decree and final judgment entered into  
2 on December 7, 1998 in *Kelly Ex Rel. Michigan v Philip Morris*  
3 *Incorporated, et al.*, Ingham County Circuit Court, docket no. 96-  
4 84281CZ, including any rights to receive money attributable to the  
5 master settlement agreement that has been sold by this state.

6 (l) ~~(k)~~—"21st century jobs trust fund" means the 21st century  
7 jobs trust fund established in section 7.

8 Sec. 11a. (1) Beginning October 1, 2025, the revenue sharing  
9 trust fund is established in the department of treasury. The  
10 revenue sharing trust fund consists of 1 or more of the following:

11 (a) Money deposited in the revenue sharing trust fund as  
12 required by section 25 of the general sales tax act, 1933 PA 167,  
13 MCL 205.75.

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

16 (c) Interest and earnings from revenue sharing trust fund  
17 investments.

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

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

23 Sec. 11b. (1) Beginning on October 1, 2025, subject to  
24 subsections (6) and (7), and upon appropriation, the state  
25 treasurer shall transfer and disburse the money received by the  
26 revenue sharing trust fund as follows:

27 (a) To cities, villages, and townships, \$299,126,400.00 to be  
28 distributed to each city, village, or township, regardless of  
29 whether any limitation or eligibility criteria under section 952 of

1 article 5 of 2023 PA 119 were met, in the same proportion of the  
2 revenue sharing payment that each was eligible to receive under  
3 section 952 of article 5 of 2023 PA 119, rounded to the nearest  
4 dollar.

5 (b) To cities, villages, and townships, any remaining amount  
6 appropriated to be distributed as follows:

7 (i) One-third as taxable value payments as provided under  
8 subsection (2).

9 (ii) One-third as unit type population payments as provided  
10 under subsection (3).

11 (iii) One-third as yield equalization payments as provided under  
12 subsection (4).

13 (c) To counties, \$261,069,700.00 to be distributed to each  
14 county, regardless of whether any limitation or eligibility  
15 criteria under section 952 or 955 of article 5 of 2023 PA 119 were  
16 met, in the same proportion of the revenue sharing payment that  
17 each was eligible to receive under section 955 of article 5 of 2023  
18 PA 119, rounded to the nearest dollar.

19 (d) Any remaining amount appropriated to counties as a taxable  
20 value payment determined as follows for each county:

21 (i) Determine the per capita taxable value for each county by  
22 dividing the taxable value of that county by the population of that  
23 county.

24 (ii) Determine the statewide per capita taxable value by  
25 dividing the total taxable value of all counties by the total  
26 population of all counties.

27 (iii) Determine the per capita taxable value ratio for each  
28 county by dividing the statewide per capita taxable value by the  
29 per capita taxable value for that county.

1           (iv) Determine the adjusted taxable value population for each  
2 county by multiplying the per capita taxable value ratio as  
3 determined under subparagraph (iii) for that county by the population  
4 of that county.

5           (v) Determine the total statewide adjusted taxable value  
6 population, which is the sum of all adjusted taxable value  
7 population for all counties.

8           (vi) Determine the taxable value payment rate by dividing the  
9 amount to be distributed under this subdivision by the total  
10 statewide adjusted taxable value population as determined under  
11 subparagraph (v) .

12          (vii) Determine the taxable value payment for each county by  
13 multiplying the result under subparagraph (vi) by the adjusted  
14 taxable value population for that county.

15          (2) A taxable value payment described in subsection (1) (b) (i)  
16 to each city, village, and township is determined as follows:

17           (a) Determine the per capita taxable value for each city,  
18 village, and township by dividing the taxable value of that city,  
19 village, or township by the population of that city, village, or  
20 township.

21           (b) Determine the statewide per capita taxable value by  
22 dividing the total taxable value of all cities, villages, and  
23 townships by the total population of all cities, villages, and  
24 townships.

25           (c) Determine the per capita taxable value ratio for each  
26 city, village, and township by dividing the statewide per capita  
27 taxable value by the per capita taxable value for that city,  
28 village, or township.

29           (d) Determine the adjusted taxable value population for each

1 city, village, and township by multiplying the per capita taxable  
2 value ratio as determined under subdivision (c) for that city,  
3 village, or township by the population of that city, village, or  
4 township.

5 (e) Determine the total statewide adjusted taxable value  
6 population, which is the sum of all adjusted taxable value  
7 population for all cities, villages, and townships.

8 (f) Determine the taxable value payment rate by dividing the  
9 amount to be distributed under this subsection by the total  
10 statewide adjusted taxable value population as determined under  
11 subdivision (e).

12 (g) Determine the taxable value payment for each city,  
13 village, and township by multiplying the result under subdivision  
14 (f) by the adjusted taxable value population for that city,  
15 village, or township.

16 (3) A unit type population payment as described in subsection  
17 (1)(b)(ii) to each city, village, and township is determined as  
18 follows:

19 (a) Determine the unit type population weight factor for each  
20 city, village, and township as follows:

21 (i) For a township with a population of 5,000 or less, 1.0.

22 (ii) For a township with a population of more than 5,000 but  
23 less than 10,001, 1.2.

24 (iii) Except as otherwise provided in subparagraph (xix), for a  
25 township with a population of more than 10,000 but less than  
26 20,001, 1.44.

27 (iv) For a township with a population of more than 20,000 but  
28 less than 40,001, 4.32.

29 (v) For a township with a population of more than 40,000 but

- 1 less than 80,001, 5.18.
- 2 (vi) For a township with a population of more than 80,000,  
3 6.22.
- 4 (vii) For a village with a population of 5,000 or less, 1.5.
- 5 (viii) For a village with a population of more than 5,000 but  
6 less than 10,001, 1.8.
- 7 (ix) For a village with a population of more than 10,000, 2.16.
- 8 (x) For a city with a population of 5,000 or less, 2.5.
- 9 (xi) For a city with a population of more than 5,000 but less  
10 than 10,001, 3.0.
- 11 (xii) For a city with a population of more than 10,000 but less  
12 than 20,001, 3.6.
- 13 (xiii) For a city with a population of more than 20,000 but less  
14 than 40,001, 4.32.
- 15 (xiv) For a city with a population of more than 40,000 but less  
16 than 80,001, 5.18.
- 17 (xv) For a city with a population of more than 80,000 but less  
18 than 160,001, 6.22.
- 19 (xvi) For a city with a population of more than 160,000 but  
20 less than 320,001, 7.46.
- 21 (xvii) For a city with a population of more than 320,000 but  
22 less than 640,001, 8.96.
- 23 (xviii) For a city with a population of more than 640,000,  
24 10.75.
- 25 (xix) For a township that has a population of not less than  
26 10,000 and provides documentation to the department of treasury  
27 that the township provides for or makes available all of the  
28 following, the unit type population weight factor for a city with

1 the same population:

2 (A) Fire services.

3 (B) Police services on a 24-hour basis either through  
4 contracting for or directly employing personnel.

5 (C) Water services to 50% or more of its residents.

6 (D) Sewer services to 50% or more of its residents.

7 (b) Determine the adjusted unit type population for each city,  
8 village, and township by multiplying the unit type population  
9 weight factor for that city, village, or township as determined  
10 under subdivision (a) by the population of the city, village, or  
11 township.

12 (c) Determine the total statewide adjusted unit type  
13 population, which is the sum of the adjusted unit type population  
14 for all cities, villages, and townships.

15 (d) Determine the unit type population payment rate by  
16 dividing the amount to be distributed under this subsection by the  
17 total statewide adjusted unit type population as determined under  
18 subdivision (c).

19 (e) Determine the unit type population payment for each city,  
20 village, and township by multiplying the result under subdivision  
21 (d) by the adjusted unit type population for that city, village, or  
22 township.

23 (4) A yield equalization payment described in subsection  
24 (1)(b)(iii) to each city, village, or township must be in an amount  
25 sufficient to provide the guaranteed tax base for a local tax  
26 effort, but not to exceed 0.02, and is determined as follows:

27 (a) The guaranteed tax base is the maximum combined state and  
28 local per capita taxable value that can be guaranteed in a state  
29 fiscal year to each city, village, and township for a local tax

1 effort, not to exceed 0.02, if an amount equal to the amount  
2 described in subsection (1) (b) (iii) is distributed to cities,  
3 villages, and townships whose per capita taxable value is below the  
4 guaranteed tax base.

5 (b) The full yield equalization payment to each city, village,  
6 and township is the product of the amounts determined under  
7 subparagraphs (i) and (ii) :

8 (i) An amount greater than zero that is equal to the difference  
9 between the guaranteed tax base determined in subdivision (a) and  
10 the per capita taxable value of the city, village, or township.

11 (ii) The local tax effort of the city, village, or township,  
12 not to exceed 0.02, multiplied by the population of that city,  
13 village, or township.

14 (5) For purposes of determining distributions described in  
15 subsection (1) (a), any city, village, or township that completely  
16 merges with another city, village, or township is a single entity,  
17 so that when determining the distribution the combined single  
18 entity is to receive under subsection (1) (a), the city, village,  
19 and township revenue sharing amount that each of the merging local  
20 units of government was eligible to receive under section 952 of  
21 article 5 of 2023 PA 119 is summed.

22 (6) If the balance in the revenue sharing trust fund is less  
23 than the amount appropriated, payments made under subsections  
24 (1) (b) and (1) (d) must be prorated to reflect the remaining money  
25 in the revenue sharing trust fund after distributions made  
26 subsections (1) (a) and (1) (c) .

27 (7) If a city, village, township, or county is eligible to  
28 receive a distribution under subsection (1), the distribution must  
29 be made on the last business day of October, December, February,

1 April, June, or August, as applicable.

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

5 (9) Payments distributed under this section may be withheld in  
6 accordance with sections 17a and 21 of the Glenn Steil state  
7 revenue sharing act of 1971, 1971 PA 140, MCL 141.917a and 141.921.

8 (10) For each state fiscal period that begins after September  
9 30, 2025, the governor and the state budget director shall include  
10 in the annual budget for that fiscal period submitted to the  
11 legislature under section 18 of article V of the state constitution  
12 of 1963 an appropriation directing the state treasurer to transfer  
13 and disburse money from the revenue sharing trust fund as provided  
14 in this section.

15 Enacting section 1. This amendatory act does not take effect  
16 unless Senate Bill No. \_\_\_\_\_ (request no. S01028'25) or House Bill  
17 No. 4312 (request no. H01028'25) of the 103rd Legislature is  
18 enacted into law.