

Act No. 359
Public Acts of 2020
Approved by the Governor
December 30, 2020
Filed with the Secretary of State
December 30, 2020
EFFECTIVE DATE: December 30, 2020

**STATE OF MICHIGAN
100TH LEGISLATURE
REGULAR SESSION OF 2020**

Introduced by Senator Ananich

ENROLLED SENATE BILL No. 1252

AN ACT to amend 2000 PA 489, entitled “An act to create certain funds; to provide for the allocation of certain revenues among certain funds and for the operation, investment, and expenditure of certain funds; and to impose certain duties and requirements on certain state officials,” by amending section 2 (MCL 12.252), as amended by 2016 PA 193, and by adding section 11.

The People of the State of Michigan enact:

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) “Medicaid benefits trust fund” means the Michigan Medicaid benefits trust fund established in section 5.

(d) “Medicaid program” means a program for medical assistance established under title XIX of the social security act, 42 USC 1396 to 1396w-5.

(e) “Medicaid special financing payments” means the Medicaid special adjutor payments each year authorized in the department of health and human services appropriations act.

(f) “Michigan merit award trust fund” means the Michigan merit award trust fund established in section 9.

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

(h) “21st century jobs trust fund” means the 21st century jobs trust fund established in section 7.

Sec. 11. (1) The Flint settlement trust fund is created within the state treasury. The Flint settlement trust fund is established to address the consolidated cases known as *In re Flint Water Cases*, No. 5:16-cv-10444-JEL-MKM (ED Mich), in connection with the preliminary approval orders, any amendments to those orders, or the subsequent final approval orders, that will be entered by the court pursuant to this state’s settlement agreement for that case and its related Flint water cases.

(2) The state treasurer may receive money or other assets from any source for deposit into the Flint settlement trust fund. The state treasurer shall direct the investment of the Flint settlement trust fund. The state treasurer shall credit to the Flint settlement trust fund interest and earnings from Flint settlement trust fund investments.

(3) Money in the Flint settlement trust fund at the close of the fiscal year shall remain in the Flint settlement trust fund and shall not lapse to the general fund.

(4) The department of treasury shall be the administrator of the Flint settlement trust fund for auditing purposes.

(5) The department of treasury shall expend money from the Flint settlement trust fund, upon appropriation, only as provided in this section.

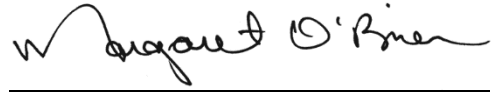
(6) It is the intent of the legislature to appropriate for state purposes and allocate to the Flint settlement trust fund, for the purposes of making an annual payment to the Special Purpose FWC Settlement Entity, pursuant to the settlement agreement approved in the court orders described in subsection (1), the sum of approximately \$35,000,000.00 from the general fund for each state fiscal year commencing with fiscal year 2021-2022 and through the fiscal year ending September 30, 2051, after which time these payments will cease. The governor shall annually include the amount described in this subsection in his or her executive budget consistent with the orders of the court.

(7) The Flint settlement trust fund shall pay the amounts allocated under this section to the Special Purpose FWC Settlement Entity as provided in the settlement agreement approved in the court orders described in subsection (1). The Special Purpose FWC Settlement Entity may pledge and assign amounts paid and payable under this section in connection with 1 or more loans entered into by it as provided in the Michigan strategic fund act, 1984 PA 270, MCL 125.2001 to 125.2094, and to pay the expenses, costs, and fees associated with the Special Purpose FWC Settlement Entity. The Special Purpose FWC Settlement Entity may not otherwise pledge or assign those payments for any other purpose. A pledge or assignment made under this subsection shall be conclusively presumed to be valid for all purposes unless challenged in an action brought in the court of appeals within 30 days after the pledge or assignment. All challenges shall be heard and determined as expeditiously as possible with priority over other matters. Consideration by the court of appeals shall be based solely on the record before the settlement was approved by the court and briefs to the court shall be limited to whether the pledge or assignment conforms to the state constitution of 1963, the laws of this state, and the laws of the United States and is within the authority of the Flint settlement trust fund under this act and the Michigan strategic fund act, 1984 PA 270, MCL 125.2001 to 125.2094.

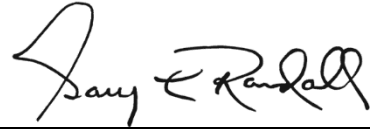
(8) The amounts paid and payable under this section represent offers of settlement and compromise of any claim or claims that were or could have been asserted by the plaintiffs in *In re Flint Water Cases*, No. 5:16-cv-10444-JEL-MKM (ED Mich) in full satisfaction of those claims. This section shall not be construed to constitute an admission of liability to the plaintiffs or a waiver of any defense that is or would have been available to this state or its agencies, employees, or agents in any litigation or future litigation with a plaintiff.

(9) As used in this section, “Special Purpose FWC Settlement Entity” means the Special Purpose FWC Settlement Entity described in the settlement agreement approved by the court in *In re Flint Water Cases*, No. 5:16-cv-10444-JEL-MKM (ED Mich).

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved _____

Governor