

# HOUSE BILL NO. 4553

May 11, 2023, Introduced by Reps. Fitzgerald, Mentzer and Skaggs and referred to the Committee on Tax Policy.

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 section 3a.

**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.

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

3           **(d) ~~(e)~~"Medicaid benefits trust fund" means the Michigan**  
4 **Medicaid benefits trust fund established in section 5.**

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

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

11           **(g) ~~(f)~~"Michigan merit award trust fund" means the Michigan**  
12 **merit award trust fund established in section 9.**

13           **(h) ~~(g)~~"Michigan opioid healing and recovery fund" means the**  
14 **Michigan opioid healing and recovery fund created in section 3.**

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

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

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

27           **Sec. 3a. (1) The local government reimbursement fund is**  
28 **created in the state treasury.**

29           **(2) The state treasurer shall deposit money and assets**

1 received under section 21(7) of the use tax act, 1937 PA 94, MCL  
2 205.111, or from any other source in the fund. The state treasurer  
3 shall direct the investment of money in the fund and credit  
4 interest and earnings from the investments to the fund.

5 (3) Money in the fund at the close of the fiscal year remains  
6 in the fund and does not lapse to the general fund.

7 (4) The department of treasury is the administrator of the  
8 fund for audits of the fund.

9 (5) The department of treasury shall expend money from the  
10 fund, upon appropriation, only for the purpose of compensating  
11 municipalities as described in this subsection. Subject to  
12 subsection (6), on or before May 31, 2024, and on or before May 31  
13 of each year thereafter, the department of treasury shall  
14 compensate municipalities for the revenue lost during the  
15 immediately preceding property tax year as a result of exemptions  
16 claimed under section 9o(2)(b) of the general property tax act,  
17 1893 PA 206, MCL 211.9o, as determined by the department of  
18 treasury.

19 (6) If the money in the fund is insufficient to fully  
20 compensate all municipalities that lost revenue as described in  
21 subsection (5), payments from the fund must be prorated amongst  
22 those municipalities.

23 (7) As used in this section:

24 (a) "Fund" means the local government reimbursement fund  
25 created in subsection (1).

26 (b) "Municipality" means that term as defined in section 5 of  
27 the local community stabilization authority act, 2014 PA 86, MCL  
28 123.1345.

29 Enacting section 1. This amendatory act does not take effect

1 unless all of the following bills of the 102nd Legislature are  
2 enacted into law:

3 (a) Senate Bill No. 331 or House Bill No.\_\_\_\_ (request no.  
4 02572'23).

5 (b) Senate Bill No.\_\_\_\_ or House Bill No. 4554 (request no.  
6 02574'23).