

SENATE BILL NO. 637

October 30, 2025, Introduced by Senators BELLINO and ALBERT and referred to Committee on Government Operations.

A bill to amend 2000 PA 489, entitled
"Michigan trust fund act,"
by amending sections 2, 7, 8, and 11 (MCL 12.252, 12.257, 12.258,
and 12.261), section 2 as amended by 2023 PA 174, sections 7 and 8
as amended by 2024 PA 188, and section 11 as added by 2020 PA 359;
and to repeal acts and parts of acts.

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.

(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-8**.

(f) "Medicaid special financing payments" means the Medicaid special adjutor 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) "Strategic outreach and attraction reserve fund" means the strategic outreach and attraction reserve fund created in section 4.~~

(i) ~~(j)~~ "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.

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

Sec. 7. (1) The 21st century jobs trust fund is established in

1 the department of treasury. The 21st century jobs trust fund
2 consists of donations of money made to the 21st century jobs trust
3 fund from any source and, ~~all of the following:~~

4 ~~(a) To~~ **to** the extent provided in section 8(1) of the Michigan
5 tobacco settlement finance authority act, 2005 PA 226, MCL 129.268,
6 the net proceeds of the sale of tobacco settlement revenues to the
7 tobacco settlement finance authority under the Michigan tobacco
8 settlement finance authority act, 2005 PA 226, MCL 129.261 to
9 129.279.

10 ~~(b) Amounts appropriated from the general fund in section~~
11 ~~89b(1) of the Michigan strategic fund act, 1984 PA 270, MCL~~
12 ~~125.2089b.~~

13 ~~(c) Amounts deposited in the 21st century jobs trust fund in~~
14 ~~accordance with section 31 or 33 of the Michigan early stage~~
15 ~~venture investment act of 2003, 2003 PA 296, MCL 125.2261 and~~
16 ~~125.2263.~~

17 (2) The state treasurer shall direct the investment of the
18 21st century jobs trust fund, which may be invested as part of the
19 common cash of this state under 1967 PA 55, MCL 12.51 to 12.53, but
20 must be separately accounted for by the state treasurer. The state
21 treasurer may invest the money or assets of the 21st century jobs
22 trust fund in any investment authorized under 1855 PA 105, MCL
23 21.141 to 21.147, for surplus funds of this state, in obligations
24 issued by any state or political subdivision or instrumentality of
25 the United States, or in any obligation issued, assumed, or
26 guaranteed by a solvent entity created or existing under the laws
27 of the United States or of any state, district, or territory of the
28 United States that are not in default as to principal or interest.
29 In addition, the state treasurer shall comply with the divestment

1 from terror act, 2008 PA 234, MCL 129.291 to 129.301, in making
2 investments under this section.

3 (3) Except as provided in subsection (4), money in the 21st
4 century jobs trust fund at the close of a fiscal year remains in
5 the 21st century jobs trust fund and does not revert to the general
6 fund.

7 (4) Interest and earnings from investment of the 21st century
8 jobs trust fund must be deposited in the general fund.

9 (5) Beginning in fiscal year 2008, and through fiscal year
10 2026, each fiscal year, \$75,000,000.00 of the tobacco settlement
11 revenue received by this state that is not considered a TSR, as
12 that term is defined under the Michigan tobacco settlement finance
13 authority act, 2005 PA 226, MCL 129.261 to 129.279, must be
14 deposited into the 21st century jobs trust fund.

15 (6) Beginning in fiscal year 2015, and through fiscal year
16 2035, each year, \$17,500,000.00 of the tobacco settlement revenue
17 received by this state that is not considered a TSR, as that term
18 is defined under the Michigan tobacco settlement finance authority
19 act, 2005 PA 226, MCL 129.261 to 129.279, must be deposited into
20 the countercyclical budget and economic stabilization fund created
21 in section 351 of the management and budget act, 1984 PA 431, MCL
22 18.1351.

23 (7) The state treasurer shall transfer and disburse money from
24 the 21st century jobs trust fund in accordance with section 8.

25 Sec. 8. ~~(1) Except as otherwise provided in subsection (2), on~~
26 ~~request from the fund board, as that term is defined in section 88a~~
27 ~~of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088a, the~~
28 ~~state treasurer shall transfer and disburse money from the 21st~~
29 ~~century jobs trust fund on appropriation only for the purpose of~~

~~carrying out and at the specified time and as necessary to
implement programs under chapter 8A, chapter 8B, and chapter 8C of
the Michigan strategic fund act, 1984 PA 270, MCL 125.2088 to
125.2090d.~~

~~(2) The money described in subsection (1)(c) of section 7 may
be transferred and disbursed under subsection (1) only for the
purpose of the Michigan innovation fund program created in section
88u of the Michigan strategic fund act, 1984 PA 270, MCL~~

~~125.2088u.~~ **The state treasurer may expend money from the 21st
century jobs trust fund, on appropriation, for any purpose provided
by law.**

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~~ **remains** in the Flint settlement trust
fund and ~~shall~~ **does** not lapse to the general fund.

(4) The department of treasury ~~shall be~~ **is** the administrator

1 of the Flint settlement trust fund for auditing purposes.

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

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

16 (7) The Flint settlement trust fund shall pay the amounts
17 allocated under this section to the Special Purpose FWC Settlement
18 Entity as provided in the settlement agreement approved in the
19 court orders described in subsection (1). The Special Purpose FWC
20 Settlement Entity may pledge and assign amounts paid and payable
21 under this section in connection with 1 or more loans entered into
22 by it as provided in ~~the Michigan strategic fund act,~~**former** 1984
23 PA 270 , ~~MCL 125.2001 to 125.2094,~~ and to pay the expenses, costs,
24 and fees associated with the Special Purpose FWC Settlement Entity.
25 The Special Purpose FWC Settlement Entity may not otherwise pledge
26 or assign those payments for any other purpose. A pledge or
27 assignment made under this subsection ~~shall be conclusively~~
28 ~~presumed to be~~**is** valid for all purposes unless challenged in an
29 action brought in the court of appeals ~~within~~**not later than** 30

1 days after the pledge or assignment. All challenges ~~shall~~**must** be
 2 heard and determined as expeditiously as possible with priority
 3 over other matters. Consideration by the court of appeals ~~shall~~
 4 **must** be based solely on the record before the settlement was
 5 approved by the court and briefs to the court ~~shall~~**must** be limited
 6 to whether the pledge or assignment conforms to the state
 7 constitution of 1963, the laws of this state, and the laws of the
 8 United States and is within the authority of the Flint settlement
 9 trust fund under this act and ~~the Michigan strategic fund act,~~
 10 **former** 1984 PA 270. ~~, MCL 125.2001 to 125.2094.~~

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

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

24 Enacting section 1. Section 4 of the Michigan trust fund act,
 25 2000 PA 489, MCL 12.254, is repealed.

26 Enacting section 2. This amendatory act does not take effect
 27 unless Senate Bill No. 631 of the 103rd Legislature is enacted into
 28 law.