

Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1197 (as discharged)
Sponsor: Senator John J.H. Schwarz, M.D.
Committee: Families, Mental Health and Human Services

CONTENT

The bill would amend the Health and Safety Fund Act to allow money distributed from the Health and Safety Fund (which is funded by the proceeds of the excise tax on cigarettes under the Tobacco Products Tax Act) to be used by a county that received a loan under Senate Bill 1196 (which would amend the Emergency Municipal Loan Act). The bill is tie-barred to Senate Bills 1183-1187 and 1196.

The Health and Safety Fund Act provides for \$16 million of the amount deposited in the Fund to be distributed to Wayne County for the \$120 million loan it received under the Emergency Municipal Loan Act in fiscal year (FY) 1987-88 to pay outstanding obligations of the county; for services rendered before March 1, 1984, under the Resident County Hospitalization Program, the Community Mental Health Shared Management and State Institutions Programs, and the State Ward charge-back program; for the repayment of principal on any loans made to the county under the Emergency Municipal Loan Act; and for the payment of principal, premium, if any, and interest due during a fiscal year on bonds issued by that county under the Fiscal Stabilization Act. To the extent the \$16 million is no longer necessary to satisfy the obligations of the FY 1987-88 \$120 million loan to Wayne County, the Act provides for a distribution to Wayne County based on its population in proportion to the population of the State. The remaining amount in the Health and Safety Fund is required to be distributed to the other counties, in proportion to their populations, for public health prevention programs and services and for the operation, maintenance, or expansion of an existing county jail or juvenile facility; the acquisition, construction, and equipping of a new jail or juvenile facility; and court operations.

The bill, instead, would authorize the \$16 million distribution to Wayne County or any other county that received a loan under Senate Bill 1196 to pay outstanding obligations of the county; for the repayment of principal and interests on any loans made to the county under the Emergency Municipal Loan Act; and for the payment of principal, premium, if any, and interest due during a fiscal year on bonds issued by that county under the Fiscal Stabilization Act. If the \$16 million distribution were no longer necessary to satisfy the obligations of loans made under Senate Bill 1196, counties that received those loans would receive money from the Health and Safety Fund based on their population in proportion to the State's population. The remaining amount would then be distributed to counties that did not receive loans under Senate Bill 1196 for public health prevention, jails or juvenile facilities, and court operations.

MCL 141.473 & 141.475

Legislative Analyst: P. Affholter

FISCAL IMPACT

Please see **FISCAL IMPACT** on Senate Bill 1196 (S-1).

Date Completed: 6-24-98

Fiscal Analyst: C. Cole
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