

Legislative Analysis



STATE ADMINISTRATIVE BOARD: TOBACCO SECURITIZATION-RELATED POWERS

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Senate Bill 906

Sponsor: Sen. Valde Garcia

House Committee: Commerce

Senate Committee: Commerce and Labor

Complete to 12-12-05

A SUMMARY OF SENATE BILL 906 AS PASSED BY THE SENATE 12-6-05

The bill would amend Public Act 2 of 1921, which deals with the State Administrative Board, to put into statute the powers and duties of the board stemming from recently enacted laws that provide for the securitization of tobacco settlement revenues and the distribution of funds from the securitization.

The State Administrative Board is composed of the Governor, who serves as chairperson, the Lieutenant-Governor, the Secretary of State, the State Treasurer, the Attorney General, the director of the State Transportation Department, and the Superintendent of Public Instruction.

Specifically, the bill would 1) grant the board the powers and duties imposed under Section 88I of the Michigan Strategic Fund Act; 2) require the board to employ the chief compliance officer described in Section 88I; 3) require the board to review all reports submitted to the board by the chief compliance officer, as described in Section 88I; and 4) grant the board the powers and duties described in Section 8 of the Michigan Tobacco Settlement Finance Authority Act.

Section 88I of the Strategic Fund Act was recently added by Public Act 225 of 2005 (House Bill 5047). Among other things, it makes the State Administrative Board the appointing authority for the newly created office of chief compliance officer. The Michigan Tobacco Settlement Finance Authority Act was created by Public Act 228 of 2005 (House Bill 5048).

FISCAL IMPACT:

The bill would have no fiscal impact.

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