

Legislative Analysis



21ST CENTURY JOBS TRUST FUND: TOBACCO SETTLEMENT REVENUES

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House Bill 5109 (Substitute H-1)

Sponsor: Rep. Rick Baxter

Committee: Commerce

Complete to 8-31-05

A SUMMARY OF HOUSE BILL 5109 AS REPORTED FROM HOUSE COMMITTEE

The bill would amend the Michigan Trust Fund Act (MCL 12.252) to create a new fund, the 21st Century Jobs Trust Fund, which would consist only of net proceeds from the sale of tobacco settlement revenues to the Tobacco Settlement Finance Authority, interest and earnings from trust fund investments, and donations from any source. The trust fund would be created in the Department of Treasury; the state treasurer would direct investments.

The Tobacco Settlement Finance Authority is the authority that would be created by House Bill 5048, which authorizes the sale of a portion of future tobacco settlement receipts.

The bill would repeal two sections of the Michigan Merit Award Scholarship Act, one that creates the Michigan Merit Award Trust Fund (which is currently a recipient of a portion of tobacco settlement revenue) and another that deals with disbursements of money from that fund. However, the bill also would re-establish the Michigan Merit Award Trust Fund in the Department of Treasury within the Michigan Trust Fund Act. A certain percentage of tobacco settlement revenue would no longer automatically go to the fund; instead the bill would refer to "money allocated [to the Fund] as provided by law."

House Bill 5109 is tie-barred to Senate Bills 359 and 533 and to House Bills 4972, 4973, 5047, 5048, and 5108. These are bills related to the sale and securitization of tobacco settlement receipts, the promotion of competitive edge technologies through economic development programs, and business tax restructuring.

FISCAL IMPACT:

Taken alone, the bill would have no fiscal impact on either the State of Michigan or its local units of government. The bill is related to other legislation that would authorize the sale of a portion of future tobacco settlement receipts.

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