

Legislative Analysis



TOBACCO SETTLEMENT AUTHORITY

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House Bill 4884

Sponsor: Rep. Shanelle Jackson

Committee: Appropriations

Complete to 6-12-07

A SUMMARY OF HOUSE BILL 4884 AS INTRODUCED 6-7-07

The Michigan Trust Fund Act, 2000 PA 289, provides that the 21st Century Jobs Trust Fund is to include the net proceeds (\$400 million) from the sale of tobacco settlement revenue to the Michigan Tobacco Settlement Finance Authority.

The bill specifies that the amount credited to the 21st Century Jobs Trust Fund would be limited to the \$400 million from the original securitization as authorized pursuant to the Michigan Tobacco Settlement Finance Authority.

MCL 12.257

FISCAL IMPACT:

By limiting the amount of securitized tobacco settlement revenue credited to the 21st Century Jobs Trust Fund to the original \$400 million, the bill ensures that the net proceeds from a subsequent securitization would not also be credited to the 21st Century Jobs Trust Fund but would, instead, be used for the purposes specified in the legislation authorizing that subsequent securitization. In the instant case, Enrolled House Bill 4850 authorizes the securitization of additional tobacco settlement revenue sufficient to generate net proceeds of \$415 million, with \$207.8 million in net proceeds deposited into the School Aid Fund, and the balance deposited in the General Fund. House Bill 4884, then, specifies that the net proceeds from the securitization authorized by HB 4850 would be deposited in the School Aid Fund and General Fund, rather than the 21st Century Jobs Trust Fund.

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