

Legislative Analysis



REVENUE FOR HISTORIC CAPITOL SITE FUND: NO ADJUSTMENT IF CUMULATIVE CPI IS NEGATIVE

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Senate Bill 956 as passed by the Senate

Sponsor: Sen. Jim Stamas

House Committee: Appropriations

Senate Committee: Appropriations

Revised on 9-12-16

(Enacted as Public Act 309 of 2016)

REVISED SUMMARY:

Under the Tobacco Products Tax Act, since Fiscal Year 2014–15, \$3 million has been directed annually from tobacco tax revenue to the Capitol Historic Site Fund.¹ Currently, this amount is to be adjusted annually to reflect the cumulative annual percentage change in the consumer price index. **Senate Bill 956** would amend the act so that in any year in which the cumulative annual CPI percentage change is negative, no adjustment will be made to revenues directed to the Capitol Historic Site Fund. The bill applies to the 2015–16 Fiscal Year and subsequent years.

MCL 205.432

FISCAL IMPACT:

As written, the bill would prevent the tobacco tax earmark to the Capital Historic Site Fund from falling below \$3.0 million in the event that cumulative inflation relative to CY 2014 is negative. Although future inflation rates are not known, it is unlikely that persistent negative inflation rates would be sufficient to generate a significant fiscal impact.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

¹ The Capitol Historic Site Fund was created by the Michigan State Capitol Historic Site Act (PA 240 of 2013), which establishes the State Capitol as a historic site and charges a Michigan State Capitol Commission with operating and managing the State Capitol Historic Site, and maintaining and restoring the State Capitol building and surrounding grounds. The \$3 million earmarking was added to the Tobacco Products Tax Act by PA 272 of 2014.