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BILL ANALYSIS

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Senate Bill 622 (as enacted)  
Sponsor: Senator Roger Kahn, M.D.  
Senate Committee: Judiciary  
House Committee: Judiciary

**PUBLIC ACT 112 of 2007**

Date Completed: 10-2-07

**CONTENT**

**The bill amended the Mental Health Code to allow the Department of Corrections (DOC) to contract with third-party providers to operate the corrections mental health program.**

The Code requires the DOC to establish and operate the corrections mental health program to provide mental health services for prisoners who are mentally retarded or mentally ill and need those services. The DOC may contract with the Department of Community Health (DCH) to operate the corrections mental health program. Previously, the Code prohibited the DOC from contracting with any other provider to operate the program. The bill deleted that prohibition and allows the DOC to contract with the DCH or third-party providers to operate the corrections mental health program.

The bill took effect on October 1, 2007, and was tie-barred to House Bills 5194 and 5198.

House Bill 5194 (Public Act 94 of 2007) amended the Income Tax Act to do all of the following:

- Increase the income tax rate from 3.9% to 4.35%, effective October 1, 2007.
- Reduce the income tax rate from 4.35% by 0.1 each October 1, beginning in 2011, until the rate is 3.95%.
- Reduce the income tax rate from 3.95% to 3.9% on October 1, 2015.

House Bill 5198 (Public Act 93 of 2007) amended the Use Tax Act to extend the 6%

use tax to the use or consumption of certain services.

MCL 330.2003

Legislative Analyst: Patrick Affholter

**FISCAL IMPACT**

The bill will have an indeterminate fiscal impact on State government. If allowing the Department of Corrections to contract with a mental health treatment provider other than the Department of Community Health results in a cost saving, the State will incur decreased costs of treating prisoners needing mental health treatment.

Fiscal Analyst: Lindsay Hollander

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