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BILL ANALYSIS

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House Bill 5006 (Substitute H-1 as passed by the House)  
Sponsor: Representative Will Snyder  
House Committee: Appropriations  
Senate Committee: Appropriations

Date Completed: 9-22-23

### **CONTENT**

The bill would amend the Michigan Trust Fund Act to extend to fiscal year (FY) 2025-26 the sunset date on a requirement that \$75.0 million in tobacco settlement revenue be deposited annually into the 21st Century Jobs Trust Fund.

The 21st Century Jobs Trust Fund consists of donations made to it from any source as well as the net proceeds of the sale of tobacco settlement revenue to the Tobacco Settlement Finance Authority under the Michigan Tobacco Settlement Finance Authority Act.

(That Act authorizes the State Budget Director to sell to the Authority all or a portion of the State's tobacco receipts from tobacco manufacturers under the terms of the master settlement agreement (entered into by 46 states and the US tobacco industry).)

Currently, of the total money from the sale each fiscal year through FY 2022-23, \$75.0 million of the tobacco settlement revenue received by the State that is not considered a portion of the State's tobacco receipts sold to the Authority must be deposited into the 21st Century Jobs Trust Fund. The bill would extend the sunset to FY 2025-26.

MCL 12.257

### **FISCAL IMPACT**

The bill would increase the deposit of tobacco settlement revenue into the 21st Century Jobs Trust Fund by extending, to FY 2025-26, the sunset on the requirement that \$75.0 million of tobacco settlement revenue be deposited annually into the 21st Century Jobs Trust Fund for three additional fiscal years. This represents \$225.0 million available for economic development purposes over the next three years.

Under current law, the \$75.0 million annual deposit to the 21st Century Jobs Trust Fund will end after FY 2022-23. The 21st Century Jobs Trust Fund and programs were established in 2005 to provide resources and encourage economic development and job creation throughout the State. The current areas of economic development that receive 21st Century Jobs Trust Fund money are Business Attraction, Community Revitalization, and Entrepreneurship Ecosystem. Currently, Business Attraction and Community Revitalization are combined in one line item. The decision on how much to appropriate to each economic development activity each year is determined annually through the appropriations process. Below is the breakdown of the line items that receive 21st Century Jobs Trust Fund dollars for FY 2022-23 and the enacted budget for FY 2023-24.

<b>21st Century Jobs Trust Fund Appropriations (dollars in millions)</b>						
<b>Line Item</b>	<b>2022-23</b>			<b>2023-24</b>		
	Gross	21st Century	GF/GP	Gross	21st Century	GF/GP
Business Attraction and Community Revitalization .....	100.0	59.4	40.6	100.0	59.4	40.6
Entrepreneurship Ecosystem .....	15.6	15.6	0.0	15.6	15.6	0.0
<b>Total .....</b>	<b>\$115.6</b>	<b>\$75.0</b>	<b>\$40.6</b>	<b>\$115.6</b>	<b>\$75.0</b>	<b>\$40.6</b>

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