

Legislative Analysis



USE OF LIQUOR PURCHASE REVOLVING FUND FOR SUBSTANCE USE DISORDER TREATMENT

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House Bill 5085 as introduced
Sponsor: Rep. Steve Marino
Committee: Health Policy
Complete to 1-23-18

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 5085 would amend the Michigan Liquor Control Code (MCL 436.1221) to direct 4% of revenue raised by liquor taxes to Michigan's local community mental health agencies. Beginning with Fiscal Year 2017-18, 4% of the revenue collected under the Liquor Purchase Revolving Fund would be transferred from the general fund to community mental health entities designated by the Michigan Department of Health and Human Services (DHHS), to be used for the administration and delivery of substance use disorder prevention and treatment programs. At least 25% of these funds must be used for the administration and delivery of substance use disorder prevention and treatment programs not exclusively related to alcohol.

FISCAL IMPACT:

House Bill 5085 would earmark 4% of the total net income transferred from the Liquor Purchase Revolving Fund to the state general fund to community mental health entities for substance use disorder programming, beginning in Fiscal Year 2017-18 and continuing each year thereafter. The third column in the following table provides the amount that would have been available had such a distribution occurred in previous fiscal years. While this bill would have no net state fiscal impact, the amount provided to community mental health entities would decrease the amount of state general fund revenue available for other general-fund-supported activities.

The state relies on local units of government, specifically the 10 regional Prepaid Inpatient Health Plans (PIHPs), to administer and provide substance use disorder programming, and so the PIHPs would receive additional state funding each year equal to 4% of total net income transferred from the Liquor Purchase Revolving Fund to the state general fund.

	Total Amount Transferred to General Fund	4% of Amount
FY 2016-17	\$221,579,000*	\$8,863,160
FY 2015-16	\$209,559,512	\$8,382,380
FY 2014-15	\$194,696,735	\$7,787,869
FY 2013-14	\$176,840,786	\$7,073,631

*Denotes a Department of Licensing and Regulatory Affairs Estimate

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