

TRANSFER REVENUE FROM 21ST CENTURY JOBS TRUST FUND TO GENERAL FUND

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House Bill 6121 as introduced
Sponsor: Rep. Abdullah Hammoud
Committee: Appropriations
Complete to 8-28-20

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

SUMMARY:

House Bill 6121 would amend the Michigan Trust Fund Act to transfer \$54.0 million from the 21st Century Jobs Trust Fund to the state's general fund for FY 2019-20 only.

MCL 12.257

BACKGROUND:

The 21st Century Jobs Trust Fund was created in 2005 to support a variety of economic development programs. The fund annually receives \$75.0 million of tobacco settlement revenues received by the state. In recent years, the fund has primarily been used to support the following appropriations:

- Business Attraction and Community Revitalization
- Entrepreneurship Eco-System
- Pure Michigan

For FY 2019-20, the Pure Michigan appropriation was vetoed by the governor, leaving \$31.0 million of available funds for FY 2019-20. In addition, as part of a FY 2019-20 budget balancing agreement, the State Budget Director lapsed \$23.0 million of 21st Century Jobs Trust Fund funds in existing work project accounts. Of this total, \$20.0 million was lapsed from Business Attraction and Community Revitalization accounts and \$3.0 million was lapsed from Entrepreneurship Eco-System accounts.

FISCAL IMPACT:

The bill would increase the state's general fund revenues by \$54.0 million and reduce the 21st Century Jobs Trust Fund balance by a corresponding amount. This transfer was agreed to as part of a FY 2019-20 budget balancing agreement. Programs supported by 21st Century Jobs Trust Fund appropriations under current law would not be affected.

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