

Legislative Analysis



TOBACCO SETTLEMENT REVENUE

Phone: (517) 373-8080
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Senate Bill 574 as passed by the Senate

Sponsor: Sen. Sam Singh

House Committee: Appropriations [Discharged]

Senate Committee: Appropriations [Discharged]

Complete to 10-2-25

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

(Enacted as Public Act 28 of 2025)

SUMMARY:

Senate Bill 574 would amend the Michigan Trust Fund Act to eliminate an annual allocation of \$17.5 million of tobacco settlement revenue to the Countercyclical Budget and Economic Stabilization Fund (also called the Budget Stabilization Fund, or BSF).¹

Currently under the act, each year through fiscal year 2034-35, \$17.5 million of the tobacco settlement revenue received by the state is required to be deposited into the BSF as a repayment of BSF funds appropriated in fiscal year 2013-14 to assist the Detroit bankruptcy settlement.

The bill would remove this provision.

The bill also would make a technical change to a citation of the Michigan Early State Venture Investment Act.

MCL 12.257

FISCAL IMPACT:

The bill would discontinue the annual \$17.5 million deposit of tobacco settlement revenues into the Countercyclical Budget and Economic Stabilization Fund, which was scheduled to continue through FY 2034-35. Pursuant to the Michigan Trust Fund Act, this would increase Merit Award Trust Fund revenues by \$17.5 million annually through FY 2034-35 because it receives the net tobacco settlement revenue after the required payments and deposits.

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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 https://www.house.mi.gov/hfa/PDF/FiscalSnapshot/Budget_Stabilization_Fund.pdf