



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bills 740 and 741 (as introduced 11-1-95)
Sponsor: Senator Gary Peters
Committee: Finance

Date Completed: 9-24-96

CONTENT

Senate Bill 740 would add a new section to the Income Tax Act to allow taxpayers to designate that \$2 or more of their income tax refund be credited to the Breast Cancer Research Fund. **Senate Bill 741** would create the "Breast Cancer Research Fund Act", to establish a Breast Cancer Research Fund and provide for the distribution of money from the Fund. The bills are tie-barred to each other.

Senate Bill 740

The bill provides that for the 1995 tax year and thereafter, a taxpayer entitled to an income tax refund sufficient to make a designation could designate that \$2 or more of his or her refund be credited (donated) to the Breast Cancer Research Fund. The tax designation would have to be clearly and unambiguously printed on the first page of the State individual income tax form.

Notwithstanding any other allocations or disbursements required under the Act, an amount equal to the cumulative designation, less the amount appropriated to the Department of Treasury to implement the bill, would have to be deposited in the Breast Cancer Research Fund and be appropriated solely for the purposes of the Fund.

Currently, under the Act, taxpayers may designate \$2 or more of their refunds to the Children's Trust Fund, which is used to help prevent child abuse and neglect in the State; and the Nongame Fish and Wildlife Trust Fund, which is used to provide funding for nongame and endangered animals and plants and their habitats.

Senate Bill 741

The bill would create the Breast Cancer Research Fund Act to establish the Breast Cancer Research Fund in the Department of Public Health (now within the Department of Community Health), to promote research, early detection programs, and community education relating to breast cancer. The Fund would consist of all the money credited to it from taxpayer donations pursuant to the Income Tax Act, and any interest and earnings accrued from the saving and investment of that money. The Fund could receive appropriations, money, or other things of value. The State Treasurer would have to direct the investment of the Fund. Money in the Fund at the close of the year would remain in it and could not lapse to the General Fund. The interest and earnings of the Fund would have to be spent solely for the purposes described in the bill.

The Department of Community Health would have to develop and implement a long-range plan for the distribution of money from the Fund, and review and update the plan as necessary, at least every five years. Further, the Department would have to provide information to the public about

the value of breast cancer research; develop and publicize criteria for proposals to be funded under the bill; and review and approve proposals to be funded.

The Department would have to determine which proposals should be funded with money from the Fund, and solicit and approve proposals from individuals, groups, and institutions. To qualify for funding, a proposal would have to comply with the long-range plan. To implement the long-range plan, the Department would have to review and approve proposals submitted for funding. In determining which proposals to fund, the Department would have to give preference to proposals that would provide services to geographic areas or populations groups that had a rate of breast cancer that was higher than the Michigan average rate as determined by the Department.

The bill provides that 50% of the money in the Fund each year would have to be granted to fund approved proposals for research dedicated to finding a cure for breast cancer, submitted as follows:

- By the applicant for use as matching funds for a Federal grant for breast cancer research.
- To an applicant that was affiliated with one or more Michigan public universities.
- To fund a proposal to be implemented in conjunction with a hospital located in the State.
- To an applicant that had received funding from the National Cancer Institute for breast cancer research.

Further, the bill provides that 50% of the funds each year would have to be granted to applicants for early detection and community education programs including, but not limited to, the following:

- Mobile mammography programs including maintenance of machines, supplemental expenses incurred to support mammography operators, and other expenses directly related to the testing of patients by mobile programs.
- Community education programs to raise awareness through county, city, or township programs, printing and distribution of materials regarding the risk of breast cancer, and outreach programs to increase participation in early detection programs.

Proposed MCL 206.438 (S.B. 740)

Legislative Analyst: G. Towne

FISCAL IMPACT

Senate Bill 740

The bill would have an indeterminate impact on State revenues. If one assumes, however, that the experience of the proposed Breast Cancer Research Fund would be similar to that of the Children's Trust Fund and the Nongame Fish and Wildlife Fund, then, initially, revenue to the Breast Cancer Research Fund would be nearly \$1 million annually. If the experience of the proposed Fund remained consistent with the other two funds, then, over time, annual revenue to the Fund would fall by nearly 50% to average approximately \$500,000.

Senate Bill 741

Based on the assumption that the experience of the Breast Cancer Research Fund would be similar to that of the Children's Trust and Nongame Fish and Wildlife Funds, there would be approximately \$500,000 to \$1,000,000 available annually for expenditure on the projects outlined in the bill. From that amount, between \$50,000 and \$100,000 would be necessary to administer the programs required by the bill.

Fiscal Analyst: P. Graham

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.