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## PORTION OF GAMING TAX TO SCHOOL READINESS PROGRAMS

**House Bill 5778**

**Sponsor: Rep. Keith Stallworth**

**Committee: Appropriations**

**Complete to 6-30-98**

### **A SUMMARY OF HOUSE BILL 5778 AS INTRODUCED 4-23-98**

House Bill 5778 would amend the initiated law of 1996 entitled the Michigan Gaming Control and Revenue Act. The bill would change the way the school aid allocation of the casino gaming fund is earmarked. Specifically, the bill would require that 20 percent of the state casino gaming fund be deposited in the state school aid fund so that school districts could develop or expand school readiness programs in conjunction with available federal Head Start funds, in order to improve the achievement of educationally disadvantaged children who have been residents of Michigan for at least two years. Further, the bill would require 25 percent of the fund be deposited in the state school aid fund to provide additional funds for K-12 classroom education.

Under current law, a casino gaming fund is created in the Department of Treasury, and the holder of a casino license remits to that fund each day the 18 percent wagering tax imposed on a casino's gross revenue. Current law earmarks 45 percent of the casino gaming fund for allocation to the state school aid fund to provide additional funds for K-12 classroom education. The law also earmarks 55 percent of the casino gaming fund for use by the City of Detroit, for five purposes: to hire, train and deploy street patrol officers; conduct neighborhood and downtown economic development programs designed to create local jobs; provide public safety programs including emergency medical services, fire department programs, and street lighting; develop antigang and youth development programs; and, offer other programs that are designed to contribute to the improvement of the quality of life in the city.

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