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House Bill 6291 (Substitute H-2 as reported without amendment)

House Bill 6292 (Substitute S-1 as reported)

House Bill 6293 (Substitute S-2 as reported)

House Bill 6294 (Substitute S-1 as reported)

House Bill 6295 (as reported without amendment)

Sponsor: Representative Glenn Steil (H.B. 6291)

Representative Jacob Hoogendyk, Jr. (H.B. 6292)

Representative Leslie Mortimer (H.B. 6293)

Representative Tom Casperson (H.B. 6294)

Representative David Law (H.B. 6295)

Senate Committee: Health Policy

House Committee: Health Policy

## **CONTENT**

House Bill 6291 (H-2) would amend the Public Health Code to do the following:

- Require the Department of Community Health (DCH) to establish a statewide network of cord blood stem cell banks, if funding were made available.
- Establish criteria for a donor bank to enter the network, including the establishment of a system of strict confidentiality and the implementation of donor screening and cord blood collection practices to prevent the transmission of disease.
- Require a bank entering the network to preserve donated units of cord blood and make them available to transplant centers for stem cell transplantation, and to allocate a portion of its cord blood inventory each year for research.
- Provide for a board of directors to govern and administer the network of cord blood stem cell banks.

House Bill 6292 (S-1) would amend the Income Tax Act to establish a tax credit, up to \$100 for a single return or \$200 for a joint return, that was equal to 50% of the sum of cash donations made to the statewide network of cord blood stem cell banks or to a qualified cord blood stem cell bank. The amount of the credit that exceeded a taxpayer's tax liability would have to be refunded.

House Bill 6293 (S-2) would amend the Public Health Code to require the DCH to promote public awareness of the uses, benefits, and viability of cord blood cells, and make available on its website information on cord blood cells that was in a printable format.

House Bill 6294 (S-1) would appropriate \$5.0 million in existing funds from the 21<sup>st</sup> Century Jobs Trust Fund for the creation and maintenance of the statewide network of cord blood stem cell banks. The bill also would require the DCH to report annually to the Legislature detailing the expenditure of funds related to the statewide network and public awareness efforts.

House Bill 6295 would include in the definition of "life sciences" under the Michigan Strategic Fund Act biotechnology using umbilical cord blood to make or modify a product for useful purposes.

House Bills 6291 (H-2) and 6293 (S-2) are tie-barred to each other and to Senate Bill 1353, which would define terms used in House Bill 6291 (H-2). House Bill 6292 (S-1) is tie-barred to House Bill 6291.

Proposed MCL 333.2682 (H.B. 6291)  
Proposed MCL 206.276 (H.B. 6292)  
Proposed MCL 333.2683 (H.B. 6293)  
MCL 125.2088a (H.B. 6295)

Legislative Analyst: Curtis Walker

### **FISCAL IMPACT**

House Bill 6291 (H-2). This legislation would result in additional cost for the Department of Community Health. The Department would need to devote administrative resources to establish the network of cord blood banks and oversee and support the board of directors proposed by the bill. The extent of the cost is largely dependent upon the number of facilities that would participate in the cord blood network. As noted below, House Bill 6294 (S-1) would appropriate \$5.0 million in State restricted funds for the creation and operation of the cord blood stem cell network. That bill would limit expenditure for administrative costs from the \$5.0 million appropriation to \$250,000.

House Bill 6292 (S-1). The bill would reduce income tax revenue an estimated \$2 million to \$3 million during each of the next few years and then the loss in revenue would likely edge up in future years. Most of this loss in income tax revenue would affect the General Fund/General Purpose budget, while the School Aid Fund would experience a very small loss in income tax revenue.

House Bill 6293 (S-2). The bill would create a minor, indeterminate increase in administrative cost for the Department of Community Health associated with the creation and distribution of education materials.

House Bill 6294 (S-1). The bill would provide \$5.0 million in FY 2005-06 for operation of a statewide network of cord blood stem cell banks by reallocating appropriations from the 21<sup>st</sup> Century Jobs Trust Fund.

Of the \$400.0 million appropriated from the 21<sup>st</sup> Century Jobs Trust Fund, there is a balance of \$34.1 million that has not been allocated to specific projects. (This balance assumes that the Michigan Strategic Fund board exercises its authority to spend 4% or \$16.0 million of the \$400.0 million appropriated from the 21<sup>st</sup> Century Jobs Trust Fund for administration, and 5% or \$20.0 million for business development and marketing.)

Pursuant to Public Act 225 of 2005, the unspent funds are carried forward in work project accounts. This bill would reduce the work project account that includes the unallocated balance by \$5.0 million and direct the Michigan Strategic Fund to distribute \$5.0 million in FY 2005-06 to the Department of Community Health to create a statewide network of cord blood stem cell banks.

The bill would reduce the unallocated balance of the 21<sup>st</sup> Century Jobs Trust Fund from \$34.1 million to \$29.1 million. Under Public Act 225 of 2005, the Michigan Strategic Fund Board was directed to commit funds to several specific projects and given the authority to allocate remaining funds within statutory guidelines among 21<sup>st</sup> century investment programs, competitive edge technology grants and loans, and loan enhancement programs.

The bill would have no fiscal impact on local government.

House Bill 6295. The bill would have no fiscal impact on State or local government.

Date Completed: 12-4-06

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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.