

**SUBSTITUTE FOR
SENATE BILL NO. 523**

A bill to amend 1985 PA 106, entitled
"State convention facility development act,"
by amending section 9 (MCL 207.629), as amended by 2009 PA 61.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9. (1) Except as provided in subsection (5) or (6), on or
2 before the thirtieth day of each month, the state treasurer shall
3 make a distribution from the convention facility development fund
4 to a qualified local governmental unit. The distribution shall be
5 an amount equal to the sum of the collections from the excise tax
6 levied for accommodations under this act for the previous month
7 from the convention hotels in the county in which the convention
8 facility is or is to be located and in any county in which
9 convention hotels are located that is contiguous to the county in
10 which the convention facility is located, or is to be located, the

1 additional tax imposed under section 1207 of the Michigan liquor
2 control code of 1998, 1998 PA 58, MCL 436.2207, for the previous
3 month received in the fund, and any distribution received under
4 section 5(b)(iii) of the health and safety fund act, 1987 PA 264,
5 MCL 141.475, and from the 21st century jobs trust fund under
6 section 8(4). However, distributions for any state fiscal year to
7 any qualified local governmental unit under this section shall not
8 exceed an amount equal to the amount pledged, assigned, or
9 dedicated by the qualified local governmental unit pursuant to
10 section 11 for the payment during that state fiscal year of bonds,
11 obligations, or other evidences of indebtedness incurred for the
12 purposes specified in this act or the regional convention facility
13 authority act, 2008 PA 554, MCL 141.1351 to 141.1379, plus
14 operating deficit cost expenditures and other expenditures
15 authorized under section 10, plus any amount necessary to maintain
16 a fully funded debt reserve or other reserves intended to secure
17 the principal and interest on the bonds, obligations, or other
18 evidences of indebtedness as contained in the resolution or
19 ordinance authorizing their issuance.

20 (2) Notwithstanding the distributions provided by subsection
21 (1), if a local governmental unit becomes a qualified local
22 governmental unit entitled to receive distributions from the tax
23 imposed under section 1207 of the Michigan liquor control code of
24 1998, 1998 PA 58, MCL 436.2207, or from the tax imposed by this act
25 in counties in which the convention facility is located or in a
26 county in which a convention hotel is located that is contiguous to
27 the county in which the convention facility is located, and from

1 any distribution under section 5(b)(iii) of the health and safety
2 fund act, 1987 PA 264, MCL 141.475, no other qualified local
3 governmental unit is entitled to distributions pursuant to this
4 section for which that qualified local governmental unit has
5 previously become entitled, until such time as that qualified local
6 governmental unit ownership or leasehold interest described in
7 subsection (3) is transferred to another local governmental unit.
8 If that transfer renders the transferee a qualified local
9 governmental unit, the transferee shall, immediately upon that
10 transfer, be entitled to the distributions to a qualified local
11 governmental unit provided in subsection (1) and the priority
12 provided to a qualified local governmental unit in this subsection,
13 notwithstanding that the amount of the distributions may increase
14 as a result of that transfer. A transfer under this subsection
15 includes a transfer that occurs on a transfer date under the
16 regional convention facility authority act, 2008 PA 554, MCL
17 141.1351 to 141.1379.

18 (3) Notwithstanding the provisions of subsection (2), if the
19 transfer and lease of a qualified convention facility to an
20 authority is disapproved and the authority is dissolved under
21 section 19(1) of the regional convention facility authority act,
22 2008 PA 554, MCL 141.1369, then a distribution from the convention
23 facility development fund of proceeds received under section
24 5(b)(iii) of the health and safety fund act, 1987 PA 264, MCL
25 141.475, shall be made to a building authority for a county having
26 a population of not less than 1,000,000 and not more than 1,500,000
27 according to the most recent federal decennial census for the

1 purpose of developing, leasing, or operating a convention facility
2 as defined in this act and no other qualified local governmental
3 unit is entitled to any distribution of proceeds received under
4 section 5(b) (iii) of the health and safety fund act, 1987 PA 264,
5 MCL 141.475.

6 (4) As used in this act, "qualified local governmental unit"
7 means, except as otherwise provided in this subsection, a city,
8 village, township, county, or authority that is located in, or
9 includes within its territory or jurisdiction, a county in which
10 convention hotels are located and that either is the owner or
11 lessee of a convention facility with 350,000 square feet or more of
12 total exhibit space on July 30, 1985 or, if such a convention
13 facility does not exist, will be the owner or lessee of a
14 convention facility with 350,000 square feet or more of total
15 exhibit space through the application of distributions under this
16 section to the purchase or lease of a convention facility.
17 Qualified local governmental unit includes a metropolitan authority
18 that leases, develops, operates, and maintains a qualified
19 convention facility under the regional convention facility
20 authority act, 2008 PA 554, MCL 141.1351 to 141.1379. If the
21 transfer and lease of a qualified convention facility to an
22 authority is disapproved and the authority is dissolved under
23 section 19(1) of the regional convention facility authority act,
24 2008 PA 554, MCL 141.1369, then for purposes of any distribution
25 from the convention facility development of proceeds under section
26 5(b) (iii) of the health and safety fund act, 1987 PA 264, MCL
27 141.475, qualified local governmental unit means a building

1 authority for a county having a population of not less than
2 1,000,000 and not more than 1,500,000 according to the most recent
3 federal decennial census.

4 (5) Before the 2015-2016 fiscal year, collections from the
5 excise tax levied for accommodations under this act and collections
6 from the tax imposed under section 1207 of the Michigan liquor
7 control code of 1998, 1998 PA 58, MCL 436.2207, shall not be paid
8 to a qualified local governmental unit for the repayment of bonds,
9 obligations, or other evidences of indebtedness incurred after
10 2007.

11 (6) Beginning in fiscal year 2015-2016, and each fiscal year
12 thereafter, if a transfer and a lease of a qualified convention
13 facility is disapproved and an authority is dissolved under section
14 19(1) of the regional convention facility authority act, 2008 PA
15 554, MCL 141.1369, then the collections from the excise tax levied
16 for accommodations under this act shall be distributed to each
17 county in which it was levied based on the amount collected in that
18 county. However, if an excise tax for accommodations is levied in a
19 qualified city at a rate greater than the rate levied in that
20 portion of the county in which the qualified city is not located,
21 the qualified city shall receive the collections of the excise tax
22 for accommodations in an amount equal to the difference between the
23 rate levied in the qualified city and the rate levied in that
24 portion of the county in which the qualified city is not located.
25 The funds described in this subsection are not available for a
26 distribution of subsection (1). As used in this subsection,
27 "qualified city" means that term as defined in section 5 of the

1 regional convention facility authority act, 2008 PA 554, MCL
2 141.1355.

3 (7) If a building authority becomes a qualified local
4 governmental unit under subsection (4), collections from
5 distributions under section 5(b)(iii) of the health and safety fund
6 act, 1987 PA 264, MCL 141.475, shall be paid by the state treasurer
7 on or before the thirtieth day of each month to that building
8 authority.

9 (8) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, AFTER THE
10 DISTRIBUTIONS UNDER SUBSECTION (1), AND BEFORE ANY DISTRIBUTIONS
11 UNDER SECTION 10, FOR FISCAL YEARS 2017-2018 THROUGH 2026-2027
12 ONLY, \$1,900,000.00 EACH FISCAL YEAR SHALL BE DISTRIBUTED TO THE
13 NORTHERN MICHIGAN REGIONAL TOURISM AND SPORTS FUND. THE MONEY
14 DISTRIBUTED TO THE NORTHERN MICHIGAN REGIONAL TOURISM AND SPORTS
15 FUND DESCRIBED IN THIS SUBSECTION SHALL BE DEDUCTED FROM THE MONEY
16 DESCRIBED IN SECTION 10(2)(F) BEFORE ANY DISTRIBUTION IS MADE UNDER
17 SECTION 10(2)(F).

18 (9) THE NORTHERN MICHIGAN REGIONAL TOURISM AND SPORTS FUND IS
19 CREATED WITHIN THE STATE TREASURY.

20 (10) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS
21 FROM ANY SOURCE FOR DEPOSIT INTO THE NORTHERN MICHIGAN REGIONAL
22 TOURISM AND SPORTS FUND. THE STATE TREASURER SHALL DIRECT THE
23 INVESTMENT OF THE NORTHERN MICHIGAN REGIONAL TOURISM AND SPORTS
24 FUND. THE STATE TREASURER SHALL CREDIT TO THE NORTHERN MICHIGAN
25 REGIONAL TOURISM AND SPORTS FUND INTEREST AND EARNINGS FROM THE
26 NORTHERN MICHIGAN REGIONAL TOURISM AND SPORTS FUND INVESTMENTS.

27 (11) MONEY IN THE NORTHERN MICHIGAN REGIONAL TOURISM AND

1 SPORTS FUND AT THE CLOSE OF THE FISCAL YEAR SHALL REMAIN IN THE
2 NORTHERN MICHIGAN REGIONAL TOURISM AND SPORTS FUND AND SHALL NOT
3 LAPSE TO THE GENERAL FUND. HOWEVER, MONEY REMAINING IN THE FUND ON
4 SEPTEMBER 30, 2028 SHALL LAPSE TO THE CONVENTION FACILITY
5 DEVELOPMENT FUND.

6 (12) THE DEPARTMENT OF TREASURY SHALL EXPEND MONEY FROM THE
7 NORTHERN MICHIGAN REGIONAL TOURISM AND SPORTS FUND, UPON
8 APPROPRIATION, TO THE GREAT LAKES SPORTS COMMISSION FOR THE
9 DEVELOPMENT OR IMPROVEMENT OF FACILITIES OR FOR EVENTS PROMOTING
10 TOURISM AND RECREATION IN NORTHERN MICHIGAN. MONEY SHALL NOT BE
11 DISTRIBUTED TO THE NORTHERN MICHIGAN REGIONAL TOURISM AND SPORTS
12 FUND THAT IMPAIRS OBLIGATIONS, BONDS, OR OTHER EVIDENCES OF
13 INDEBTEDNESS ISSUED UNDER THIS ACT.