

SENATE BILL No. 1031

February 7, 2006, Introduced by Senators JOHNSON, SWITALSKI, JACOBS, CLARKE, CLARK-COLEMAN, EMERSON, BRATER, SCOTT, THOMAS, PRUSI and LELAND and referred to the Committee on Finance.

A bill to provide for the levy, collection, and administration of an excise tax on the admission charge to an entertainment event in this state; to provide for the disposition of the proceeds of the tax; to create and operate a grant program; to prescribe the powers and duties of certain state departments; and to provide for certain exemptions.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "entertainment and cultural admissions tax act".

3 Sec. 2. As used in this act:

4 (a) "Admission charge" means the actual charge, excluding
5 memberships, paid to attend the entertainment event.

6 (b) "Arts education initiative grant program" means the arts
7 education initiative grant program created in section 8.

8 (c) "Cultural facilities" means a museum, library, auditorium,

1 botanical garden, or other facility designated or used for the
2 arts, including equipment and furnishings, that is owned by a local
3 governmental unit or a nonprofit cultural institution.

4 (d) "Department" means the department of history, arts, and
5 libraries.

6 (e) "Entertainment and cultural events fund" or "fund" means
7 the entertainment and cultural events fund created in section 6.

8 (f) "Entertainment event" or "event" means 1 or more of the
9 following that is not an exempt event:

10 (i) Zoo.

11 (ii) Live theater.

12 (iii) Museum.

13 (iv) Opera.

14 (v) Professional sporting event.

15 (vi) Collegiate athletic event.

16 (vii) Concert.

17 (viii) Temporary or transient entertainment production.

18 (ix) Botanical gardens.

19 (x) Amusement parks.

20 (xi) Temporary or transient art, music, theatrical, dance,
21 literary, or cultural festival.

22 (g) "Exempt event" means an event that is 1 or more of the
23 following:

24 (i) All high school, middle school, and elementary or grade
25 school events.

26 (ii) Events sponsored by a nonprofit or charitable
27 organization, unless that organization received funds under this

1 act in the immediately preceding 12-month period.

2 (iii) Events sponsored by a nonprofit arts or cultural
3 organization that has an annual operating budget of less than
4 \$200,000.00.

5 (iv) Individual fund-raising events sponsored or conducted by
6 and the proceeds of which benefit a nonprofit or charitable
7 organization.

8 (v) Paid-admission events presented within or as a
9 programmatic part of an art, culture, or entertainment facility or
10 festival for which a previously paid entry or gate admission has
11 been collected to that facility or festival which has a higher
12 ticket price.

13 (vi) State, county, local, or agricultural fairs.

14 Sec. 3. (1) An excise tax is levied on the admission charge of
15 each entertainment event in this state.

16 (2) The rate of the excise tax is 5% of the admission charge
17 of the entertainment event.

18 Sec. 4. (1) The excise tax shall be collected at the same time
19 and in the same manner as the tax imposed under the use tax act,
20 1937 PA 94, MCL 205.91 to 205.111.

21 (2) The excise tax imposed by this act shall be administered
22 by the state treasurer under 1941 PA 122, MCL 205.1 to 205.31.

23 (3) The state treasurer shall prescribe the forms necessary
24 for the administration of this act and may promulgate necessary
25 rules under the administrative procedures act of 1969, 1969 PA 306,
26 MCL 24.201 to 24.328.

27 Sec. 5. A taxpayer may reimburse himself or herself by adding

1 the amount of the tax to the admission charge.

2 Sec. 6. (1) The entertainment and cultural events fund is
3 created within the state treasury.

4 (2) The proceeds from the collection of the excise tax imposed
5 under this act shall be deposited with the state treasurer and
6 credited to the fund.

7 (3) The state treasurer may receive money or other assets from
8 any source for deposit into the fund. The state treasurer shall
9 direct the investment of the fund. The state treasurer shall credit
10 to the fund interest and earnings from fund investments.

11 (4) Money in the fund at the close of the fiscal year shall
12 remain in the fund and shall not lapse to the general fund.

13 (5) The department shall expend money from the fund, upon
14 appropriation, in the following order of priority:

15 (a) The first \$30,000,000.00 to the department for projects
16 authorized by the Michigan council for the arts and cultural
17 affairs.

18 (b) The next \$10,000,000.00 to be used for economic
19 development and promotion of professional sporting events and
20 concerts in this state.

21 (c) The next \$5,000,000.00 to the department to fund the
22 grants for cultural facilities described in this act.

23 (d) The next \$5,000,000.00 to the department of education to
24 fund the arts education initiative grant program.

25 (e) The remaining amount in the fund shall be divided
26 proportionally among the items described in subdivisions (a), (b),
27 and (c).

1 Sec. 7. (1) The department shall create and operate a grant
2 program and shall provide grants to local governmental units for
3 the development of cultural facilities.

4 (2) The department shall have all administrative
5 responsibility for the grant program, including the establishment
6 of additional application and program criteria.

7 (3) The grants described in this section shall only be awarded
8 if a list of grants and the grant recipients are approved in an
9 appropriation act.

10 Sec. 8. (1) The department of education shall create and
11 operate an arts education initiative grant program. The arts
12 education initiative grant program shall support quality
13 educational programs in the arts in Michigan public schools. The
14 goal of the program is to fund the development of a districtwide
15 arts education infrastructure that aligns with the Michigan
16 department of education's content standards, benchmarks, and
17 curriculum framework and leads to a strategic, long-range plan for
18 enabling all students to achieve or exceed the state standards in
19 the arts.

20 (2) School districts can apply for the arts education
21 initiative grant through a competitive application process for a
22 grant between \$15,000.00 and \$25,000.00 to develop a long-range
23 arts education master plan. Specifically, the arts education
24 initiative grant will support all of the following:

25 (a) Professional development for elementary generalists and K-
26 12 arts specialists and administrators in the delivery of
27 standards-based sequential arts curriculum and assessment of

1 students' learning.

2 (b) Development of curriculum and assessment tools.

3 (c) Leadership development among administrators.

4 (d) Development of networks that foster collaborative
5 initiatives and professional growth.

6 (3) The state board of education shall issue guidelines for
7 the development and implementation of the arts education initiative
8 grant program. The department of education shall do all of the
9 following:

10 (a) Administer and enforce the provisions of the arts
11 education initiative grant program.

12 (b) Assist local school districts in developing and evaluating
13 their districtwide, long-range arts education master plan.

14 (c) Ensure that arts education initiative grants provide for
15 the educational needs of students in the areas of visual arts,
16 music, theater or dance, or any combination of these areas.

17 Sec. 9. The department shall not provide a grant to a local
18 governmental unit for the development of cultural facilities unless
19 the local governmental unit provides a cash match or repayment
20 guarantee with a dedicated funding source, as determined by the
21 department.