



Senate Fiscal Agency
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House Bill 6515 (as passed by the House)
Sponsor: Representative Robert Jones
House Committee: Commerce

CONTENT

The bill would amend Public Act 180 of 1991, which allows an eligible municipality to impose an excise tax on bars, restaurants, hotels, motels, and motor vehicle rental businesses for the development of a stadium or convention facility, to decrease the required population of a city in a county under the definition of "eligible municipality".

This definition includes several categories of counties that must meet various population criteria and contain a city that also must meet population criteria, or the most populous city in those counties, if either intends to impose a tax under the Act for purposes related to a stadium or a convention facility. One of the categories is a county with a population of less than 300,000 containing a city with a population of more than 100,000. Under the bill, the city would have to have a population of more than 70,000.

MCL 207.751

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have no effect on State revenue or expenditure, but could potentially increase local unit revenue. Because the revenue generated could be used only for certain restricted purposes, the bill also could be associated with increased local unit expenditures. The change would affect only the City of Kalamazoo. However, after the bill's enactment, the city's voters would need to approve a ballot measure allowing the permitted taxes to be imposed. It is unknown whether a ballot measure would pass and no information is available to estimate the revenue the taxes could generate.

Date Completed: 12-2-08

Fiscal Analyst: David Zin