

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5691**

A bill to amend 1985 PA 106, entitled
"State convention facility development act,"
by amending sections 3, 8, 9, 10, 12, and 20 (MCL 207.623, 207.628,
207.629, 207.630, 207.632, and 207.640), section 3 as amended by
2006 PA 609, sections 8, 9, and 10 as amended by 2007 PA 72, and
section 12 as amended by 2002 PA 237.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. As used in this act:

2 (a) "Accommodations" means the room or other space provided to
3 transient guests for dwelling, lodging, or sleeping, including
4 furnishings and other accessories, in a facility that is not a
5 campground, hospital, nursing home, emergency shelter, or community
6 mental health or community substance abuse treatment facility.

1 Accommodations do not include food or beverages.

2 (b) "Commissioner" means the state treasurer.

3 (c) "Convention facility" means 1 or more facilities owned or
4 leased by a local governmental unit that are any combination of a
5 convention hall, auditorium, meeting rooms, and exhibition areas
6 that are separate and distinct and contiguous to each other, and
7 related adjacent public areas generally available to members of the
8 public for lease on a short-term basis for holding conventions,
9 meetings, exhibits, and similar events and the necessary site or
10 sites, together with appurtenant properties necessary and
11 convenient for use in connection with the facility.

12 (d) "Convention hotel" means a facility used in the business
13 of providing accommodations that has more than 80 rooms for
14 providing accommodations to transient guests and that complies with
15 all of the following:

16 (i) Located within a county having a population according to
17 the most recent decennial census of ~~750,000~~ **700,000** or more.

18 (ii) Located within a county that is 1 or more of the
19 following:

20 (A) A county ~~which~~ **THAT** has a convention facility with 350,000
21 square feet or more of total exhibit space.

22 (B) A county that has 2,000 or more rooms to provide
23 accommodations for transient guests.

24 **(E) "LOCAL GOVERNMENTAL UNIT" MEANS A COUNTY, TOWNSHIP, CITY,**
25 **VILLAGE, OR A METROPOLITAN AUTHORITY FORMED UNDER THE REGIONAL**
26 **CONVENTION FACILITY AUTHORITY ACT.**

27 **(F) ~~(e)~~**"Person" means a natural person, partnership,

House Bill No. 5691 as amended December 19, 2008

1 fiduciary, association, corporation, or other entity.

2 (G) ~~(F)~~—"Room charge" means the charge imposed for the use or
 3 occupancy of accommodations, excluding charges for food, beverages,
 4 telephone services, the use tax imposed under the use tax act, 1937
 5 PA 94, MCL 205.91 to 205.111, or like services paid in connection
 6 with the charge. Room charge does not include reimbursement of the
 7 assessment imposed by the community convention or tourism marketing
 8 act, 1980 PA 395, MCL 141.871 to 141.880, the convention and
 9 tourism marketing act, 1980 PA 383, MCL 141.881 to ~~141.1889~~
 10 **141.889**, or this act.

11 (H) ~~(G)~~—"Transient guest" means a natural person staying less
 12 than 30 consecutive days.

13 Sec. 8. (1) The collections from the tax imposed by section 4
 14 shall be deposited in the state treasury, to the credit of the
 15 convention facility development fund, which is hereby created
 16 within the state treasury. Collections from the additional tax
 17 imposed under section 1207 of the Michigan liquor control code of
 18 1998, 1998 PA 58, MCL 436.2207, **FUNDS APPROPRIATED FROM THE 21ST**
 19 **CENTURY JOBS TRUST FUND UNDER SUBSECTION (4), AND AMOUNTS**
 20 **DESIGNATED UNDER SECTION <<5 (b) (iii)>> OF THE HEALTH AND SAFETY FUND ACT,**
 21 **1987**
 22 **PA 264, MCL 141.475**, shall also be deposited to the credit of the
 23 convention facility development fund.

24 (2) The convention facility development fund shall be
 25 distributed for certain state purposes and to local governmental
 26 units for use only for 1 or more of the following purposes:

27 (a) Acquiring, constructing, improving, enlarging, renewing,
 replacing, or leasing a convention facility.

1 (b) In conjunction with an activity listed in subdivision (a),
2 repairing, furnishing, and equipping the convention facility.

3 (c) Refinancing an activity listed in subdivision (a) or (b).

4 (d) General fund expenditures.

5 (E) **IN THE CASE OF A LOCAL GOVERNMENTAL UNIT THAT IS A**
6 **METROPOLITAN AUTHORITY, FOR ANY PURPOSE AUTHORIZED UNDER THE**
7 **REGIONAL CONVENTION FACILITY AUTHORITY ACT.**

8 (3) A contract made by a local governmental unit for the
9 purposes included in subsection (2)(a) or (b) concerning a
10 convention facility funded by distributions pursuant to section 9
11 shall contain a **FIXED PRICE OR** guaranteed maximum price for the
12 total cost of activities conducted for these purposes pursuant to
13 that contract.

14 (4) **FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2009,**
15 **\$9,000,000.00 IS APPROPRIATED FROM THE 21ST CENTURY JOBS TRUST FUND**
16 **DESCRIBED IN SECTION 2 OF THE MICHIGAN TRUST FUND ACT, 2000 PA 489,**
17 **MCL 12.252, TO AN AUTHORITY CREATED UNDER THE REGIONAL CONVENTION**
18 **FACILITY AUTHORITY ACT FOR THE PURPOSE OF DEVELOPING A QUALIFIED**
19 **CONVENTION FACILITY AS DEFINED UNDER THAT ACT.**

20 Sec. 9. (1) ~~On~~ **EXCEPT AS PROVIDED IN SUBSECTION (4), ON** or
21 before the thirtieth day of each month, the state treasurer shall
22 make a distribution from the convention facility development fund
23 to a qualified local governmental unit. The distribution shall be
24 an amount equal to the sum of the collections from the excise tax
25 levied for accommodations under this act for the previous month
26 from the convention hotels in the county in which the convention
27 facility is or is to be located and in any county in which

House Bill No. 5691 as amended December 19, 2008

1 convention hotels are located that is contiguous to the county in
2 which the convention facility is located, or is to be located, and
3 the additional tax imposed under section 1207 of the Michigan
4 liquor control code of 1998, 1998 PA 58, MCL 436.2207, for the
5 previous month received in the fund, **AND ANY DISTRIBUTION RECEIVED**
6 **UNDER SECTION 5(B) (iii) OF THE HEALTH AND SAFETY FUND ACT, 1987 PA**
7 **264, MCL 141.475 <<AND FROM THE 21ST CENTURY JOBS TRUST FUND UNDER**
8 **SECTION 8(4)>>**. However, distributions for any state fiscal year
9 to any qualified local governmental unit **UNDER THIS SECTION** shall
10 not exceed an amount equal to the amount pledged, assigned, or
11 dedicated by the qualified local governmental unit pursuant to
12 section 11 for the payment during that state fiscal year of bonds,
13 obligations, or other evidences of indebtedness incurred for the
14 purposes specified in this act **OR THE REGIONAL CONVENTION FACILITY**
15 **AUTHORITY ACT, PLUS OPERATING DEFICIT COST EXPENDITURES UNDER**
16 **SECTION 10**, plus any amount necessary to maintain a fully funded
17 debt reserve or other reserves intended to secure the principal and
18 interest on the bonds, obligations, or other evidences of
19 indebtedness as contained in the resolution or ordinance
20 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.

15 (3) As used in this act, "qualified local governmental unit"
16 means a city, village, township, county, or authority that is
17 located in, OR INCLUDES WITHIN ITS TERRITORY OR JURISDICTION, a
18 county in which convention hotels are located and that either is
19 the owner or lessee of a convention facility with 350,000 square
20 feet or more of total exhibit space on July 30, 1985 or, if such a
21 convention facility does not exist, will be the owner or lessee of
22 a convention facility with 350,000 square feet or more of total
23 exhibit space through the application of distributions under this
24 section to the purchase or lease of a convention facility.

25 ~~———— (4) Notwithstanding any other provision of this act, after the~~
26 ~~distributions under subsection (1), and before any distributions~~
27 ~~under section 10, for fiscal year 2004-2005 only, \$1,075,000.00~~

1 ~~shall be distributed to the state sports tourism fund. The money~~
2 ~~distributed to the state sports tourism fund described in this~~
3 ~~subsection, including any funds appropriated in fiscal year 2005-~~
4 ~~2006 from the state convention facility development fund, shall be~~
5 ~~deducted from the money described in section 10(2)(a) before any~~
6 ~~distribution is made under section 10(2)(a).~~

7 ~~—— (5) The state sports tourism fund is created within the state~~
8 ~~treasury.~~

9 ~~—— (6) The state treasurer may receive money or other assets from~~
10 ~~any source for deposit into the state sports tourism fund. The~~
11 ~~state treasurer shall direct the investment of the state sports~~
12 ~~tourism fund. The state treasurer shall credit to the state sports~~
13 ~~tourism fund interest and earnings from the state sports tourism~~
14 ~~fund investments.~~

15 ~~—— (7) Money in the state sports tourism fund at the close of the~~
16 ~~fiscal year shall remain in the state sports tourism fund and shall~~
17 ~~not lapse to the general fund. However, money remaining in the fund~~
18 ~~on September 30, 2006, shall lapse to the convention facility~~
19 ~~development fund.~~

20 ~~—— (8) The department of treasury shall expend money from the~~
21 ~~state sports tourism fund, upon appropriation, only for grants to~~
22 ~~Super Bowl XL host committee functions related to hosting, staging,~~
23 ~~or execution of Super Bowl XL activities or to reimburse a county~~
24 ~~not more than \$500,000.00 for contributions or grants already made~~
25 ~~to the Super Bowl XL host committee for functions related to~~
26 ~~hosting, staging, or execution of Super Bowl XL activities. Money~~
27 ~~shall not be distributed to the state sports tourism fund that~~

1 ~~impairs obligations, bonds, or other evidences of indebtedness~~
2 ~~issued under this act.~~

3 ~~—— (9) The department of treasury shall expend money from the~~
4 ~~state sports tourism fund, upon appropriation of not more than~~
5 ~~\$1,000,000.00, for Super Bowl XL host committee functions related~~
6 ~~to security operations of Super Bowl XL activities. Money shall not~~
7 ~~be distributed to the state sports tourism fund that impairs~~
8 ~~obligations, bonds, or other evidences of indebtedness issued under~~
9 ~~this act.~~

10 ~~—— (10) Notwithstanding any other provision of this act, after~~
11 ~~the distributions under subsection (1) and before any distributions~~
12 ~~under section 10, for the fiscal year ending September 30, 2007~~
13 ~~only, \$35,000,000.00 is transferred to the general fund and is~~
14 ~~appropriated for general fund expenditures.~~

15 **(4) BEFORE THE 2015-2016 FISCAL YEAR, COLLECTIONS FROM THE**
16 **EXCISE TAX LEVIED FOR ACCOMMODATIONS UNDER THIS ACT AND COLLECTIONS**
17 **FROM THE TAX IMPOSED UNDER SECTION 1207 OF THE MICHIGAN LIQUOR**
18 **CONTROL CODE OF 1998, 1998 PA 58, MCL 436.2207, SHALL NOT BE PAID**
19 **TO A QUALIFIED LOCAL GOVERNMENTAL UNIT FOR THE REPAYMENT OF BONDS,**
20 **OBLIGATIONS, OR OTHER EVIDENCES OF INDEBTEDNESS INCURRED AFTER**
21 **2007.**

22 **Sec. 10. (1) Any money remaining in the convention facility**
23 **development fund that is not used for the bonds, obligations, or**
24 **other evidences of indebtedness described in section 9 shall be**
25 **distributed pursuant to subsection (2).**

26 **(2) Money in the convention facility development fund shall be**
27 **distributed as provided in subsection (4) in the following order of**

1 priority in the following amounts:

2 (A) FOR EACH OF THE FOLLOWING FISCAL YEARS, THE FOLLOWING
3 AMOUNTS SHALL BE DISTRIBUTED TO A METROPOLITAN AUTHORITY CREATED
4 UNDER THE REGIONAL CONVENTION FACILITY AUTHORITY ACT FOR THE
5 OPERATIONAL DEFICIT COSTS OF A QUALIFIED CONVENTION FACILITY
6 OPERATED BY THE AUTHORITY UNDER THAT ACT:

7 (i) \$9,400,000.00 FOR THE FISCAL YEAR ENDING SEPTEMBER 30,
8 2009.

9 (ii) \$11,000,000.00 EACH FISCAL YEAR FOR THE FISCAL YEARS
10 ENDING SEPTEMBER 30, 2010 AND SEPTEMBER 30, 2011.

11 (iii) \$9,000,000.00 EACH FISCAL YEAR FOR THE FISCAL YEARS ENDING
12 SEPTEMBER 30, 2012 AND SEPTEMBER 30, 2013.

13 (iv) \$8,000,000.00 EACH FISCAL YEAR FOR THE FISCAL YEARS ENDING
14 SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2015.

15 (v) \$7,000,000.00 FOR THE FISCAL YEAR ENDING SEPTEMBER 30,
16 2016.

17 (vi) \$6,000,000.00 FOR THE FISCAL YEAR ENDING SEPTEMBER 30,
18 2017.

19 (vii) \$5,000,000.00 EACH FISCAL YEAR FOR THE FISCAL YEARS
20 ENDING SEPTEMBER 30, 2018 AND SEPTEMBER 30, 2019.

21 (viii) \$5,000,000.00 FOR THE FISCAL YEAR ENDING SEPTEMBER 30,
22 2020.

23 (ix) \$5,000,000.00 FOR THE FISCAL YEAR ENDING SEPTEMBER 30,
24 2021.

25 (x) \$5,000,000.00 FOR THE FISCAL YEAR ENDING SEPTEMBER 30,
26 2022.

27 (xi) \$5,000,000.00 FOR THE FISCAL YEAR ENDING SEPTEMBER 30,

1 2023.

2 (B) ~~(a) An~~ **FOR FISCAL YEARS ENDING BEFORE OCTOBER 1, 2009, AN**
3 amount equal to the difference, if any, between the tax imposed
4 under this act in the preceding state fiscal year that is
5 designated under section 9 to a qualified local governmental unit
6 and the tax imposed under this act that is designated under section
7 9 in the state fiscal year immediately preceding the preceding
8 state fiscal year for the same local governmental unit shall be
9 distributed to that local governmental unit. This subdivision does
10 not apply unless a tax has been imposed under this act in the
11 entire 2 state fiscal years immediately preceding the state fiscal
12 year in which a distribution under this subdivision is made. Any
13 amount distributed under this subdivision shall be used by the
14 local governmental unit only for the retirement of outstanding
15 bonds, obligations, or other evidences of indebtedness incurred for
16 which distributions under section 9 are pledged. A distribution
17 under this subdivision shall not be made to the extent that the
18 obligations, bonds, or other evidences of indebtedness cannot be
19 retired or are not outstanding.

20 (C) ~~(b) An~~ **FOR FISCAL YEARS ENDING BEFORE OCTOBER 1, 2015, AN**
21 amount equal to that portion of the liquor tax collected under
22 section 1207 of the Michigan liquor control code of 1998, 1998 PA
23 58, MCL 436.2207, from licensees in counties in which convention
24 hotels are not located shall be distributed to those counties in
25 which convention hotels are not located in the same proportion that
26 the amount of tax collected under section 1207 of the Michigan
27 liquor control code of 1998, 1998 PA 58, MCL 436.2207, in the

1 preceding state fiscal year from the licensees in a county bears to
2 the total tax collections under section 1207 of the Michigan liquor
3 control code of 1998, 1998 PA 58, MCL 436.2207, in the preceding
4 state fiscal year from all counties in which convention hotels are
5 not located.

6 (D) ~~(e) The~~ **FOR FISCAL YEARS ENDING BEFORE OCTOBER 1, 2015,**
7 **THE** remaining money available after distributions under
8 subdivisions (a), ~~and~~ (b), **AND (C)** shall be distributed to each
9 county in the following amounts:

10 (i) The amount of money available to be distributed under this
11 subdivision multiplied by the percentage of collections in the
12 preceding state fiscal year under section 1207 of the Michigan
13 liquor control code of 1998, 1998 PA 58, MCL 436.2207, from
14 licensees in counties in which convention hotels are not located
15 shall be distributed to each county in which convention hotels are
16 not located in the same proportion that the amount of tax collected
17 pursuant to section 1207 of the Michigan liquor control code of
18 1998, 1998 PA 58, MCL 436.2207, in the preceding state fiscal year
19 from licensees in that county bears to the total tax collections
20 from section 1207 of the Michigan liquor control code of 1998, 1998
21 PA 58, MCL 436.2207, in the preceding state fiscal year from all
22 counties in which convention hotels are not located.

23 (ii) The amount of money available to be distributed under this
24 subdivision multiplied by the percentage of collections in the
25 preceding state fiscal year under section 1207 of the Michigan
26 liquor control code of 1998, 1998 PA 58, MCL 436.2207, from
27 licensees in counties in which convention hotels are located shall

1 be distributed to each county in which convention hotels are
2 located in the same proportion that the amount of tax collected
3 pursuant to section 1207 of the Michigan liquor control code of
4 1998, 1998 PA 58, MCL 436.2207, in the preceding state fiscal year
5 from licensees in that county bears to the total tax collections
6 from section 1207 of the Michigan liquor control code of 1998, 1998
7 PA 58, MCL 436.2207, in the preceding state fiscal year from all
8 counties in which convention hotels are located. However, in the
9 calculation of the proportion represented by a county's share of
10 distributions under this subparagraph, the amount of the tax
11 collected from licensees in the qualified local governmental unit
12 that received distributions under section 9 in ~~the last state~~
13 fiscal year 2007-2008 shall not be included.

14 (E) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2016, AN AMOUNT
15 EQUAL TO THE PRODUCT OF THE TOTAL AMOUNT OF TAX COLLECTED UNDER
16 SECTION 1207 OF THE MICHIGAN LIQUOR CONTROL CODE OF 1998, 1998 PA
17 58, MCL 436.2207, AND DISTRIBUTED TO ALL COUNTIES IN THE 2014-2015
18 FISCAL YEAR MULTIPLIED BY 1.01 SHALL BE DISTRIBUTED TO ALL COUNTIES
19 AS PROVIDED IN THIS SUBDIVISION. FOR FISCAL YEARS BEGINNING AFTER
20 SEPTEMBER 30, 2016, AN AMOUNT EQUAL TO THE PRODUCT OF THE AMOUNT OF
21 LIQUOR TAX DISTRIBUTIONS IN THE IMMEDIATELY PRECEDING FISCAL YEAR
22 MULTIPLIED BY 1.01, NOT TO EXCEED THE TOTAL AMOUNT OF TAX COLLECTED
23 UNDER SECTION 1207 OF THE MICHIGAN LIQUOR CONTROL CODE OF 1998,
24 1998 PA 58, MCL 436.2207, SHALL BE DISTRIBUTED TO COUNTIES.
25 DISTRIBUTIONS TO EACH COUNTY UNDER THIS SUBDIVISION SHALL BE
26 CALCULATED AS FOLLOWS:

27 (i) THE AMOUNT OF MONEY AVAILABLE TO BE DISTRIBUTED UNDER THIS

1 SUBDIVISION MULTIPLIED BY THE PERCENTAGE OF COLLECTIONS IN THE
2 IMMEDIATELY PRECEDING STATE FISCAL YEAR UNDER SECTION 1207 OF THE
3 MICHIGAN LIQUOR CONTROL CODE OF 1998, 1998 PA 58, MCL 436.2207,
4 FROM LICENSEES IN COUNTIES IN WHICH CONVENTION HOTELS ARE NOT
5 LOCATED SHALL BE DISTRIBUTED TO EACH COUNTY IN WHICH CONVENTION
6 HOTELS ARE NOT LOCATED IN THE SAME PROPORTION THAT THE AMOUNT OF
7 TAX COLLECTED PURSUANT TO SECTION 1207 OF THE MICHIGAN LIQUOR
8 CONTROL CODE OF 1998, 1998 PA 58, MCL 436.2207, IN THE IMMEDIATELY
9 PRECEDING STATE FISCAL YEAR FROM LICENSEES IN THAT COUNTY BEARS TO
10 THE TOTAL TAX COLLECTIONS FROM SECTION 1207 OF THE MICHIGAN LIQUOR
11 CONTROL CODE OF 1998, 1998 PA 58, MCL 436.2207, IN THE IMMEDIATELY
12 PRECEDING STATE FISCAL YEAR FROM ALL COUNTIES IN WHICH CONVENTION
13 HOTELS ARE NOT LOCATED.

14 (ii) THE AMOUNT OF MONEY AVAILABLE TO BE DISTRIBUTED UNDER THIS
15 SUBDIVISION MULTIPLIED BY THE PERCENTAGE OF COLLECTIONS IN THE
16 IMMEDIATELY PRECEDING STATE FISCAL YEAR UNDER SECTION 1207 OF THE
17 MICHIGAN LIQUOR CONTROL CODE OF 1998, 1998 PA 58, MCL 436.2207,
18 FROM LICENSEES IN COUNTIES IN WHICH CONVENTION HOTELS ARE LOCATED
19 SHALL BE DISTRIBUTED TO EACH COUNTY IN WHICH CONVENTION HOTELS ARE
20 LOCATED IN THE SAME PROPORTION THAT THE AMOUNT OF TAX COLLECTED
21 PURSUANT TO SECTION 1207 OF THE MICHIGAN LIQUOR CONTROL CODE OF
22 1998, 1998 PA 58, MCL 436.2207, IN THE IMMEDIATELY PRECEDING STATE
23 FISCAL YEAR FROM LICENSEES IN THAT COUNTY BEARS TO THE TOTAL TAX
24 COLLECTIONS FROM SECTION 1207 OF THE MICHIGAN LIQUOR CONTROL CODE
25 OF 1998, 1998 PA 58, MCL 436.2207, IN THE IMMEDIATELY PRECEDING
26 STATE FISCAL YEAR FROM ALL COUNTIES IN WHICH CONVENTION HOTELS ARE
27 LOCATED. HOWEVER, IN THE CALCULATION OF THE PROPORTION REPRESENTED

1 BY A COUNTY'S SHARE OF DISTRIBUTIONS UNDER THIS SUBPARAGRAPH, THE
2 AMOUNT OF THE TAX COLLECTED FROM LICENSEES IN THE QUALIFIED LOCAL
3 GOVERNMENTAL UNIT THAT RECEIVED DISTRIBUTIONS UNDER SECTION 9 IN
4 THE 2007-2008 STATE FISCAL YEAR SHALL NOT BE INCLUDED.

5 (F) BEGINNING WITH THE FISCAL YEAR ENDING ON SEPTEMBER 30,
6 2016, AND EACH FISCAL YEAR THEREAFTER, IF THE REVENUE IN THE
7 CONVENTION FACILITY DEVELOPMENT FUND EXCEEDS THE AMOUNTS
8 DISTRIBUTED UNDER SECTION 9 AND THE DISTRIBUTIONS UNDER SUBDIVISION
9 (E), THE EXCESS SHALL BE DISTRIBUTED TO A QUALIFIED LOCAL
10 GOVERNMENTAL UNIT THAT IS A METROPOLITAN AUTHORITY TO BE USED BY
11 THAT QUALIFIED LOCAL GOVERNMENTAL UNIT ONLY FOR THE RETIREMENT OF
12 OUTSTANDING BONDS, OBLIGATIONS, OR OTHER EVIDENCES OF INDEBTEDNESS
13 INCURRED FOR WHICH DISTRIBUTIONS UNDER SECTION 9 ARE PLEDGED AND
14 FOR A QUALIFIED GOVERNMENTAL UNIT THAT IS A METROPOLITAN AUTHORITY
15 OR NEXT FOR THE PAYMENT OF ANY UNFUNDED OPERATIONAL DEFICIT COSTS
16 INCURRED DURING THE PRIOR FISCAL YEAR BY A METROPOLITAN AUTHORITY
17 CREATED UNDER THE REGIONAL CONVENTION FACILITY AUTHORITY ACT FOR
18 THE OPERATION OF A QUALIFIED CONVENTION FACILITY UNDER THAT ACT.

19 (3) A distribution to a county pursuant to this section shall
20 be included for purposes of the calculations required to be made by
21 section 24e of the general property tax act, 1893 PA 206, MCL
22 211.24e. If the governing body of a taxing unit approves the
23 additional millage rate under section 24e of the general property
24 tax act, 1893 PA 206, MCL 211.24e, which is due to distributions
25 pursuant to this section, then an amount equal to 50% of the
26 distribution under this section shall be used for substance abuse
27 treatment within the taxing unit.

1 (4) Beginning October 1, 2007 and each year thereafter, from
2 the revenue collected during the previous quarter, after
3 distributing the monthly payments under section 9(1), the state
4 treasurer shall make quarterly distributions under subsection
5 (2)(b) and (c) **OR UNDER SUBSECTION (2)(E)**. From the revenue
6 collected in the last quarter of the state fiscal year, the state
7 treasurer shall make the distribution under subsection (2)(a) prior
8 to any distributions under subsection (2)(b) and (c) **OR (E)**.

9 Sec. 12. (1) Subject to approval pursuant to section 11, a
10 local governmental unit may assign or pledge all or a portion of
11 the distribution of taxes that the local governmental unit is
12 eligible to receive under this act for payment of bonds,
13 obligations, or other evidences of indebtedness for the purposes
14 specified in section 8(2). If a local governmental unit assigns,
15 pledges, or, pursuant to section 11(3), dedicates all or a portion
16 of the distribution of taxes that the local governmental unit is
17 eligible to receive under this act for payment of bonds,
18 obligations, or other evidences of indebtedness incurred for the
19 purposes specified in this act, the state treasurer may transmit to
20 the duly appointed trustee or trustees for the bonds, obligations,
21 or other evidences of indebtedness, if any, the payment of the
22 distribution assigned, pledged, or dedicated by the local
23 governmental unit.

24 (2) A local governmental unit **THAT BECOMES A QUALIFIED LOCAL**
25 **GOVERNMENTAL UNIT BEFORE MAY 1, 2008** shall not issue bonds,
26 obligations, or other evidences of indebtedness to which
27 distributions under section 9 are pledged in a principal amount

House Bill No. 5691 as amended December 19, 2008

1 greater than \$180,000,000.00. This limit does not apply to
2 refunding bonds, obligations, or other evidences of indebtedness
3 issued pursuant to section 11(2) or to bonds, obligations, or other
4 evidences of indebtedness to which distributions of taxes from the
5 convention facility development fund are dedicated under section
6 11(3). A LOCAL GOVERNMENTAL UNIT THAT BECOMES A QUALIFIED LOCAL
7 GOVERNMENTAL UNIT AFTER DECEMBER 1, 2008 SHALL NOT ISSUE BONDS,
8 OBLIGATIONS, OR OTHER EVIDENCES OF INDEBTEDNESS TO WHICH
9 DISTRIBUTIONS UNDER SECTION 9 ARE PLEDGED IN ORDER TO FINANCE A
10 <<TOTAL>> COST <<FOR ALL PROJECTS UNDERTAKEN BY THE QUALIFIED LOCAL
GOVERNMENTAL UNIT>> THAT EXCEEDS \$299,000,000.00. THE COST OF <<A>>
11 PROJECT IN ADDITION TO CONSTRUCTION AND ACQUISITION COSTS MAY
12 INCLUDE AN ALLOWANCE FOR LEGAL, ENGINEERING, ARCHITECTURAL, AND
13 CONSULTING SERVICES. THE FOLLOWING SHALL NOT BE CONSIDERED COSTS OF
14 <<A>> PROJECT AND MAY BE FINANCED WITH THE PROCEEDS OF BONDS,
15 OBLIGATIONS, OR OTHER EVIDENCES OF INDEBTEDNESS FOR WHICH SECTION 9
16 DISTRIBUTIONS ARE PLEDGED:

17 (A) INTEREST ON REVENUE OBLIGATIONS ISSUED TO FINANCE THE
18 PROJECT BECOMING DUE BEFORE THE COLLECTION OF THE FIRST REVENUES
19 AVAILABLE FOR THE PAYMENT OF THOSE REVENUE OBLIGATIONS.

20 (B) A RESERVE FOR THE PAYMENT OF PRINCIPAL, INTEREST, AND
21 REDEMPTION PREMIUMS ON THE REVENUE OBLIGATIONS OF THE QUALIFIED
22 LOCAL GOVERNMENTAL UNIT, AND OTHER NECESSARY INCIDENTAL EXPENSES
23 INCLUDING, BUT NOT LIMITED TO, PLACEMENT FEES, FEES OR CHARGES FOR
24 INSURANCE, LETTERS OF CREDIT, LINES OF CREDIT, REMARKETING
25 AGREEMENTS, OR COMMITMENTS TO PURCHASE OBLIGATIONS ISSUED PURSUANT
26 TO THIS ACT.

27 (C) FEES OR CHARGES ASSOCIATED WITH AN AGREEMENT TO MANAGE

House Bill No. 5691 as amended December 19, 2008

1 PAYMENT, REVENUE, OR INTEREST RATE EXPOSURE.

2 (D) ANY OTHER FEES OR CHARGES FOR ANY OTHER SECURITY PROVIDED
3 TO ASSURE TIMELY PAYMENT OF THE OBLIGATIONS.

4 (E) REFUNDING BONDS.

5 Sec. 20. The tax imposed by this act shall not be levied after
6 THE EARLIER OF December 31, ~~2015~~—2039 OR 30 DAYS AFTER ALL BONDS,
7 NOTES, OR OTHER OBLIGATIONS ISSUED BY A METROPOLITAN AUTHORITY
8 FORMED UNDER THE REGIONAL CONVENTION FACILITY AUTHORITY ACT FOR
9 PURPOSES AUTHORIZED UNDER THAT ACT ARE RETIRED.

10 Enacting section 1. This amendatory act does not take effect
11 unless all of the following bills of the 94th Legislature are
12 enacted into law:

13 (a) Senate Bill No. 1630.

14 (b) Senate Bill No. 1633.

<<(c) Senate Bill No. 880.

(d) Senate Bill No. 881.>>