

SUBSTITUTE FOR
SENATE BILL NO. 774

A bill to amend 1985 PA 106, entitled
"State convention facility development act,"
by amending sections 8, 9, and 10 (MCL 207.628, 207.629, and
207.630), section 8 as amended by 1993 PA 58 and section 9 as
amended by 2005 PA 312.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8. (1) The collections from the tax imposed by section 4
2 shall be deposited in the state treasury, to the credit of the
3 convention facility development fund, which is hereby created
4 within the state treasury. Collections from the additional tax ~~on~~
5 ~~spirits imposed pursuant to the tourism and convention facility~~
6 ~~promotion tax act, Act No. 107 of the Public Acts of 1985, being~~
7 ~~sections 436.141 to 436.148 of the Michigan Compiled Laws~~ **UNDER**

1 **SECTION 1207 OF THE MICHIGAN LIQUOR CONTROL CODE OF 1998, 1998 PA**
2 **58, MCL 436.2207,** shall also be deposited to the credit of the
3 convention facility development fund.

4 (2) The convention facility development fund shall be
5 distributed **FOR CERTAIN STATE PURPOSES AND** to local governmental
6 units for use only for 1 or more of the following purposes:

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

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

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

12 **(D) GENERAL FUND EXPENDITURES.**

13 (3) A contract made by a local governmental unit for the
14 purposes included in subsection (2)(a) or (b) concerning a
15 convention facility funded by distributions pursuant to section 9
16 shall contain a guaranteed maximum price for the total cost of
17 activities conducted for these purposes pursuant to that contract.

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

1 section 1207 of the Michigan liquor control code of 1998, 1998 PA
2 58, MCL 436.2207, for the previous month received in the fund.
3 However, distributions for any state fiscal year to any qualified
4 local governmental unit shall not exceed an amount equal to the
5 amount pledged, assigned, or dedicated by the qualified local
6 governmental unit pursuant to section 11 for the payment during
7 that state fiscal year of bonds, obligations, or other evidences of
8 indebtedness incurred for the purposes specified in this act, plus
9 any amount necessary to maintain a fully funded debt reserve or
10 other reserves intended to secure the principal and interest on the
11 bonds, obligations, or other evidences of indebtedness as contained
12 in the resolution or ordinance authorizing their issuance.

13 (2) Notwithstanding the distributions provided by subsection
14 (1), if a local governmental unit becomes a qualified local
15 governmental unit entitled to receive distributions from the tax
16 imposed under section 1207 of the Michigan liquor control code of
17 1998, 1998 PA 58, MCL 436.2207, or from the tax imposed by this act
18 in counties in which the convention facility is located or in a
19 county in which a convention hotel is located that is contiguous to
20 the county in which the convention facility is located, no other
21 qualified local governmental unit is entitled to distributions
22 pursuant to this section for which that qualified local
23 governmental unit has previously become entitled.

24 (3) As used in this act, "qualified local governmental unit"
25 means a city, village, township, county, or authority that is
26 located in a county in which convention hotels are located and that
27 either is the owner or lessee of a convention facility with 350,000

1 square feet or more of total exhibit space on July 30, 1985 or, if
2 such a convention facility does not exist, will be the owner or
3 lessee of a convention facility with 350,000 square feet or more of
4 total exhibit space through the application of distributions under
5 this section to the purchase or lease of a convention facility.

6 (4) Notwithstanding any other provision of this act, after the
7 distributions under subsection (1), and before any distributions
8 under section 10, for fiscal year 2004-2005 only, \$1,075,000.00
9 shall be distributed to the state sports tourism fund. The money
10 distributed to the state sports tourism fund described in this
11 subsection, including any funds appropriated in fiscal year 2005-
12 2006 from the state convention facility development fund, shall be
13 deducted from the money described in section 10(2)(a) before any
14 distribution is made under section 10(2)(a).

15 (5) The state sports tourism fund is created within the state
16 treasury.

17 (6) The state treasurer may receive money or other assets from
18 any source for deposit into the state sports tourism fund. The
19 state treasurer shall direct the investment of the state sports
20 tourism fund. The state treasurer shall credit to the state sports
21 tourism fund interest and earnings from the state sports tourism
22 fund investments.

23 (7) Money in the state sports tourism fund at the close of the
24 fiscal year shall remain in the state sports tourism fund and shall
25 not lapse to the general fund. However, money remaining in the fund
26 on September 30, 2006, shall lapse to the convention facility
27 development fund.

1 (8) The department of treasury shall expend money from the
2 state sports tourism fund, upon appropriation, only for grants to
3 Super Bowl XL host committee functions related to hosting, staging,
4 or execution of Super Bowl XL activities or to reimburse a county
5 not more than \$500,000.00 for contributions or grants already made
6 to the Super Bowl XL host committee for functions related to
7 hosting, staging, or execution of Super Bowl XL activities. Money
8 shall not be distributed to the state sports tourism fund that
9 impairs obligations, bonds, or other evidences of indebtedness
10 issued under this act.

11 (9) The department of treasury shall expend money from the
12 state sports tourism fund, upon appropriation of not more than
13 \$1,000,000.00, for Super Bowl XL host committee functions related
14 to security operations of Super Bowl XL activities. Money shall not
15 be distributed to the state sports tourism fund that impairs
16 obligations, bonds, or other evidences of indebtedness issued under
17 this act.

18 **(10) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, AFTER**
19 **THE DISTRIBUTIONS UNDER SUBSECTION (1) AND BEFORE ANY DISTRIBUTIONS**
20 **UNDER SECTION 10, FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2007**
21 **ONLY, \$35,000,000.00 IS TRANSFERRED TO THE GENERAL FUND AND IS**
22 **APPROPRIATED FOR GENERAL FUND EXPENDITURES.**

23 Sec. 10. (1) Any money remaining in the convention facility
24 development fund ~~at the end of the state fiscal year~~ **THAT IS NOT**
25 **USED FOR THE BONDS, OBLIGATIONS, OR OTHER EVIDENCES OF INDEBTEDNESS**
26 **DESCRIBED IN SECTION 9** shall be ~~transferred to the general fund of~~
27 ~~the state treasury to be distributed in the next state fiscal year~~

1 pursuant to subsection (2).

2 (2) Money ~~transferred from~~ **IN** the convention facility
3 development fund ~~to the general fund pursuant to subsection (1)~~
4 shall be distributed **AS PROVIDED IN SUBSECTION (4)** in the following
5 order of priority in the following amounts:

6 (a) An amount equal to the difference, if any, between the tax
7 imposed ~~pursuant to~~ **UNDER** this act in the preceding state fiscal
8 year that is designated ~~pursuant to~~ **UNDER** section 9 to a qualified
9 local governmental unit and the tax imposed ~~pursuant to~~ **UNDER** this
10 act that is designated ~~pursuant to~~ **UNDER** section 9 in the state
11 fiscal year ~~prior to~~ **IMMEDIATELY PRECEDING** the preceding state
12 fiscal year for the same local governmental unit shall be
13 distributed to that local governmental unit. This subdivision ~~shall~~
14 **DOES** not apply unless a tax has been imposed under this act in the
15 entire 2 state fiscal years immediately preceding the state fiscal
16 year in which a distribution under this subdivision is made. Any
17 amount distributed ~~pursuant to~~ **UNDER** this subdivision shall be used
18 by the local governmental unit only for the retirement of
19 outstanding bonds, obligations, or other evidences of indebtedness
20 incurred for which distributions ~~pursuant to~~ **UNDER** section 9 are
21 pledged. A distribution under this subdivision shall not be made to
22 the extent that the obligations, bonds, or other evidences of
23 indebtedness cannot be retired or are not outstanding.

24 (b) ~~Of the money transferred pursuant to subsection (1) and~~
25 ~~remaining after distributions under subdivision (a), an~~ **AN** amount
26 equal to that portion of the liquor tax collected ~~pursuant to the~~
27 ~~convention facility promotion tax act~~ **UNDER SECTION 1207 OF THE**

1 MICHIGAN LIQUOR CONTROL CODE OF 1998, 1998 PA 58, MCL 436.2207,
 2 from licensees in counties in which convention hotels are not
 3 located shall be distributed to those counties in which convention
 4 hotels are not located in the same proportion that the amount of
 5 tax collected ~~pursuant to the convention facility promotion tax act~~
 6 UNDER SECTION 1207 OF THE MICHIGAN LIQUOR CONTROL CODE OF 1998,
 7 1998 PA 58, MCL 436.2207, in the preceding state fiscal year from
 8 the licensees in a county bears to the total tax collections
 9 ~~pursuant to the convention facility promotion tax act~~ UNDER SECTION
 10 1207 OF THE MICHIGAN LIQUOR CONTROL CODE OF 1998, 1998 PA 58, MCL
 11 436.2207, in the preceding state fiscal year from all counties in
 12 which convention hotels are not located.

13 (c) The remaining money ~~transferred pursuant to subsection (1)~~
 14 AVAILABLE after distributions under subdivisions (a) and (b) shall
 15 be distributed to each county in the following amounts:

16 (i) The amount of money available to be distributed under this
 17 subdivision multiplied by the percentage of collections in the
 18 preceding state fiscal year under ~~the convention facility promotion~~
 19 ~~tax act~~ SECTION 1207 OF THE MICHIGAN LIQUOR CONTROL CODE OF 1998,
 20 1998 PA 58, MCL 436.2207, from licensees in counties in which
 21 convention hotels are not located shall be distributed to each
 22 county in which convention hotels are not located in the same
 23 proportion that the amount of tax collected pursuant to ~~the~~
 24 ~~convention facility promotion tax act~~ SECTION 1207 OF THE MICHIGAN
 25 LIQUOR CONTROL CODE OF 1998, 1998 PA 58, MCL 436.2207, in the
 26 preceding state fiscal year from licensees in that county bears to
 27 the total tax collections from ~~the convention facility promotion~~

~~tax act~~ **SECTION 1207 OF THE MICHIGAN LIQUOR CONTROL CODE OF 1998,**
1998 PA 58, MCL 436.2207, in the preceding state fiscal year from
all counties in which convention hotels are not located.

(ii) The amount of money available to be distributed under this
subdivision multiplied by the percentage of collections in the
preceding state fiscal year under ~~the convention facility promotion~~

~~tax act~~ **SECTION 1207 OF THE MICHIGAN LIQUOR CONTROL CODE OF 1998,**
1998 PA 58, MCL 436.2207, from licensees in counties in which

convention hotels are located shall be distributed to each county
in which convention hotels are located in the same proportion that
the amount of tax collected pursuant to ~~the convention facility~~

~~promotion tax act~~ **SECTION 1207 OF THE MICHIGAN LIQUOR CONTROL CODE**
OF 1998, 1998 PA 58, MCL 436.2207, in the preceding state fiscal
year from licensees in that county bears to the total tax

collections from ~~the convention facility promotion tax act~~ **SECTION**
1207 OF THE MICHIGAN LIQUOR CONTROL CODE OF 1998, 1998 PA 58, MCL
436.2207, in the preceding state fiscal year from all counties in
which convention hotels are located. However, in the calculation of
the proportion represented by a county's share of distributions
under this subparagraph, the amount of the tax collected from
licensees in the qualified local governmental unit that received
distributions under section 9 in the last state fiscal year shall
not be included.

(3) A distribution to a county pursuant to this section shall
be included for purposes of the calculations required to be made by
section 24e of the general property tax act, ~~Act No. 206 of the~~
~~Public Acts of 1893, being section 211.24e of the Michigan Compiled~~

1 ~~Laws 1893 PA 206, MCL 211.24E.~~ If the governing body of a taxing
2 unit approves the additional millage rate under section 24e of the
3 general property tax act, ~~Act No. 206 of the Public Acts of 1893~~
4 **1893 PA 206, MCL 211.24E**, which is due to distributions pursuant to
5 this section, then an amount equal to 50% of the distribution under
6 this section shall be used for substance abuse treatment within the
7 taxing unit.

8 **(4) BEGINNING OCTOBER 1, 2007 AND EACH YEAR THEREAFTER, FROM**
9 **THE REVENUE COLLECTED DURING THE PREVIOUS QUARTER, AFTER**
10 **DISTRIBUTING THE MONTHLY PAYMENTS UNDER SECTION 9(1), THE STATE**
11 **TREASURER SHALL MAKE QUARTERLY DISTRIBUTIONS UNDER SUBSECTION**
12 **(2)(B) AND (C). FROM THE REVENUE COLLECTED IN THE LAST QUARTER OF**
13 **THE STATE FISCAL YEAR, THE STATE TREASURER SHALL MAKE THE**
14 **DISTRIBUTION UNDER SUBSECTION (2)(A) PRIOR TO ANY DISTRIBUTIONS**
15 **UNDER SUBSECTION (2)(B) AND (C).**